

National Cultural Policy Submission from The Australian Feature Film Group

- We are submitting this submission on behalf of an organisation with arts-components made up of creative industry professionals.
- Please attribute this submission to: The Australian Feature Film Group
- This submission can be made public.

The Australian Feature Film Group is an informal, non-incorporated, non-profit group of industry representatives from the production, exhibition, distribution sectors together with representatives of screen agencies, industry associations and guilds.

Please note that while Screen Australia, the South Australian Film Corp and Screen Queensland contribute to the group and support its goals, this submission is not made on behalf of these agencies.

[The Australian Feature Film Group](#) has one overriding goal and that is to grow the success of the Australian feature film sector and enable all players, including audiences, to benefit from that success.

The Australian Feature Film Group also aims to;

- Champion positive change that supports a commercially viable Australian feature film industry that consistently delivers movies that attract, engage and entertain significant audiences.
- Facilitate “closing the loop” between the industry sectors: production, distribution and exhibition and enable ongoing dialogue between them.
- Explore solutions for key industry “roadblocks” as identified at the various AFFG events, such as enhanced audience understanding, access to data and increased marketing visibility.

The Australian Feature Film Summit brought together 480 creatives, distributors, exhibitors, agencies and investors for the first time in a virtual summit in October 2021, a further 270 at an in-person event in May 2022 and 90 key industry leaders in a roundtable thinktank in June 2022. These events stimulated a dialogue between often-siloed sectors that focussed on building the success of the local feature film sector by analysing what’s working, what’s missing and how we can work together more effectively going forward.

In this submission, the Australian Feature Film Group has focused on policy settings that will improve the audience reach of Australian feature films for cinema.

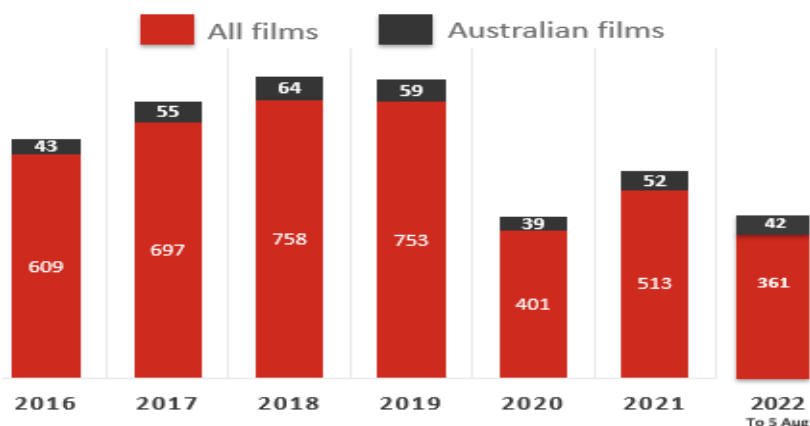
REACHING THE AUDIENCE – AUSTRALIAN FEATURE FILMS

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 across Australia, is immensely valuable, as has been recognised and supported by successive Australian governments.

The success of Australian features at the cinema during the height of the COVID19 pandemic demonstrated the potential for Australian films and documentaries to reach wider audiences and generate significant commercial success at the box office.

Number of films released in Australian cinemas annually



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. 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.

It is more important than ever that local filmmakers, distributors and exhibitors clearly identify and communicate the point of difference and value that cinemas and theatrical feature films offer.

There is no denying that this is a high-risk business. But some feature films, backed by passionate filmmakers, distributors and exhibitors, resonate brilliantly with audiences. Their performance at the box office and their “long tail” of revenue returns are remarkable, particularly for an English speaking country with such a small population.

TOP 20 GROSSING AUSTRALIAN FILMS

Notes: Australian Box Office revenue only. Numbers are nominal, not indexed. “Elvis” is still in cinemas.

Rank	Release Date	Title	Aust. Box Office Gross
1	1986	Crocodile Dundee	47,707,598
2	2008	Australia	37,555,757
3	1995	Babe	36,797,861
4	2006	Happy Feet	31,786,593
5	2022	Elvis	31,736,408
6	2017	Lion	29,564,199
7	2001	Moulin Rouge!	27,765,415
8	2013	The Great Gatsby	27,389,177
9	2018	Peter Rabbit	26,793,741
10	1988	Crocodile Dundee 2	24,916,805
11	2021	Peter Rabbit 2	21,968,635
12	1992	Strictly Ballroom	21,761,029
13	2015	Mad Max: Fury Road	21,715,172
14	2011	Red Dog	21,483,610

15	2021	The Dry	20,752,945
16	2015	The Dressmaker	20,288,944
17	2000	The Dish	17,999,473
18	1982	The Man from Snowy River	17,229,010
19	1994	The Adventures of Priscilla, Queen of The Desert	16,478,358
20	2014	The Water Diviner	15,869,286

Audiences flock to well made films that speak to them. We need **more** of them to be made each year.

