



A U S T R A L I A

# Keeping it in the family

## Feature filmmaking in Australia

by **Connie Tadros**

"I am here because your past could be our future." The words came from Joseph Skrzyński, general manager of the Australian Film Commission (AFC) as he stopped briefly in Ottawa last fall. With barely time to chat with government officials, he wanted to pick up all the literature he could find on the recent legislation, regulations, successes and failures concerning Canadian films and the industry which made them.

So the temptation to compare the Canadian and Australian film industries is almost irresistible. After all, both industries started up in far-flung colonies of the British Empire, and had to deal first with the influence of the mother-country, and then with the increasing strength of that other English-speaking industry, the American. Both lost control over their local theatres as American chains bought controlling interest in the '20s, and both consequently called official investigations to look into foreign influence in those industries. In 1927, Australia's most successful filmmaker, Raymond Longford, lobbied the government vigorously, insisting that it investigate overseas domination of the cinema, and that it legislate to regulate the industry. A Royal Commission resulted. In 1931, the Anti-Combines Investigation undertook in Canada to measure the extent to which the film industry was in the hands of American interests.

Later, John Grierson came to Canada and founded the National Film Board; he visited Australia and was influential in the creation of the Commonwealth Film Unit there after the Second World War. During the period of the Canadian Cooperation Project in the '40s, when Hollywood made references to Canada in its own films rather than encourage the making of Canadian films, Australia served as Hollywood's Pacific backlot. So it goes...

Because similarities make comparison

so easy, one often forgets the very real differences that make the Australian situation unique. It is, physically, half a world away, down under—essentially a white, European country in a sea of third-world nations. Story-telling is its tradition. While Irish settlers brought their blarney to Australia, Canada, for its part, welcomed the dour Scot with his business sense. (Interestingly, as the Australians were producing the first-ever feature length film, a thriller called *The Kelly Gang* in 1906, the Edison company in Canada was producing an industrial promotion film to sell the citizens on the virtues of the railway.)

From the mid-'30s through the mid-'60s, neither nation was producing what one might call national cinema—except for Quebec where the absence of French films during the war prompted an important flourish of indigenous films. In English Canada, feature film activity had come to a standstill. The Australians, nevertheless, were still making films for foreign interests. Consequently, Australia had a pool of experienced, talented technicians, ready to respond to the challenge of television in the '50s, and who began to work on authentic Australian films as soon as that opportunity presented itself.

The purpose of the following article is not to compare the film industries in Australia and Canada, but rather to define the Australian situation as it has developed over the last decade, and as seen from a Canadian perspective. I will concentrate on the feature film scene, setting aside other important film areas like Film Australia, shorts and documentaries, and the Australian Film and Television School.

That Australian films today have a world-wide reputation is due, in part, to their intrinsic value—the fresh innocence of the stories, the directness with which they are told, the stunning landscapes in which they are set. But their

reputation is also a result of an intense and thoughtful drive, made by the Australian Film Commission, to bring them to the consciousness of other nations. Whether or not this policy stems from a long national tradition of "export" is beside the point: the strategy was on target, and it worked.

The following is an overview of the Australian feature film industry as it relates to theatrical feature films, with particular attention to the characteristics which seem to have molded it. In order not to weigh down the present analysis with lengthy descriptions of Australian agencies or legislation, an asterisk (\*) will indicate that additional information on a given subject can be found in accompanying boxes.

### The current backdrop

Ever since the introduction of the 150% tax shelter in December, 1980\*, Australian filmmakers have been on a veritable roller-coaster ride. Tax scams, tax amendments, the rush to produce, the need to finish (from scripting to release) in one year, the bunching of productions have all conspired to send them speeding along, alternately enthused about the possibilities inherent in the legislation and worried about abuses.

First off the mark were the deal-makers who used the period between the announcement of the tax amendments and their actual legislation to start up some 20 films. As Loreen Pindera reports in her article "Growing Pains", many of these productions skirted the intention of the government to produce quality Australian films. The Australian Film Commission nevertheless, kept its sights on the producers and filmmakers who contributed to the wave of Australian films which preceeded the tax incentives. As general manager Joseph Skrzyński told Cinema Canada, the AFC doesn't worry about "the deal-

makers who, by definition, follow market trends and are financially more sophisticated." The role of the AFC, he continued, is to work "with the traditional filmmaker whose main objective is to tell a story and to get the right team together."

In May, 1981, the government tried to tighten the tax regulations. Admitting that many films were being made solely for the tax advantage (what the Australians call "toilet films"), the government amended the law to insist that deductions be claimed in the year in which the film generates revenue. The intention was clear: films should be made to be sold and seen. Obviously, this started a stampede to complete films in the year in which production was begun, but it didn't stop the unscrupulous producer who found it easy enough to rent a hall, screen his film a week to "generate revenue", and then call it quits.

Some 30 films went into production during that first fiscal year (July 1, 1981-June 30, 1982) for combined budgets of \$40 million or about \$1.4 million on average. This was up from 27 in the previous year and 17 in fiscal '79-'80. But it was less the numbers of films being made than their bunching together at the end of the year that made the situation untenable for producers.

By the end of 1982, tax dodges in general were big news in the Australian press, and enthusiasm among film investors in particular, was down. Producers were faced with a slump and their only way out was to convince the government to roll back its regulation concerning deductions to allow investors to claim in the year of their investment while giving the producers a second year in which to finish and release their films. The pressure brought to bear on the government by the combined forces of the AFC and the producer's lobby brought about just such a result this January. For the moment, film-



makers are breathing more easily, hoping that this will be the formula which will keep the industry on track.

#### A political process

Australian filmmakers have always constituted a lively lobby. Getting what they want is part of the political process and is understood as such.

With the introduction of television in the '50s, Australian creative people were ready to take charge. Legislation was passed requiring all commercials broadcast to be made in Australia, and content quotas eventually raised Australian programming to 50%. The quota was also weighted away from sports and variety programming, so that Australian dramatic productions were promoted.

As broadcasting began in 1956, Australian programs rose straight to the top of the charts and stayed there. Not because they were necessarily good, according to Fred Schepisi, but because they spoke Australian, told Australian jokes and reminded the audiences of themselves.

The consequent experience in television production created the talent backbone upon which the feature industry was based.

Indigenous theatrical feature production began anew with the \$600,000 *They're a Weird Mob* in 1965. Though the film grossed an estimated \$2 million

in Australia alone, the producers received only \$400,000 after the distributors' expenses. The tinder was lit.

Riding on the strength of their success in television, and the obvious public appetite for features illustrated by the overwhelming reception given *They're a Weird Mob*, filmmakers made supporting the industry an election issue. After re-election, Liberal prime minister Gorton himself announced the creation of the Australian Film Development Corporation\* in March 1970.

The AFDC's mandate, with its commercial emphasis and its backing of comedies and sex romps, displeased many. Writers and directors had other stories to tell and the AFDC just wasn't listening. *Picnic at Hanging Rock*, for instance, was turned down repeatedly and was finally produced through the newly formed South Australian Film Commission with no help from the AFDC.

Again, a strong lobby was heard during the 1972 election campaign which brought in a change of government. Gough Whitlam's Labour party, more attuned to art, culture and nationalistic impulses, proceeded to ask the Tariff Board to examine the functioning of the film industry. In its conclusions, the report insisted that control must be exercised over distribution and exhibition if the government's interest in production was to be justified. In order to



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cope with the multi-layered problems presented by filmmaking, the Tariff Report suggested the creation of an Australian Film Authority.

When the Whitlam government fell, the Liberals spent their first months back in office undoing many of the projects the Labour government had initiated. But the film lobby was too strong. It backed the recommendations of the Tariff Report, and the Liberals pledged themselves to effecting those recommendations. The Australian Film Commission\* was born.

As most of the feature filmmaking is centered in Sydney, the lobbying groups maintain a certain cohesiveness. The Film and Television Production Association of Australia (FTPAA) speaks for production interests, and serves as a sounding board for new government initiatives.

The lobbying, and the political awareness it connotes, is on-going. Even today, members of the FTPAA meet informally over dinner twice monthly with a "guest", making sure that their messages get to those who make the decisions.

The upshot of this conscious marriage between the political process and the objectives of the film community seems to be a happy one. The filmmakers have moved the process forward, and have been awarded a generous tax-deal through which to pursue production. The government, on the other hand, has reaped incredible (and really unexpected) publicity because of Australian films. It is generally conceded that Australian films have put the country on the map, increasing awareness all over the world about Australia. Even if the films themselves were to prove unprofitable from a commercial point of view, the government would continue to foster the industry, recognizing that it has become Australia's best ambassador.

#### Feedback

The AFDC, and then the AFC, were put into operation with five-year mandates, after which there was to be a thorough evaluation of their performances. The Tariff Board study was exhaustive, and made wide use of consultations with the private sector. Its results, made public, furnished the statistical information upon which to found the AFC. Five years into its mandate, the AFC was studied in a management consultant's report, effected by Peat, Marwick, Mitchell. Again, the private sector contributed to the report and read its recommendations.

Certain kinds of attitudes develop when creative, professional people feed into the process. The commissioners of the original AFDC, for instance, had no real experience in film. They made their decisions about which films to back using essentially commercial criteria. According to Pat Lovell, then the producer of *Picnic at Hanging Rock* and later a commissioner of the AFC, filmmakers were often in the dark as to why the commissioners of the AFDC made the decisions they did. The mood was secretive and unresponsive.



