



Department of Infrastructure, Transport, Regional Development, Communications & The Arts
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NATIONAL CULTURAL POLICY SUBMISSION AUGUST 2022

Submitted: By Adrienne Pecotic, CEO on behalf of **Independent Cinemas Australia (ICA)** and may be published on the website or attributed in the National Cultural Policy Report

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ABOUT ICA

Independent Cinemas Australia is a not-for-profit industry association that develops, supports, and represents the interests of independent cinemas and their affiliates. Independent cinemas are mostly small and family businesses located in every state and territory in Australia from single screens in rural areas through to metropolitan multiplex circuits.

The majority of ICA's independent cinemas are in regional Australia providing vital social and cultural infrastructure to their local communities. Many independent cinemas are also in key metro locations. They are among Australia's most iconic art-house cinemas ensuring high-quality cinema and diversity of choice for film lovers in every major city.

We represent 173 independent cinemas across 709 screens in Australia.

We support and wish to participate with the Albanese Government in developing its new National Cultural Policy. We also support the submission of the Australian Feature Film Group.

FIRST NATIONS FIRST

First nations people have a very old and proud culture. Unfortunately, it is just not appropriately acknowledged as part of a national culture. Furthermore, there is a massive social and economic imbalance between the majority of indigenous people and other non-indigenous Australians.

Individually, first nations people are actively contributing to the national arts (painting, music, film etc) and thus the culture of the nation. Indeed, Aboriginal art is unique and is a highly internationally acknowledged art form. So too are music and film making. This presents an opportunity to fully acknowledge that First Nations culture within our national culture and greatly enhance that national culture.

The challenge is to create a smooth and straight road for our indigenous people to become "equal" in our society. They have people with the ability and knowledge they just need the opportunity.

ICA seeks to work with the Government and with indigenous Australians to identify opportunities to recognise, respect and promote Aboriginal and Torres Strait Islander stories at independent cinemas.

A PLACE FOR EVERY STORY

More Australians go to the movies than any other cultural venue or event (ABS 2019).

Sharing diverse Australian stories at the cinema alongside international films, and Hollywood 'blockbusters' has long been recognised as a vital part of our communities' social and cultural cohesion. The production, distribution and exhibition of these stories is a high-risk venture in a highly competitive market. However, the social and cultural contribution of these stories to the Australian public, the importance of these films in promoting Australia abroad, and the experience of sharing these stories at local cinemas all across Australia, is immensely valuable as has been recognised and supported by successive Australian governments.

Not all stories are suited to a cinema release. However, the relative success of Australian features at the cinema during the height of the COVID19 pandemic demonstrated the potential for more diverse Australian films and documentaries to reach wider audiences and generate significant additional commercial success at the box office given adequate support.

A Government/Agency-led examination of funding and policy settings is essential to ensure the adaptation of funding strategies for feature films in a vastly changed screen content eco-system than existed in the lead up to

the 2013 National Cultural Policy. This exploration should aim to better leverage investment in Australian films, increase marketing spend, and deliver a more balanced risk/reward ratio in the distribution channels and recoupment waterfall that works for all parties along the value chain.

REACHING THE AUDIENCE

Going to the cinema is a longstanding part of our culture, this is particularly so in regional Australia. It is affordable and accessible to the vast majority of Australians.

Australia produces and releases on average between 40-60 feature films annually. While some achieve cultural, critical, or festival success, few reach their intended audience and achieve commercial success. Over the past two years, the exponential growth of content on streaming services has demonstrated a shift in audience behavior to at-home entertainment driven by the COVID19 pandemic. However, the experience of seeing and sharing Australian culture with family and friends at the cinema is not readily substituted on other platforms. In fact, the visibility and commercial success of feature films and documentaries on downstream platforms is most often a direct factor of their box office performance at the cinema.

Our cinemas not only provide jobs and pay taxes, but they provide a social environment for Australian story telling. Unlike other media (free to air TV, streaming etc) cinemas bring people together and create a social interaction.

Most importantly, they do so at little or no cost to government and the public purse.

Accordingly, it is in the public interest that Australian cinemas, as a community resource, an employment source, commercial enterprise, and social asset be recognised in our National Cultural Policy for their important contribution to our culture and our film industry.

Independent cinemas in particular contribute up to 90% of the box office for Australian feature films and documentaries and offer the most diverse range of content to the Australian public. Unfortunately, year to date overall cinema box office revenue for 2022 remains 20.9% down on 2019 levels.