KEY ISSUES

CINEMA AUDIENCE DATA

The lack of cinema-audience marketplace intelligence for creative professionals can result in a film development pipeline that bears little or no relationship to the market. Unless producers are better informed about what audiences are seeing in cinemas, streamers will always be ahead of theatrical in terms of the immediate and ongoing insights they have regarding customer behavior and preferences.

Collection and analysis of box office revenue data and audience metrics is becoming a highly sophisticated business. Film exhibitors and distributors base decisions on what films to support for cinema release on an increasingly detailed accumulation of statistics. This data and access to accurate data analysis is mostly proprietary, expensive, and out of the reach of filmmakers. Strategic collaboration should be fostered between screen agencies and the commercial companies that collect data. Ongoing opportunities must also be established to provide filmmakers with relevant and digestible information. This requires a “whole-of-industry” strategy involving screen agencies, education institutions and industry associations.

The National Cultural Policy should drive collaboration between industry sectors and foster industry mechanisms that facilitate filmmakers’ access to relevant audience data and build understanding of high-level comparative audience data analysis. We strongly believe that all parties in the value chain will benefit from stronger connections that allow films to more effectively reach cinema audiences.

CLOSER COLLABORATION BETWEEN INDUSTRY SEGMENTS

Exhibitors are the retail end of the feature film business yet unlike streamers, they don’t commission films for their audiences and to date they have had little or no say in what Australian films get screened. Filmmakers appoint a distributor who liaises with exhibitors to program the film in cinemas. Only when completed films are offered to them for programming, can cinema operators determine if those films are suitable for their audience. And should the cinema operators (on viewing) decide to decline the film, the producer – having gone through the entire process – must now scramble to find alternate platforms to exploit and monetise the film.

The role of distributors is unquestionably vital – both in designing and implementing complex (and risky) and expensive marketing strategies and in booking films onto as many screens as possible. The detailed understanding exhibitors have of the audiences who come to their particular cinema is critical to filmmakers in development, and it is this producer/exhibitor relationship that needs nurture.

In May 2022 the Feature Film Group’s *Road Test* initiative offered ten independent producers the opportunity to pitch their projects to decision makers from a number of independent and major cinema exhibitors and to get direct and detailed feedback about what those exhibitors felt were commercially viable films for the specific audiences they service as well as providing creatives with an insight for the first time on how exhibitors, small and large, select and program films for their specific audiences.

Initiatives such as this require a “whole of industry” strategy and system that encourages continuing dialogue and collaboration between all the sectors engaged in the financing, making, distribution and exhibition of Australian feature films.

A whole-of-industry strategy, driven by Government policy, is required to establish mechanisms that “close the loop” and facilitate ongoing dialogue between the industry sectors, connecting the people making films to the audiences purchasing tickets. This requires the participation of screen agencies, peak bodies and creative education institutions.

MARKETING

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 clear correlation between box office performance and marketing spend.

There is a growing need to improve cut-through for Australian film releases and for the industry to rethink and reform advertising, publicity and marketing strategies. As the most significant source of film financing, there is significant pressure for screen agencies to give marketing as much funding priority as film development. It’s an important step towards ending the cycle where substantial funds are provided for development and production but, without the necessary marketing funds to raise audience awareness, the films are booked into fewer cinemas, on fewer screens and fewer sessions. This results in lower box office revenue and the films are quickly replaced in the schedule by higher-performing titles. The cycle propagates almost certain box office failure.

The National Cultural Policy is an opportunity to review screen agency practices and ensure that the existing strategies for funding feature films are re-calibrated for the vastly changed screen content ecosystem. In particular, this review should aim to leverage marketing investment that allows for greater awareness of local films at cinemas and to find a more effective and successful balance between development, production and marketing funding.

OTHER

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

- Explore incentives that drive competitive domestic theatrical marketing policies and strategies.
- Leverage investment in the development and production of Australian films, increase marketing spend, and deliver a more balanced risk/reward ratio in the recoupment waterfall that works for all parties along the value chain.
- Build audiences of the future by establishing an ongoing ‘Brand Australia’ marketing campaign highlighting upcoming film releases. 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>