#### AUSTRALIAN FILM DEVELOPMENT CORP.

The Australian Film Development Corporation (AFDC) was established in 1970 by the re-elected Liberal government under Prime Minister Gorton. Its formation was a direct response to a growing sense of nationalism within the Australian cultural community, angered by both the lack of opportunities offered indigenous filmmakers and the foreign monopoly on exhibition and distribution. The corporation was set up as an interim body with a five-year mandate: it was staffed by a group of officers and an executive director, along with a commission of full-time, paid businessmen. Within that specified time-frame, the AFDC was mandated to persuade the Australian financial community that investment in film was a potentially profitable undertaking.

The AFDC proved itself a rather conservative organ with a tendency to favour "tried and true" formulas when choosing film projects for subsidization. Sex romps like *Alvin Purple* and the Barry McKenzie films were made, delighting the public but obfuscating filmmakers with less commercial tales to tell. A lobby took shape to insist that the objectives of the AFDC be modified.

The election of the Labour party under Gough Whitlam fostered a re-examination of the AFDC. In 1973, Whitlam called for a Tariff Board report on Motion Picture Films and Television Programs.

The report was published on June 30, 1983, and proved specific enough in its content: while relatively little attention was paid the AFDC or the feature production sector, the distribution/exhibition setup in Australia came in for heavy criticism. Underlined again was the extent of foreign control in this domain, particularly as it pertained to the lack of financial input in Australian feature product in terms of both investment and ultimate distribution/exhibition. The report also stressed the importance of equal attention to both product and market, a philosophy which stood as the hallmark of the blossoming Australian film industry.

Finally, the Tariff Board recommended disbandment of the AFDC in favour of an Australian Film Authority, but that turnover took a back seat to a more critical one - the dismissal of Gough Whitlam's government by the Governor-General. The AFDC limped along another year under the Liberals until its dissolution in 1974, in 1974.

When the structure of the AFC was drafted, this situation was corrected: all commissioners were to come from the film industry. They would sit as a jury on all projects over \$75,000 and, again according to Lovell, had long and sometimes tortuous discussions about



#### THE 150% TAX SHELTER

The 1981 Income Tax Assessment... (section 10B (A) "Australian Films")

In October, and again in December 1980, Treasurer John Howard and Minister for Home Affairs and Environment Bob Ellicott announced impending tax legislation for film production. The measure was to include a 150% deduction on capital expenditures, subject to certain conditions:

- the investor must be the owner of the copyright of the film
- the copyright must be acquired "for use in the production of assessable income," i.e. the film must generate revenues
- monies must be "expended in the production of the film within 12 months after the end of the year of income in which the capital is contributed"
- the film must be produced for "exhibition to the public in cinemas or by way of television broadcasting, being feature films, documentaries and mini-series of television drama"
- the film must be certified as having "significant Australian content." The deduction was to be taken in the year of the capital investment, and an exemption from income tax amounting to 50% of the investment was also awarded.

Given the promise of lush rewards, there was a flurry into production: 20 films got underway in the months which followed.

On May 27, 1981, Howard introduced the bill to the House of Rep-

resentatives with one important modification: deductions could be claimed only in the year in which a film began to generate revenues.

This modification had two immediate results. First, all those films which started up after the initial announcements were in trouble since none could be moved to completion before the end of the fiscal year (June 30) and investors were threatening to withdraw their monies. Second, producers realized that the government was creating a *de facto* situation in which films would be scripted, produced, and rushed to release in a single year in order that the investors could claim deduction in the year of investment. They argued that quickie films would result and that quality would necessarily suffer.

On June 9, 1981, a second reading of the bill included an amnesty clause, stating that investments made prior to May 27 would be deductible in the year in which they were made, but that subsequent investments must conform to the stipulation that films generate revenues before deductions can be claimed.

While providing an important incentive to investors in '81-'82, producers found the conditions of production untenable. A slump resulted in '82-'83 during which feature production again ground to a halt.

On Jan. 13, 1983, the government announced its intention to introduce legislation to allow, once again, the 150% deduction to be claimed in the year in which the investment is made. The film must, however, begin to generate money in the year following that investment. Essentially, this gives producers two full years in which to complete a film.

Although the cabinet has agreed on this change, it is not yet law.

Boxes edited by Barbara Samuels



which projects to back.

The commissioners felt a responsibility to communicate the results of their deliberations, and to justify them to the community. The result was the publication, once monthly, of all financial decisions taken by the AFC. Informally, the commissioners (in 1982: two producers, one actor, one distributor and the head of a laboratory) continually run across applicants in the course of their daily work, reinforcing the feedback about the decisions of the AFC.

The degree to which the feedback process has worked its way into the Australian approach to film legislation is duly recorded in the 1983 edition of the Australian Motion Picture Yearbook. On pages 57-61 lawyer Andrew Martin documents, month by month, the various government initiatives and private sector responses which lead to the implementation of the Income Tax Assessment Amendment Act 1981\* (the 150% tax shelter). Not only was the tax legislation thoroughly discussed in the press and among producers prior to its legislation, but the Treasurer, John Howard, promised to review it before the year was up. He specifically asked the FTPAA to monitor the situation and to report back directly to him.

The feedback seems, too, to have



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made the government's responses supple. The tax law announced in Dec. 1981 was introduced to the House of Representatives on May 27, '82 and already amended five days later to accommodate objections from the private sector. Now, just a year and a half later, further modifications have been introduced, identified by the private sector and the AFC.

Some of that "private-sector tone" seems to have rubbed off on the AFC. Certainly, the top people are chosen from the private sector. Joseph Skrzyński, the AFC manager, was an investment banker with film clients for 10 years before coming to the AFC. The head of distribution came from United Artists, and even the comptroller who heads the administrative Secretary's Branch comes from the private sector. As for AFC personnel, it has been removed

counselling on distribution and administers the Women's Film Fund, formed in 1976. It is also the principal source of funding for Cinema Papers, Australia's largest film magazine.

The *Project Development Branch* provides appraisal, advice and investment funds to established writers, directors and producers for research and scripting of feature films, tele-movies, mini-series and documentaries. Investment is sometimes offered to encourage development and production of a property considered marketable by the commission but problematic due to the relative inexperience of the director or producer. The branch also offers counselling on production costing and legal matters.

With its high profile at international film festivals and its two foreign offices (in London and Los Angeles), the *Marketing and Distribution Branch* has proved invaluable to filmmakers in the promotion of their products and the negotiation of international sales and distribution. The branch also provides funds against first returns. Films not eligible for either loans or investment may still take advantage of the branch's services and facilities.

*Film Australia* is the production wing of the AFC, and is analogous to the National Film Board of Canada. Its departmental program oversees production of films fulfilling government departmental needs, while its national program concentrates on films for and about Australians. It does engage in some co-productions.

The *Secretary's Branch* focuses on the financial and administrative functions of the commission.

The AFC is also involved in industry assistance programs such as the Industry Training Scheme designed to refine technical skills through "on-the-job" training. It recently produced a survey on the Australian film industry, in conjunction with the Film and television Production Association of Australia.

from the civil service, allowing greater use of consultants and contract workers. Interestingly, AFC staff has fallen from 220 at the outset to 183 in '77 and 165 in '79.

The choice of Mike Harris, previously the Variety reporter in Australia and critic on Rupert Murdoch's flagship "The Australian", as the new head of the AFC office in Los Angeles, gives an indication of the importance the AFC places on being tuned-in.

### Information

Obviously, the business of the AFC is to provide funds to encourage production. Now that the tax shelter is funneling monies into production from the private sector, the Project Development Branch is more interested in script development and seed money than in actual production funding.

The AFC also provides the film community with information and guidelines. Officially, it is there to strengthen the producer, but it serves as a full partner, taking over that part of the job requiring research and control.

For instance, the AFC provides model budget forms for production, and a check list of insurance requirements. For all films in which it participates financially, the AFC actually administers the revenues, receiving them directly from distributors and world sales, and disbursing them to investors and producers.

The Marketing Branch holds investors' meetings, to which all interested parties are invited. Marketing strategy is discussed, various options are weighed, using the information which the AFC has gathered on foreign markets in various countries. The virtues of theatrical distribution and ancillary play-offs are debated, and a strategy is formulated. Once plans are confirmed, the AFC puts up the money to back the launch.

The foreign offices of the AFC in London and Los Angeles serve as homebases for travelling Australians. Much like Film Canada, they can up-date a producer on local situations, and help him to meet the right people. (They also serve as outlets for Film Australia productions.) When in the late '70s the AFC actually began to sell Australian films, the producers were quick to prove the action and the AFC drew back into its promotional/information-gathering stance.

The foreign activity of the Australians is greatly aided by the Export Rebate Tax which returns 70% of all costs of foreign promotions to Australian businessmen. Travel costs (though not those for entertaining), print costs of promotional brochures (even if printed in Australia), costs incurred by representations at foreign festivals - even the price of the ads in Variety - are rebated by the Australian government. This gives the Australian producer a great hand in making his presence known abroad, and reduces the cost of maintaining the AFC offices there. Since the AFC knows that the government will rebate such costs (usually within 20 months of their expenditure), it steps in and provides the cash-flow to producers, advancing them 70% up-front, and collecting the rebate directly. Obviously, such a partnership is built on a considerable exchange of information, and allows the AFC to keep abreast, in detail, of the careers of different films.

More systematically, the AFC provides information sheets to the industry on various matters as the need is felt. It

helps finance the magazine Cinema Papers and provides it with statistics.

### The Canadian example

Much of what the Australians learned about structuring their agencies, laws and promotions came from the Canadians. Chronologically, the creation of the AFDC, the break-through promotion at the Cannes festival in the mid-'70s and the introduction of tax-shelter legislation trails Canadian activities in these same areas by roughly two years. At the beginning, there was no question that the Canadian situation was greatly envied by the Australians.