We submit that the important role and place for cinemas in our local communities, especially emerging from the pandemic, and the contribution of independent cinemas to our national culture reaching the Australian audience needs to be more actively acknowledged and supported by our Governments and Screen Agencies than has been required prior to the pandemic.

Reaching the cinema audience is also a direct factor of the available marketing budget. Australian films, competing in a crowded market against US franchise films with massive marketing spends, are most often unable to raise awareness no matter how good the films are.

There is a growing need to improve cut-through for Australian film releases and for the industry and screen agencies to rethink and reform advertising, publicity and marketing strategies. There is also significant pressure for screen agencies to give marketing as much funding priority as film development to ensure the films produced connect with their cinema audience.

Other potential Government policies that can advance the goal of reaching cinema audiences include:

- Exploring incentives that drive competitive domestic theatrical marketing policies and strategies.
- Building audiences of the future by establishing an ongoing 'Brand Australia' marketing campaign highlighting upcoming film releases. ICA and our member exhibitors would actively promote this in their programs. This worked very effectively in early 2021 with Screen Australia's ***Our Summer of Cinema*** campaign that led to outstanding box office results for a number of Australian films including *The Dry*, *Penguin Bloom*, *Firestarter* and *High Ground* <https://www.youtube.com/watch?v=ZIEjZYW7G7s>

ICA seeks direct support from Screen Australia and other screen agencies to work more closely with producers and distributors of Australian feature films and documentaries to increase the market 'cut through' and the cinema audience for these programs.

THE CENTRALITY OF THE ARTIST

It is not just a matter of getting an artist's work to its audience, it is also a matter of getting a return to the artist for that work. As with **A Place for Every Story**, Australian cinemas function to overcome an artist's physical location and to get their works to a national audience and return a share of the Box office takings back to the artist.

Free to air TV and streaming may get the artist's work to an audience but at little to no return to most of those artists. Alternatively, cinema promotes the film and sells tickets to the audience. It then returns a proportion of the box office to the distributor/artist from each ticket sold.

While a cinema release is an expensive and risky commercial exercise, it has the greatest potential compared to other platforms to return 'blue sky' revenue to filmmakers, distributors, and investors when the film touches a chord with the audience.

Australian artists and filmmakers are also uniquely placed to take advantage of the social and cultural platform offered by Australian cinemas for Q & A screenings and special events. Such events place the artist and their key creative collaborators at the centre of the audience's experience of their work delivering a unique social and cultural experience to both the Australian artist and the Australian public.

Unfortunately, due to the prohibitive cost of travelling, most Q & A cinema screenings occur only in the major metro locations and usually on the more populated east coast of Australia.

ICA submits the Government and Screen Agencies provide greater assistance to facilitate the conduct and promotion of more Q & A screenings of Australian feature films and documentaries at cinemas in more regional and metro locations across Australia.

ICA seeks to work with the Government to support this objective.

STRONG INSTITUTIONS

Screen Australia is a public funded institution whose purpose is to promote and support production of Australian feature films, documentaries, television shows etc. We commend the vision and purpose outlined in the 2021 – 25 Corporate Plan that focuses on connecting audiences with compelling Australian stories. ICA submits the agency's objectives be specifically extended to support the wide promotion via theatrical exhibition of Australian feature films and documentaries which are appropriate for theatrical release. Not only would this add to public exposure for local films, but it would greatly promote the financial success of the works.

Screen Australia is currently principally concerned with the production of feature films and other content with their investment in recent years leaning strongly towards TV and streaming. Recent years have also seen Government more focused on attracting offshore Hollywood productions than the production and exhibition of Australian content.

ICA submits Screen Australia be required by Ministerial direction, to take more responsibility for collaborating across production, distribution, and exhibition to support sustainable cinema exhibition of Australian films through the marketing, distribution and financial performance of the content it supports with public money.

ICA submits there is a present need for Screen Australia to be funded to encourage and support the special role of independent and regional cinemas in ensuring appropriate and diverse Australian feature films and documentaries reach the cinema audience.

ICA submits that a strong and well-funded Screen Australia with more focus on reaching cinema audiences for Australian feature films and documentaries is essential to support the Australian film industry recover and thrive following recent fast paced changes driven by the COVID19 pandemic. ICA seeks to work more closely with the Government, Screen Australia, our industry, and our independent cinema members to ensure Australian stories are experienced, shared and enjoyed by more Australians at the cinema.

Please do not hesitate to contact Adrienne Pecotic at [REDACTED] should you need further information or wish to further discuss any aspect of this submission.