As Canadians began tax-shelter productions, the Australians continued to be attentive, and they learned of some obvious pitfalls.

Take, for instance, the Australian definition of a certifiable film. \* It remains extremely subjective, and is clearly more difficult to administer than the Canadian one which requires addition of points and verification documents. But it allows Australians the leeway to consider the substance of a film, and to comment on its inherent nature. While Skrzyński admits that the "internationalists" don't much like the Australian definition, he says that it has been left subjective on purpose: any more precise definition is simply "an invitation to lawyers to drive buses through it or around it."

Aspects of the tax legislation also reflect on the lessons learned from the Canadian experience. A producer, for instance, must have his investors' money fully committed before expenditures are made. Any investments made subsequent to a disbursement are not eligible for the 150% c.c.a. This regulation was made to avoid the situation which brought the Canadian industry to a stand-still in 1981 when the public failed to buy units and dozens of producers and interim financiers were left with a short-fall of \$40 million.

The Australians insist, in their tax legislation, that investors' money be truly at risk. The law does allow, however, pre-sales and distribution guarantees to be made without reducing investor risk, providing that dealings are



### DEFINITION OF AN AUSTRALIAN FILM

Under tax regulations, an Australian film is defined as "a picture that A) has been made wholly or substantially in Australia or in an external territory, and has a significant Australian content, or B) has been made in pursuance of an agreement or arrangement entered into between the Government of Australia and the Government of another country or an authority of the Government of another country."

Considered in the determination of a film's eligibility for accreditation is the subject matter, the location, the nationality and residences of those involved, the source of other investment money and the nationality of investors and copyright holders. The Australian Film Commission takes the film's potential interest to Australian audiences into account when reviewing an application.



### AUSTRALIAN FILM COMMISSION

The Australian Film Commission Act was passed in 1975, creating an independent statutory film corporation that integrated four different government authorities into one: Film Australia (formerly the Commonwealth Film Unit), the remnants of the AFDC, the Audio-Visual Branch of the Department of Post and Communications, and the Film, Radio and Television Board of the Australian Council.

The board of the AFC is comprised of seven part-time commissioners and one full-time general manager, all drawn from the private sector of the film industry. The commission devotes itself to the "encouragement of Australian film production, distribution and exhibition, the maintenance of film archives, and the production, promotion and distribution of programs made for government departments, programs of national interest, and programs designed to illustrate or interpret aspects of Australia." The structure itself is broken into five branches.

The *Creative Development Branch* has its parallel in the Canada Council, and holds encouragement of new talent as its principal objective. Grants have a \$15,000 ceiling, with amounts over and above that figure falling into an investment category. It also partially subsidizes organizations such as the Australian Film Institute, the Sydney Filmmakers' Co-operative, the Perth Institute of Film and TV, and the South Australia Media Resource Centre. The branch offers



at arm's length and within the range of acceptable film industry practices.

**In conclusion**

Mike Rubbo, one of the finest filmmakers at the National Film Board of Canada, has just returned from teaching at the Film and Television School in his native Australia. He and others - Schepisi, Lovell and David Stratton, head of the Sydney Festival - all refer to the Australian film situation as a "family affair." "Everyone gets together; they know what each person is doing. There's a lot of going back and forth between feature films and television work. Even the Film and Television School has open programs which bring the professionals back for intensive sessions. There's a lot of traffic," Rubbo comments.

The fact that the feature filmmakers are concentrated in Sydney must help create a feeling of intimacy. But the characteristics which push the industry on - the experience of mounting a lobby, the sense of political power, the constant exchange of information - are the stuff of real cohesiveness.

Certainly, since the introduction of the 150% tax shelter, the traditional Australian filmmaker has been challenged by the internationalists, those who would have the doors wide-open to other influences. Many films have been made without any government support, and many seem as mindless and exploitative as those made anywhere.

Since the early days, when the AFC was mandated to foster Australian films of quality, as opposed to creating a film industry, the culture lobby has held the upper hand. The Australians came to understand early that it was the 'otherness' of their films which was attractive;

that they were perceived in North America as *foreign* filmmakers, and that, judged against other foreign films, Australian films were greatly appealing.

Paradoxically perhaps, government studies indicated as early as 1973, that if Australia was to pursue national filmmaking, an equal effort would have to be made in distribution and marketing, and distributors and exhibitors must be made full partners. This double thrust of the AFC has allowed creative producers and directors to take their films abroad and to make an impact.

At home, the Australians are supportive of their better filmmakers. Last summer, some weeks saw 30% of gross box-office go to Australian films. And enthusiasm feeds on itself, making Australian filmmakers and stars media personalities. "Home is where the real approval is," says Rubbo. But receiving approval is the result of the awareness on the part of the filmmakers that the public must be wooed, that their films must tell a story which feeds into the Australian experience, and that successful filmmaking generates its own energy. "In Australia today, you feel that the public is waiting. They're anxious to see the new films. The reaction abroad, I think, is due in part to the fascination of seeing a country looking at itself and talking back," concludes Rubbo.

Throughout the process, the government agencies have been crucial, and the tax legislation will give the Australians a chance to prove whether they can go the distance. For the moment, the government and the creative filmmakers are in cahoots, moving together to preserve and promote the national cinema that has made them prominent. Neither aims to enter the mainstream of international filmmaking if that means



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making American films. Both intend, nevertheless, to milk every last cent out of both the domestic and international

markets just as long as their story-telling continues to attract audiences. This formula has not yet led to whopping box-office grosses, except for the Mad Max films. But with the 150% tax-shelter and the 50% holiday on revenues, an Australian film doesn't have to make a bundle to keep its investors happy.

What the formula has led to is a body of high-quality films that are recognizably Australian, and that has proven over the past decade to be one of the best investments the Australian government has made. ●



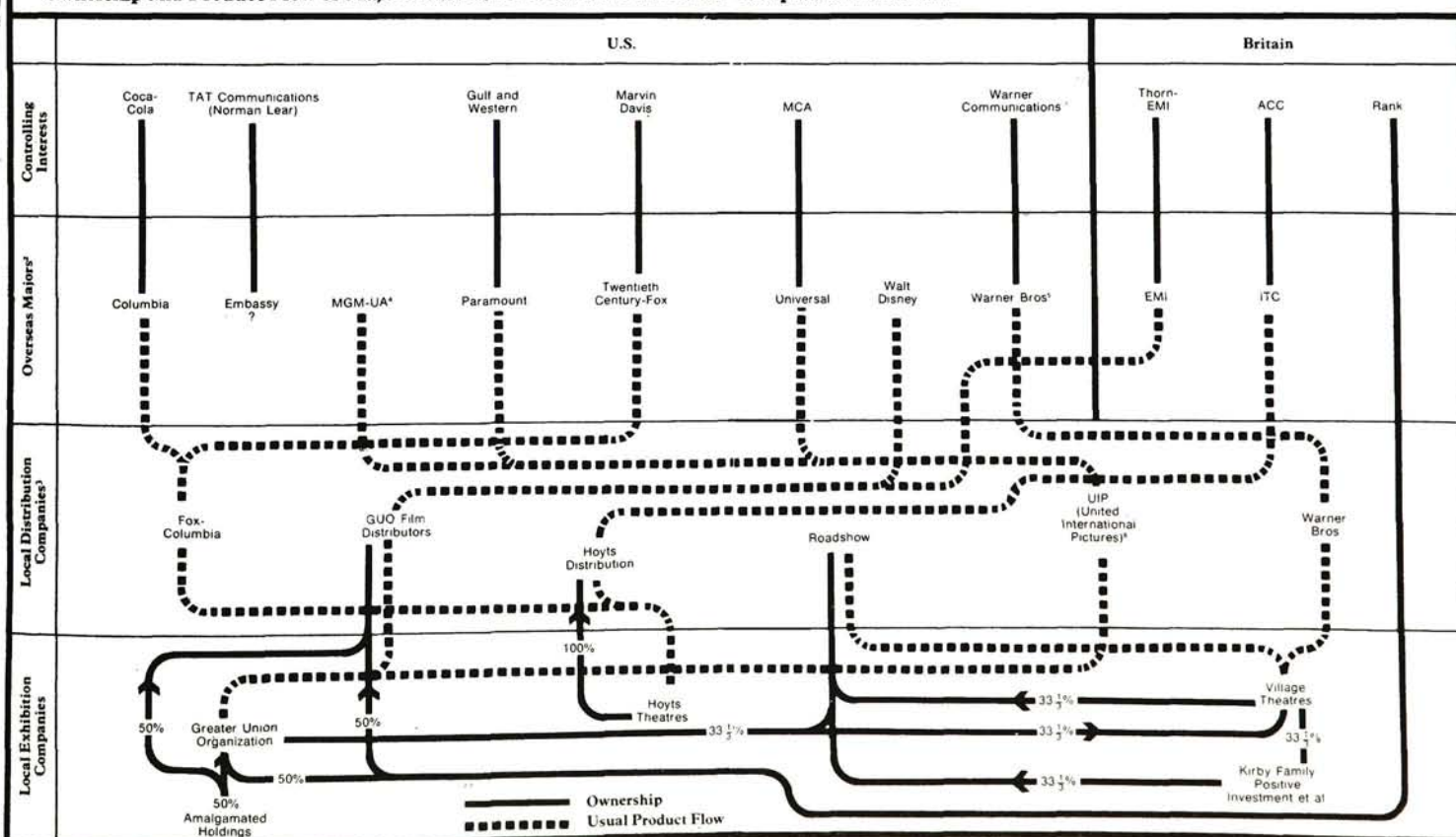
**AUSTRALIAN DISTRIBUTION AND EXHIBITION**

As evidenced by the accompanying chart, the Australian exhibition/distribution system retains its links with foreign parent companies. The Australian government levies a 10% withholding tax on all profits returned to international head offices, a relatively minute sum based on anticipated grosses. But the Australians are not forced to contend with the "domestic market" situation that characterizes the Canada/U.S. arrangement, and are therefore treated by the majors as a foreign territory. That fact combines with

the relatively new interest (dating from the late '70s) expressed by both the majors and Australian independent distributors/exhibitors in handling indigenous product, and confirms a fairly comfortable position for Australian films in the home market.

Some "minority appeal" pictures, however, did not manage to break into this setup, many of them financed by the AFC. The commission subsequently funded the Australian Film Institute to purchase three cinemas to showcase these films. A lack of general interest in the pictures incited the AFI to supplement the Australian screenings with "minority appeal" films from abroad; this soon moved the AFI into distribution and heavy controversy. The Institute often finds itself in competition with Australian independent distributors for rights to foreign films, and has also undercut exhibitors by offering to absorb publicity and promotional costs for any films screened in its cinemas.

**Ownership and Product Flow of Major Film Distribution and Exhibition Companies in Australia<sup>1</sup>**



1 Compiled by Ross Lansell - Copyright 1982 Roscope Pty Ltd  
 2 This categorization excludes mini-majors such as Filmplan, Hemdale, Lorimar, Melvin Simon and Polygram, excludes major U.S. distributors such as the erstwhile AFD (EMI) and ITC (through Universal, and Buena Vista (Disney), and excludes independent distributors such as New World and Quartet  
 3 This categorization excludes Filmways (Australia) and Seven Keys, neither of which can be regarded as major in terms of top-grossing films.

4 MGM incorporated UA in 1981  
 5 Warner Bros handles The Ladd Co. and Orion. Orion, in turn, now includes Filmways (U.S.)  
 6 MGM, Paramount and Universal product still goes to GUO but UA product still goes to Hoyts

Source: Australian Motion Picture Yearbook, 1983; Peter Bellby and Ross Lansell, eds., Thomas Nelson Australia and Roscope Publishers, pp. 296-7.





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# Growing pains

by Loreen Pindera

On Sept. 19, 1982, more than seven hundred writers, producers, directors, tax lawyers and technicians—organized by the nucleus of the Australian film industry, the Film Action Group—gathered at the Theatre Royal in Sydney to debate the current state of the national film industry. The meeting was a call to arms within the industry, to investigate the reasons for the sudden downturn in film financing and to take immediate measures to steer this fledgling industry, which has engendered so much national pride, back on course.

Until 1980, 95% of film rental totals within Australia were for U.S. films. In 1981—after the May introduction of the 150% tax write-off (Section 10B [All of the Tax Act])—three Australian movies, *Galipoli*, *Mad Max II*, and *Puberty Blues*, became the three top box-office successes nation-wide. And in 1982 *Man From Snowy River* became the top grossing movie in Australian history. Yet only two features are underway currently.

Despite the growing audience support, both in Australia and abroad, and despite the emergence of willing investors, the boom is busting. New problems for producers have grown out of the rapidly changing scenario. An examination of these new issues set the agenda for the Sept. 19 industry forum. At the Sydney forum, three position papers were presented: the first on the emergence of a "twelve-month rule" due to the constraints of the 10B (A) legislation, prepared by producer John Weiley; the second on the loss of investment capital through the gearing of loans for American-controlled features, prepared by Uri Wiendt of Actors' Equity; and the third on the need for more stringent Australian content requirements for the new tax legislation, presented by Janette Parramore of Actors' Equity and Julie James Bailey of the Australian Theatrical and Amusement Employees' Association.

The intent of the 10B (A) tax legislation was to direct a flow of risk capital into the production of high-quality and economical Australian films; in fact, the realities of the investment marketplace have forced the completion of films, from pre-production to release, to take place within one financial year. According to producer John Weiley, "that reality imposes a twelve-month cycle on a process that normally takes 16 to 20 months." The result: the loss of quality as films are slapped together for release before the end of the financial year; the appearance of second-rate "tax movies" made with incompetent personnel, produced solely as a tax-avoidance scheme; the bunching of

production, resulting in sky-rocketing labour and equipment costs due to increased seasonal demand; and the consequent bunching of releases which "discredits and disadvantages the good product along with the bad." Weiley's proposal was that investors be allowed their tax deduction as soon as their capital was in the production account, with the stipulation that penalties be paid if the film was not completed within two years. This would not only ease the short-term cyclical production situation which now exists, but would ensure that investors take care to invest in genuine projects whose completion and release is guaranteed.

When the 10B (A) legislation was introduced in 1981, the Australian government instigated a number of safeguards to protect the law from abuse. The most significant of these was the Home Affairs' Department's certification of any film seeking eligibility as genuinely Australian. Certification was based on content, on the nationalities of creative personnel, the place of the shoot, and the source of financing. However, money-market moguls have found a way around the "Australian content" stipulation through the use of section 51(1) of the Tax Act, which covers tax deductibility in non-film industries. Two companies, the United Australian and Australasian Film Productions Pty. Ltd. (UAA) and Trans-Pacific Media

Productions Pty. Ltd., have used this scheme to invest Australian capital in American film ventures. Through the gearing of loans made by American production companies such as Warner Brothers, the entire budget of an essentially American film can be put through the participating Australian company's books, allowing the budget to be wholly deductible in Australia. Capital raised in Australia has been used in just this way to help finance *Arthur* and *Superman III*.

The use of the section 51(1) legislation for investment in foreign films has already resulted in the loss of investment capital for Australian-made films. In August, 1982, \$1 million was withdrawn from the budget of *The Umbrella Woman* to be reinvested in UAA, with its promise of fewer risks and higher returns. In addition to this loss of potential investment capital, the Australian industry fears a repeat of the Canadian situation: films shot in Australia posing as Anywhere, U.S.A., and the loss of creative control to American studios.

The issue of Australian content was by far the most hotly debated topic at the industry forum. At stake is the long-term future of the *Australianness* of the national film industry, and producers fear a loss of autonomy if foreign-owned scripts are simply "Australianised" to ensure Australian certification. Hand-in-hand with foreign distribution deals

comes the importation of well-known actors and directors as has been the case in the making of *The Pirate Movie* and *Now and Forever*.

The resolutions put forward at the industry forum and the political lobbying that has taken place since point to one essential area of agreement within the industry: There is no interest in participating in filmmaking which does not continue to promote and distinguish the Australian cultural identity, both at home and abroad. The crux of the Australian content debate is that "benefits from government funding must be conditional on genuine Australian production." Since the September meeting, film lobbyists have pushed the Home Affairs Minister Tom McVeigh to ensure that the following requirements be strictly implemented:

- The producer and control of production must be Australian.
- The finance attracting the rebate under Section 10B (A) of the Tax Amendment Act must be Australian.
- The beneficial ownership of the copyright must be Australian (as per existing provision in the Act).
- The source of the script must be Australian unless the source is an original novel or play, in which case the scriptwriter must be Australian.

McVeigh is currently reviewing these guidelines, as well as the contentious issue that the role of director be limited



Counting votes at the Sydney forum as a resolution is passed



to an Australian except in special circumstances.

On the tax incentive front, Federal Treasurer John Howard has been pressured to re-examine the existing 10B (A) legislation, and the announcement of a two-year completion clause is expected.

Many of the problems which have emerged are to be expected in a film industry which is only beginning to get on its feet. The boom could not last forever. It has not taken investors long to grow wise. Those who lost out the first time around, in not recouping their investment, are hesitant to invest in another film without the guarantee of a

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pre-sale. According to Australian Film Commission tax lawyer Michael Frankel, many of the problems producers now face are due to their own inexperience in an industry that has not been around very long and which is changing rapidly as Australian films grow in stature. Since July, 1982, and the legislation of the New Companies Act, for example, producers are required to draw up a trust deed and register their company, at a cost of twenty to one hundred thousand dollars. With the forthcoming ministerial announcement of the two-year completion clause, such pre-pro-

duction headaches will become surmountable. This year, the cost and time involved in formulating a legal prospectus has stopped many producers dead in their tracks.

Optimism in the industry is increasing as industry people, led by the Film Action Group and assisted by the AFC, are finding the support necessary in government Ministers Howard and McVeigh. The support of the Australian government in ensuring the continued viability of the film industry is not surprising, for with the birth of Australian cinema comes a pride in Australian



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culture which goes hand in hand with the "Advance Australia" theme being trumpeted on every front.

Whatever the current state of the

Australian film industry, there are lessons to be learned from the Australians in their continuing perseverance for political support, their self-recognition as a powerful lobby group, and their collective sense of integrity. There is a refusal to accept that international recognition necessitates Americanisation of the Australian cinema, either in terms of funding, content or creative control. The genuine belief of the industry at large is that the current downturn in its fortunes is a temporary one, for the industry knows where it is heading. And there is nowhere to go but up. ●

On the eve of the new amendments to Australian tax legislation, director Fred Schepisi was well into pre-production on *The Iceman*, an American picture produced by Norman Jewison, and preparing to shoot on location in British Columbia. Schepisi has long taken one of the strongest stands on the issue of national cinema; his *Devil's Playground* and *The Chant of Jimmy Blacksmith* were pioneer pictures on the Australian film scene, both strongly representative of that sense of "national self" he views as intrinsic to any country's film industry. His American-financed *Barbarosa* received high critical acclaim, and he is the only one of the Australian feature directors to take up long-term residence in the States. He nevertheless remains passionate about the situation back home, and met with Cinema Canada in Los Angeles last December to offer his thoughts on government film incentives, movie con men, and the "Canadian experience."

**Cinema Canada:** How do you view last year's "slump" situation in Australia?

**Fred Schepisi:** I think what happened is fairly clear. The government tried to protect itself against abuses of the taxation incentive by people both inside and outside Australia, but it didn't listen enough to what the industry was telling it. So it set up impossible restrictions: things had to be started and completed within a financial year. That's folly. If all the pictures are being shot within a specific period of time, you've got to have more crews than if production was spread out over the whole year. So you're forced to look into other areas for production and post-production people. That alone had to cause production of a lot of pictures that weren't necessarily up to normal technical standards; a lot of directors had to be used who hadn't directed before, or couldn't direct very well, and that went all the way down through the crews. You can see it in the films.

And that combined with the fact that every lawyer and accountant who wanted to follow the "Canadian example" started to become producers. They got scripts that were very amateurish, very below standard, and they thought they could rewrite, or produce them. So you got a lot of people who were not at the core of the film industry trying to make money out of it, and put deals together. And the deals and manipulation of the tax money were much more important than the pictures that were being produced - similar to what happened in Canada. We had a rush to production: 35 pictures

in one year. It has to fall over. No one's going to release the junk. So that's going to affect distribution attitudes to films, because they'll be able to say: "Well, it's not working." It's going to affect investors' attitudes, because they might want a tax write-off, but they also wouldn't mind making money; part of the clever aspect of the Australian tax incentive is the other 50% holiday on revenues... So you could predict the whole thing. Unfortunately, you can't stop people taking advantage of it. It has to be structured in such a way so that those people take a back seat. They may provide the money, but they don't control the picture.

**Cinema Canada:** Can that kind of thing be legislated?

**Fred Schepisi:** It should be. I think you can do it, to a certain extent. I think that maybe the experience itself will have sorted that out anyway; a lot of people have had their fingers burned, and will look at going about the process in a different way. But you have to spread production over a couple of years. A proper picture



takes two years from inception to the time it gets into the theatres, and that's if you're lucky. The intense period of production takes a year. But you don't say: "I want to do a movie," and then have the script written in three days, or a month, and then rush into pre-production at the same time. That's completely nonsensical.

I think it should be worked around some kind of penalty. Something that catches up with people if they don't sell or distribute the picture: a retroactive penalty. There's got to be ways around it, but not a time factor. Because if I'm going to invest in a movie, and then hang onto my money until the twenty-eighth day of June, I'm going to force you to produce in a very bad way. That's not what the incentive was set up for. It was set up to encourage propagation of our culture in a very popular medium. The whole "industry" thing is really supplementary.

There's only a certain capacity you can reach in Australia: personally, I think it's about 15 good theatrical movies a year, and probably 26 tele-movies, and whatever other "fodder" is produced for television. And by "fodder," I don't mean to dispense with mini-series, for which Australia seems to be getting quite a reputation. - the quality stuff.

The whole legislation thing was a reaction against what happened in Canada. It certainly kept out the Americans, much to their horror; they came away abusing us, saying "What stupid people, they didn't want to take advantage of our knowledge." But it didn't protect against the same charlatans from within Australia. In fact, it seemed to promote them. I hope they frame the amendments in a sensible way. Given the experience of every other country in the world, there are some sensible ways to do it. There is probably no way to completely eliminate the charlatans, or the "get-rich-quickers," but I think you can keep them to a minimum.

**Cinema Canada:** So you feel that one way or the other the industry will make it over this hump?

**Fred Schepisi:** Oh, yeah. If not, they'll just go back to the government

## Fred Schepisi:

### Boom, bust and the "tax trap"

system they had before. But I'm sure it'll pull through. It means too much to the Australian government in international publicity value. Apart from everything else, the popularity of Australian pictures has made it easier for embassies in other areas, like the introduction of manufactured goods into markets. The glamour has opened doors. There's an understanding now that Australia isn't a large desert with a lot of kangaroos bounding around. There are intelligent, thinking people there.

And I think Canada could be the same. I think your mistake - apart from taxation incentive mistakes - was this move to make bloody American pictures. Make Canadian pictures. I used to say this in Australia: make Australian pictures. Have international themes, but make Australian pictures, indigenous pictures about yourselves. And they'll be the pictures that succeed. All this "mid-Pacific" or "mid-Atlantic" stuff; it goes nowhere. You don't fool anyone.

**Cinema Canada:** But there are some differences. To our mind, the Australians have a much stronger sense of self than we do; the "Anglo-Canadian experience" doesn't seem to coalesce into anything... a fragmented people with a bewildering proximity to the United States. We like to form committees to lead "national cultural debates," like Applebert.

**Fred Schepisi:** Yeah, I heard about that. And if they drop the National Film Board, they're off their heads. The image those shorts give of Canada around the world is absolutely extraordinary. And if they drop that, they're destroying the greatest piece of "propaganda" equipment they could ever get.

But that whole business about Canadians not having any national identity: it's just not true. You are an entirely different race of people from the Americans. You're affected by the nationalism within the country, the split between French and English. You're affected by your ties to England, by the fact that you are frequently independent of the U.S. in political matters, such as Cuba. You're incredibly chauvinistic about how clever you are in business, and how you come down to the States and manipulate American money. Believe me, Canadians have a great sense of themselves, a great pride. And those are all the things that can be in your films. Then you wouldn't be kidding anyone. The films would be made with a soul and a purpose, and they'd probably be a lot more acceptable. That's my belief.

Barbara Samuels ●





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# Dr. George Miller

## Mephisto in a polka-dot tie

by Barbara Samuels

Wicked isn't the word. GEO Magazine's November cover boy beamed out from a smouldering background like some kind of cherubic demon, Mephistopheles in a polka dot tie. And the prop was a nice touch: a visor encasing his right hand looks like the latest in S&M head-gear. But this grin set the dominant tone. *Audacious.*

So who better to front a story on the Australian movie boom? This, after all, is the guy whose first feature blew a hole through that string of well-mannered period pictures, whose second was elevated to art film status in nothing flat. The former MD whose two-picture track record proved enough for Steven Spielberg to offer him a segment of the upcoming *Twilight Zone*. The man whose dexterity in staging a chase sequence almost redefines the concept of the 'moving' picture. Mad Max's Daddy.

It's all very lofty, and George Miller is anything but. The commercial success of *The Road Warrior* has sent his market value soaring, but this gently handsome 36-year-old remains unaffected by the noise and committed to what he sees as the primary purpose of the film exercise: "telling the story." It's been suggested that the response generated by the *Max* saga stems less from the story than the crackerjack execution, but Miller doesn't buy it. His tale of a loner adrift in a hostile landscape is something he consciously fashioned—second-time round—on the framework of comparative mythologist Joseph Campbell's "Adventure of the Hero", a compendium of international myth and legend with a Jungian basis. The idea that Max's tale struck some kind of unconscious chord in international audiences offered Miller both an explanation for the first film's phenomenal success abroad (excluding North America: it was dubbed and then buried by the distributor) and a narrative line for the second.

"I think one of the functions of any kind of storytelling is to contribute experience," he says now. "To let us confront experience that we don't understand or wouldn't normally have. The urge to see these kinds of stories or to tell them comes from somewhere other than the intellect, and that's what Campbell's talking about." He views filmmaking as a perfect medium for the myths, since "I'm one of those people who believes that films are 'public



● Visual electroshock as plied by Mad Max Miller and Mel Gibson in *The Road Warrior*

dreams', a shared audience response. They're something we experience collectively when we sit in a dark place and reproduce a kind of dream state. A film doesn't exist on the screen: the drama happens in the minds and bodies of the audience."

At Miller's hands, the minds and bodies of *Road Warrior* audiences are subjected to a kind of visual electro-

shock, a cinematic dynamism so overwhelming that it virtually kicks the debate over the picture's 'intellectual' merits right out of the arena. To chart Max's journey across this acrid no-man's land where petrol is the life force and the car an extension of the human nervous system, he held onto the basic movie tools and went the limit. It's a startling choice in an era when people



● Bruce Spence as the Gyro Captain fights off the marauding hordes

are shooting half their films against blue screens and then marrying actors and effects in the lab—it's raw movie craft, and it works. This is a literal 'road picture' with a dazzling sense of immediacy; the gritty terrain with its ribbons of asphalt and that blinding blend of speed and colour are transmitted 'first generation' with all their textures intact. It elicits a genuine gut response, a sense of proximity and involvement that you just can't get from a collection of mattes and opticals. Miller's power source here is his film language, and it's the angles, composition, lighting and nifty, flash-frame editing that make *The Road Warrior* crackle with real stylistic audacity.

The showpiece segment is a climactic, thirteen-minute chase sequence, an exhilarating textbook on the kind of montage moviemaking that is now Miller's trademark. He claims a fascination with the chase format because "when you look at it, it's pure, primitive cinema. None of that stuff ever happens; it's just little bits of film put together to create that illusion. All the old Mack Sennet-Harold Lloyd-Buster Keaton material: pure, visual cinema. And that's why the chase is so exciting, particularly when you're starting off as a filmmaker. You've got the compulsion for it because you're trying to understand precisely what it is."

With its echoes of movies past (Miller acknowledges his debt to both the western genre and the samurai film tradition) and its numbing new vision, the picture is really a celebration of film culture and form at their purest. And it's so gleefully controlled that he even jimmies with the aspect ratio; when a black and white academy frame explodes into anamorphic colour at the opening, you're pulled into the sheer energy of the thing at cyclone speed. If all that's not enough, the movie's beautifully acted and wickedly funny to boot.

It's also a film fueled by that audiovisual chemistry of violence, a virtual ballet of cartoon stunts and impossible death. And although details of the carnage are relatively spare (*Mad Max* was an all-round rougher movie, and there's a sense of comparative restraint here), *The Road Warrior* finds its leitmotif in that jagged explosion of metal and flesh. That fact has inevitably opened the floodgates on the same moral debate over cause and effect that dogged Walter Hill's *The Warriors* and Kubrick's *Clockwork Orange*, and Miller readily admits he's got no pat response to it.

"I think there are problems," he re-

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flects. "I think violence and aggression in our society are a little bit like love and death; things we don't understand all that well. There's no way a filmmaker can answer that question, except perhaps to look at statistics and note that the level of violence or violent death tends to remain fairly constant. You can't determine whether what you produce is causal or even *cathartic*. Because you always have to face the idea that people who are going to act out their violence would probably do so anyway, regardless of the provocation." But he's distinctly uncomfortable with any attempt to intellectualize the problem. "You go back to Campbell, and you find this recurring need to confront the nightmare side, the dark side of ourselves. And we shouldn't try to understand it in a purely intellectual fashion, because it comes from somewhere else. I don't think you can just look at an individual response, either. A lot of things become much more explainable in terms of the collective; the individual response is only important to the individual. That's why I always try to imagine an audience of about a hundred people, even inside the camera."

Due to the film's unique status as the most obviously 'commercial' of the big Australian movies, that audience—numbering well into the millions—is a remarkably varied one. Miller is aware of the reasons, and finds one of them slightly misdirected: he doesn't view *The Road Warrior* as inherently Australian. "It's a film that exists in film culture. It doesn't belong in Australia—it's set there, and it doesn't attempt to hide the fact, but it doesn't belong to Australian culture. It belongs to a post-apocalyptic heroic fantasy which is shared by all cultures. It's been accorded a little too much attention as an 'art movie', which it really isn't. Australian movies have that cachet at the moment, and a lot of people went to the picture simply because it was Australian. It wasn't quite what they expected."

But then, neither is George Miller.

The medical background has proved invaluable to journalists and industry folk alike, who use the "Dr." prefix to distinguish him from his namesake and countryman of *Man from Snowy River* fame. And it's also provoked a recurring question: why the jump from medicine to movies?

"Just a fascination with film," he admits. "When I was growing up (in Chinchilla, Queensland, and then in Sydney), I guess I served a kind of 'invisible apprenticeship'; going to films, drawing cartoons, reading all the comics. And when I went to medical school with my twin brother and we sat in the big lectures together, I found that his notes were a lot better than mine. So every morning for almost three years, I'd go to the movies and he'd get the notes. I'd turn up for practical classes in the afternoon."

He had a chance to finally try his hand at the medium when his younger brother (enrolled in architecture at the same university) entered a film competition. George came in on the project, and the siblings' one-minute effort won the prize—enrollment in a one-month film workshop in Melbourne. The experience was a crucial one: it linked Miller up with his producer and business partner Byron Kennedy, and effectively decided his future. But he left his options open by serving a two-year stint in a hospital,

a move that enabled him to register as a doctor. Holidays and weekends were devoted to filmmaking. "That was when the industry started to get subsidized, so there were a lot of grant films being made. Always something you could work on for free. It was a small, 'cottage' affair."

A short collaborative effort between Kennedy and Miller entitled *Violence in the Cinema* picked up some festival prizes and led to a distribution offer. "When we heard the word 'distribution', I honestly didn't know what that meant. When we found out, we began to realize what feature films were all about, and decided to do one." Between the decision and *Mad Max* came a short (*The Devil in Evening Dress*) and bits and pieces of work on other people's documentaries. "But most of the learning was theoretical. And that's why the first film was so terrible to shoot."

Miller claims he wouldn't necessarily take that kind of gargantuan leap now, "but that's what was happening in Australia then." On a budget of \$350,000 and more nerve than know-how, the young filmmakers barreled ahead. Straight into anamorphic. "We couldn't afford Panavision, but there were some old TODD-AO lenses that someone in Australia had bought for a commercial, so we were able to hire them at a very cheap rate. And then we cut the film on a 16mm black & white reduction print. I wouldn't do that again."

The money problems were compounded by sheer bad luck. Miller was forced to recast the female lead when the original actress broke her leg in a car accident en route to the set. In the middle of post-production, they ran out of cash and lost their editor: Byron became the sound editor, and George cut the picture. And the glut of Australian films on the market delayed *Max*'s release by a year—a full twelve months to confront the mistakes.

"It was a wonderful learning experience to cut around problems, to try to salvage things. And it's then that you realize how the poison sets in at the scripting stage. You can usually look back—apart from organizational mess-ups—and find that if you don't face your problems in the script, you face them on set, and if you don't face them on set, you face them in post-production, and if

● Kjell Nilsson as The Humungus



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you don't lick them in post-production, the audience has to lick them for you. Then you're in *real* trouble."

He remains convinced that the screenplay is the core of the process, and takes particular pride in the work he did with Terry Hayes and Brian Hannant on *The Road Warrior*. "The film is literally the first cut. We were so pressed for post-production time (nine weeks) that we had to cut reel by reel and freeze the reels as they came. We were working in five editing rooms, and I was bouncing from one to the other. Then we had to lay sound and score to them, and mix without seeing the finished film, which is absolutely terrifying. But there was very intricate work done in the screenplay; the spine was locked in from the very beginning. Had we been faced with that kind of post-production scramble on *Mad Max*, it would have been a total disaster."

For a man who had built his reputation on a couple of widescreen 'pop culture' movies, his next move was somewhat of a surprise. He turned to a purely Australian subject and to a different medium; *The Dismissal* is a six-part TV series on the fall from power of Australian Prime Minister Gough Whitlam. Kennedy Miller Entertainment put the project together with Terry Hayes producing, and Miller himself directed one episode. The series has garnered word-of-mouth raves in advance of its national screening. A principal attraction for Miller was his view of Whitlam as "a classical tragic hero," but the element of historical perspective also played a part. "The crisis tore the country apart; it put us into a kind of constitutional twilight zone. The governor-general invoked a law that the monarchy of England hadn't used for two hundred years (and fired the Prime Minister). It was a very arbitrary thing, and, ultimately, very tragic for Australia. I think the value of the TV series is how well it makes people understand what happened."

Miller's current Hollywood involvement in Spielberg's *The Twilight Zone* underlines the concern (voiced by Americans, often as not) that the Australian filmmakers may well lose their sense of national self to the lure of Hollywood. It's not a fear he shares. Now wrapping post-production on his 20-minute segment, he regards his work in the States as "a very enjoyable experience. I didn't have the responsibility of a whole feature, and it didn't take two or three years out of my life. It was like making a student film inside the studio system." Inundated with nightmare stories about that very system and its blasé crews, he found his two-week shoot "quite the opposite of what I'd expected. A lot of the crew were from outside, very young, and they mixed well with the best of the crews here. I couldn't have imagined a better group."

The U.S. experience also reinforced one of his stronger instincts: he's a passionate believer in the collaborative aspect of filmmaking, and he saw that sentiment echoed in the style of Steven Spielberg. "He's happy to be entirely

collaborative. He's got such confidence that he doesn't have to protect anything. He's much freer with what he does, so there's no adversary relationship with his people."

Miller's situation back in Australia is much the same story, and accounts in good part for his decision to return—despite a tempting offer in the States. He's not yet willing to see himself as a "director for hire", mainly because "I'm still in very much of a learning situation. That's why I'd like to keep making films in the same way we've been doing—essentially independent. We do the financing, the writing, the direction, and get intimately involved in the distribution. Film is very much an organic process, and the more of a 'specialist' anyone becomes, the more they're doomed to failure. As filmmakers; not necessarily in terms of a career. If you're just a writer, you've got less of an understanding of the process than if you were a writer/director, or a writer/editor. And it's important to have that understanding because the process is changing daily."

He returns at a critical juncture for the Australian industry, and while supportive of the principal of government subsidy ("There wouldn't be an industry without it"), he shares the general concern over events of the past two years. "There's always that terrible mixture between the business and the craft of making films. It's always the same story. You go from the 'cottage industry' and start evolving. And once you mature, with all the advantages that brings, you also get the massive disadvantages. Institutionalized adversary relationships, people who realize you can make a good living from films. Everyone kept saying: 'We've got to avoid what the Canadians did, and exactly the same thing is happening'."

His own immediate plans? To continue work on two scripts postponed by the rapid-fire succession of film projects the partners have undertaken. And to hold onto that singular, primary purpose in the face of a tricky domestic situation.

"Look," he says, "they're all important: the money, the financing, the careers. But when one of them becomes even slightly more important than that desperate, passionate need to tell that story, then you're in real trouble." ●

● Mel Gibson as Mad Max







A U S T R A L I A

# The wizards of Oz

## An aesthetico-cultural appreciation

by Marc Gervais



● Judy Davis and Bryan Brown in *Winter of our Dreams*

● Post-industrial machismo: Mel Gibson as the road warrior



It's been more than a year-and-a-half since the Australian feature film industry achieved stardom status. In the fall of 1981 America's powerful popular press (TIME, Newsweek, The New York Times, etc.) decreed officially that Australian film was *in*. Simultaneously at the Sorrento Festival in Italy, the European critical community, and the European media at large, also made the same discovery.

The results have been benign. Western screens have sparkled with a considerable number of fine Australian features, and we are the richer for it. Concomitantly, however, an exaggerated notion has grown about the Australian film-making capacity and the utopian film conditions Down Under. And, of course, for Canadians critics that has meant using the kangaroo to thwong' the eager beavers who have made Canadian feature film what it is.

A full understanding of the contemporary Australian feature film scene would necessitate an understanding of its historical context as well. And a rich context it decidedly is, beginning with the infancy of the medium in 1896, through the first fiction feature film ever made anywhere (*The Story Of The Kelly Gang*, 1906), followed by the highs and lows of the teens, '20s, '30s, and early '40s, and, finally, the 25-year doldrums prior to the '70s. Such, however, is not the purpose of this article, the major reason being, reasonably enough, that the present writer has seen none of those earlier films.

Instead, the attempt here is at achieving an aesthetico-cultural assessment from a very personal, experience-based point of view; the musings, of an outsider, a Canadian; and as such it may make demands on Australian colleagues

in the name of bemused tolerance. Underlying the enterprise is another context, a whole set of personal and broader social points of reference which demand explaining in order to understand the writer's point of view.

Like everyone else's, it is a point of view shaped by the Hollywood cinema. In my case that means mostly the Hollywood '40s, that immense, world-appealing film output whose best work only recently, in the last decades, has begun to be treated with critical respect.

But there was another current shaping my generation's relationship to movies. For many of us, the first serious adult attitudes were formed in that amazingly rich period in the '50s and '60s, when cinema began to be seriously considered the art form of the twentieth century, a reflector and shaper of contemporary culture. I refer, of course, to our discovery of those successive national cinemas (wave after new wave) that followed upon Italian neo-realism, whether through Fellini, Antonioni, and company in Italy, the British angry young cinema, Ingmar Bergman, the Japanese, Satyajit Ray, the Poles, the Nouvelle Vague in France, the Czechs, and many others. Here were breath-taking works, some of them nothing short of masterpieces, and most of them desperate essays, powerfully reflecting a dying civilization. The Cannes Festival, among others, came to mean a major discovery every year, sometimes a first contact with a hitherto unknown national cinema. Add to that the various intense political "new cinemas" (Italy, Brazil, Québec), and the American (and other) Underground movements. The '50s and '60s were indeed a time of unparalleled cinematic achievement, and film was practically being re-invented year after year. Film language, aesthetics, politics, life — they were all intermingled, and all up for grabs.

Then came 1968 — and the death-knell of the '60s, politically and culturally. Even the Cannes Film Festival suffered a spectacular collapse, show-biz style, midway through its two-week run. And

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that surely was a sign of things to come: the Golden Age of International Film Rebirth was at an end. It was not a case of instant, nor even total, death, to be sure. But after '68, the discoveries became few and minor; and even the "old Masters" seemed to lose in vitality, inventiveness, and earnestness. Their works were seen now as repetitive; we had heard it all, seen it all before. Hollywood reasserted its economic control of the film world; and the creative vitality shifted back there as well. To oversimplify: international film, which in its best products had, for a few years, become a director's medium, now reverted to being a producer's medium.

It is understandable, then, that some of us in regular attendance at Cannes began experiencing a sense of frustration as the '70s progressed. We kept looking and hoping for new developments, yearning for the film climate enjoyed between, say, 1953 and 1968.

For me, the "new discovery" came in Cannes in 1975, when, by chance, I strolled into an Australian film being shown "on the market." Ken Hannam's *Sunday Too Far Away* was indeed something different; far removed, on the one hand, from the dying images of the old European masters, and their cynicism and moral exhaustion; but far removed, too, from the American look, the Hollywood recipe, and the whining young male-centred fixations typified by some films starring a Nicholson or a Hoffman. Australian cinema! A new land (for us), new sights and sounds, open spaces, a freshness of rhythm... all of this was conscientiously reported, but only en passant, for *Cinema Canada*.

The following year - Cannes '76 - proved that *Sunday Too Far Away* was no passing fluke. The Aussies came with eight or nine features; and *Cinema Canada* (June/July 1976), in its wisdom, chose to title my report "The Year of the Kangaroo", snippets of which I here reproduce, in an attempt to explain the appeal of Aussie films:

*It's not that the Aussies are turning out masterpieces. No. Down Under there are as yet no John Fords or Mizoguchis or Bergmans or even a Francis Ford Coppola. I would go even further. In terms of aesthetic awareness and aesthetic experimentation, the Aussies have not shown the type of concern (or matching achievement) of some aspects of the direct cinema of Allan King a few years ago, or of certain Québécois cinéastes such as Perrault, Lefebvre, Brault...*

*And yet, Aussie films are having a real impact at both the critical and popular levels. Why?...*

*Because, mate, the films are ruddy good, that's why. Picnic At Hanging Rock, The Devil's Playground, Mad Dog, The Trespassers, The Fourth Wish, Caddie - here are fresh, intelligent, often exciting, often lovely films.*

*As one analyzes these movies, and studies the Aussie film situation, certain patterns emerge. By and large, the directors and producers and writers are young. Far more important, they tackle subjects they seem genuinely interested in, and they treat them in their own fashion. Unlike most Canadian films, Aussie movies are well-scripted, and they do not look like cheap imitations of American exploitation flicks, weighed down with the same tired language and clichés.*

*The Australians touch on deeper, wider human experiences. They do not cultivate a kind of mindless nihilism. They do not conform to some dominant recipe. Somehow, out of it all, their films sing a song to people, to life, no matter how tough the context may be.*

*Totally Australian, totally filled with breath-taking images of their own country, they nevertheless have an enormous appeal for everyone, simply because they are human (however one may define the term), rather than exploitative or hermetically sealed-in. They definitely are not the sort of one-dimensional products of a cynical commercialism that threatens our own scene.*

Seven years have slipped by since these words were written. Today I would feel obliged to be more nuanced; some titles would be dropped, others added.<sup>3</sup>

Yet, in substance, I feel they still apply. Beresford, Weir, Hannam, Schepisi, and, later on, Noyce and Armstrong, among others, are film directors who have made the Australian New Wave a splendid, on-going reality.



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are almost as good. So much so that one could claim that the typical Australian feature is superior in all-round quality to the typical Hollywood movie - if you except the four or five very best products made in Hollywood each year. Not bad for a country of 14 million people.

Why is it that Australian films, by and large, are so immensely attractive, both aesthetically and at the level of mass appeal? And yet why don't they quite qualify as "masterpieces"?

As I reflect on the 35 features, one fact stands out. Most of the films that appeal to foreign critics and to foreign and (I

list that testifies to the fact that today's city living does find its way onto Australian screens. Indeed, progressively, the old criticism that Aussie films only deal with the past and the great outdoors is becoming irrelevant, as witnessed by the lists of films made especially in the last year or two. Unquestionably, however, the fact remains that the majority of the successes between 1975-1982 have dealt with Australian history and/or the great Australian outdoors - a fact, I feel, that can prove quite illuminating.

Take the case of two of the most popular, though surely not most artistically satisfying, recent films by the Australian film industry's two George Millers. Dr. George followed his earlier box office smash, *Mad Max*, with the even more successful *Mad Max 2* (called over here *The Road Warrior*); the other George has given Australia its biggest home box-office hit ever, *The Man From Snowy River*. Quite simply, no two films could appear more different in spirit, in conception, and look. *The Road Warrior* is a sort of surrealist punk odyssey through the holocaust - survival for the chosen few. Violent, frantic, souped-up, it is meant to take place "nowhere", "in the near future", a kind of Rockers' Apocalypse When. Trashy, yes; and yet, brilliantly executed, the work of a born filmmaker trying to clothe the mythic universal unconscious in barbaric contemporary garb.

*The Man From Snowy River* is diametrically opposed in every way. The clock is turned back over a half-century, and, very definitely, Apollonian serenity replaces Dionysian frenzy. *Snowy River* is assuredly somewhat academic in everything from scripting to final execution. And yet, there is something there: the viewer (this one, anyway) is enthralled by the sweep of the images of mountain country in a land not normally known for its mountains. Based on a popular poem, *Snowy River* becomes overtly a national film ballad about a boy's (ritual) testing on the path to manhood - Australian manhood. And he measures up the way an Aussie lad should, true to the old traditions and stereotypes. Australians find their national myths, their national ethos reinforced. There is belief here; and foreigners feel it, while sighing for the wide-open spaces, the at-oneness with "life" out there.

Two opposed film universes, then. And yet the films share certain basic attitudes or options, things we foreigners have come to recognize as uniquely Australian. The best word to convey what I mean is *size* - size in the landscapes, the characters, the sentiments, size in the belief in and enthusiasm for what the filmmakers have at hand, the glory of filmmaking. *Mad Max* Miller may claim his film is not specifically Australian, but where else could the film come from? The surrealistic sweep of the Outback desert, its rough, arid, beauty and cruelty, the colour, the organic unity between land, sky, character, and story - difficult things to pin down, perhaps, but so intensely Australian. The proof? Just try to find it in the cinema of any other country.

*Snowy River* Miller is even more captivated by the Australian outdoors. Take that away and his film loses all credibility, becoming downright embarrassing in its (for us) turn-of-century moralizing. What is it that permits Miller to make his relatively modest Australian Alps range incomparably more imposing than anything ever seen in Canadian films - even our own peerless Rockies, and our frozen winter wastelands? The answer, of



● Awaiting the court-martial in *Breaker Morant*



● Peter Weir's *Gallipoli* used the Australian coastline to splendid effect

I have by no means seen all of the Australian features made since 1975, and, obviously, none of the most recently completed ones. And yet, of the ones I have seen (mostly in Cannes), about 35 qualify for a personal list of movies I consider of a certain quality. Beresford's *Breaker Morant*, Peter Weir's *Picnic At Hanging Rock*, Phillip Noyce's *Newsfront* and a few others might well be termed "great" films, but many others

dare surmise) native Australian audiences are *not* located in contemporary urban settings or do not deal directly with issues stemming from that milieu. There are solid exceptions, to be sure. Beresford's *Don's Party* (1976) and *The Club* (1980), John Duigan's *The Winter Of Our Dreams* (1981), Phil Noyce's *Heatwave* (1981), Don Crombie's *Cathy's Child* (1979), and Esben Storm's *In Search of Anna* (1979) head a pretty impressive



course, is in spirit, the size of the aspirations, the intuitive rapport with and love for the land, something innately felt – coupled with master craftsmanship.

Both films frame their actors against that land and sky. Thus the actors, too, have size; they are active. Mel Gibson and young Tom Burlinson become almost epic heroes or anti-heroes, each in a radically different manner – and in a manner that no other contemporary cinema can match. Given those scripts, then, and that kind of direction – indeed, given the whole set of operational artistic choices at every step of the filmmaking process – no wonder that Australian actors capture their audiences, stir the imagination, and have been a major factor in establishing the base for a solid commercial film industry. Bryan Brown, Jack Thompson, Mel Gibson, Sam Neil, John Waters, John Hargreaves, Judy Morris, Judy Davis, Elizabeth Alexander, Helen Morse, Angela Punch-McGregor –



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attitude and know-how. But what is especially benign in the Australian situation is that that attitude and know-how – call it living with quality at the creative level – seem to spill over into the productive areas; the national and state film bodies, and the excellent film and TV school are peopled predominantly by folk with a creative film background. All is relative, of course; but when compared with others, the Aussies look good.

So much for the positive side which accounts for the fine performance of the last seven or eight years. But... and of course there is a "but." It took the Aussie cinema a relatively long time (some five years) to make it big, even among Anglophone critics. Of course, many of them had not even seen an Australian film. But many who had, even now are hesitant, reflecting the more severe *malaise* of Parisian critics and others similarly oriented. The present writer waxes enthusiastic (*genuinely* enthusiastic), but covers himself churlishly with a (perhaps dead-wrong) disclaimer: "no masterpieces, to be sure." Why not?

This brings us back to an aspect of film language very different from that described earlier, and back, too, to the context described at the beginning of this article. The Aussie cinema struck – and reinvigorated – my jaded mid-'70s film consciousness like a breath of clear, fresh air. But from the beginning something was missing... for people of my ilk, at least. It was (to overstate the case) as if the film '50s and '60s that had formed my understanding of cinema had simply never happened in Australia. Or, worse still, as if the whole '60s cultural upheaval and its ensuing traumas had simply no relevance Down Under. At least not to the extent that they affected the western world.

Godard, Antonioni, and how many others had challenged the very nature of film, of all communication, as western culture agonized in its own dialectic, as it questioned its traditional values, as it (later) struggled to some sort of reaffirmation, rendered almost impossibly fragile by a terrible self-consciousness or by a despairing, sardonic cynicism. So film – film form, the very relevance of film language – went through the same process. "Good" cinema would henceforth be burdened with that terrible

self-doubt, that heavy self-awareness. The hucksters, of course – advertising, exploitative flicks, whole dominant areas of the film industry – would side-step reality and responsibility, and go on using the audio-visual to sell, titillate, or manipulate people. Or, "innocently", unconsciously, some might simply fall back on the old, un-self-critical patterns. But the "good" cinema?

In that kind of critical context one encountered the mid-'70s Aussies. Vitality, newness, freshness – unquestionably! But where was the underlying irony, the shared western neurosis, the doubt? Some of the stories, "surface themes" might be tough, ornery, cynical, but the very texture of the films, their look and feel and rhythm, sang another song – a reassuring one. It was (and continues to be) somehow too straight, so right. Predictable? Or, as Pauline Kael put it, so *safe* (not a nice word coming from her.).

In a sense, art is a question of language, its own language. And the death of true art is language that has become banal, unable to challenge. The Australian cinema has not totally avoided the pitfalls; it runs perilously close to middle-of-the-road comfortableness. And yet, how can one use such phrases when referring to films that fairly burst upon the screen with such a spirit of filmic – and life – celebration?

Or whatever. And perhaps, so what? and who cares? But it could be that that is why even a *Breaker Morant* may just fall short of truly great art. Has any Australian film director been able to take that final step into a new world, where the language becomes mysteriously his own, where experience becomes transformed through his sensibility, where the codes and patterns he has inherited are subtly undermined in a new communication of spirit, where even superb craftsmanship is transcended?

Heavy, vague questions, perhaps impossible to resolve. And indeed it has not been the purpose of this article to damn with faint praise. For how can one avoid enthusiasm when assessing the accomplishments of a country that has done what it has done in spite of all the odds, the mad economics that govern our filmmaking way of life?

For the record truly is an impressive one; and Australia has been revealed in its people, its land, its own soul, in works such as Ken Hannam's superb *Sunday Too Far Away* (1975) and *Summerfield* (1977); Fred Schepisi's sensitive and personal *The Devil's Playground* (1976), and his grandiose, ambitious *The Chant Of Jimmy Blacksmith* (1978); John Power's delightful story of the early movie days in Australia, *The Picture Show Man* (1977); Tom Jeffrey's Australian *Mash*, *The Odd Angry Shot*

(1979); Igor Auzen's historical epic on Outback ranching, *We Of The Never Never* (1982); *Mad Max 2* (1981), which reveals an immensely talented Dr. George Miller who may indeed be inventing his own cinema; and brilliant graduates from the film and TV school with remarkable works such as *Newsfront* (1978), by Phil Noyce, and *My Brilliant Career* (1979), by Gillian Armstrong.

The list could (and should) be extended. The point, however, has been made sufficiently. A final word is necessary, a special place of honour set aside, so to speak, for the two directors whose accomplishments place them among the best at work in the world today – Bruce Beresford and Peter Weir. Weir, more the *auteur* of the two, the poet of sensitive young people bewildered by a mysterious, changing world – and the Australian film director who comes closest to a personal vision, a personal creation – has completed his fifth feature. Among the five, at least *Picnic At Hanging Rock* and *Gallipoli* rank with the finest films of the last decade, world-wide. Bruce Beresford, the supreme *metteur-en-scène* who transforms varied sources into many types and genres, the master craftsman, the most political of all self-avowedly non-political filmmakers, is the steady creator of quality, currently finishing his ninth feature. What more need be said about the quintessential Australian film, *Breaker Morant* – and, for changes of pace, *The Getting Of Wisdom* (adolescent young women at school), *Don's Party* (politics), *The Club* (sports), and *The Money Movers* (thriller)? A few Beresfords might well be enough to keep any quality film industry going.

In conclusion, then. This article has resolutely avoided doing the Canadian Thing, that is, using the Australian experience at least implicitly to criticize the Canadian situation. If I may digress monumentally, it is high time that Canadians take a much more *objective* look at what has happened in Canada, cinematically speaking, over the last few decades; to examine our own '60s and '70s film history from a positive, constructive point of view.

The focus has been on Australia, on what has been achieved there, and how that achievement measures up, critically speaking, against the rest of the world's film output. Realistically, and over-all, the Aussie story is a wonderfully positive one. And inevitably, from many different perspectives, the Australian film industry has a lot to give us, not least of which are continued moments of film enjoyment. Best of all, given that Aussie film spirit that has produced so much quality in the last seven years, one has good reason to expect that such moments will be afforded us anew for years to come. ●



● Writer-director John Duigan

I have not even included the more veteran performers of real stature – and many others, are extremely well-served by, and have become exciting show biz assets for a vital national film industry. And, judging from recent reports, starchy new faces already make my list outdated.

The positive assets, however, are hardly limited to directors and actors. David Williamson (*Don's Party*, *The Club*, *Gallipoli*), already an internationally acclaimed playwright, is only one of a number of Australian film writers who bring quality and know-how to that essential aspect of feature filmmaking, however self-critical the Aussies may be in that regard and however publicly some of them may pine for Hollywood expertise. When it comes to cinematography, even the Aussies express no doubts whatsoever. Don McAlpine (*Breaker Morant* and most of Beresford's other work, *My Brilliant Career*) has been wooed internationally for some years now, and he is only the best-known of an outstanding lot who have given Australian films their matchless look.

Every aspect, in fact, of the endlessly complex phenomenon that constitutes feature filmmaking is of world-class standards. The magnitude of the Aussie achievement can best be understood when one studies in detail and in-depth the situation in other countries, including our own. The key words indeed, are

● A trio of talent: Russell Boyd A.S.C., writer David Williamson and director Peter Weir



1. Thwong is an aboriginal word meaning to bash or to clobber. North-American equivalents include to boink or to gong.

2. A film which, by the way, this writer would rank among the three or four best films ever made in Australia – and which, to my knowledge, has scarcely received a showing over here.

3. The comments on film language at the end of this article will seem to contradict the above quotation. That is because the terms of reference are different, the early article addressing itself to our own Hollywood North efforts, whereas the present terms of reference, as shall be seen, are those of contemporary sensibility and the self-conscious art cinema.



## THE SENSE AND NONSENSE OF APPLEBERT & FOURNIER

### Part II: Distribution The push for Canadian content

by John Roston

**Author's note:** The first part of this article, published in the last issue of *Cinema Canada*, examined the logic behind government aid to production as recommended by the Federal Cultural Policy Review Committee (Applebert) and Quebec's Commission d'étude sur le cinéma et l'audiovisuel (Fournier). Shortly after *Cinema Canada* went to press, Quebec's Minister of Cultural Affairs tabled Bill 109, the proposed cinema and video law. The bill is based on the Fournier report, but with several major changes.

Part I of this article took Fournier to task for "recommending such extensive and complex government intervention in the film industry that it creates as many problems as it solves." Bill 109 performs radical surgery on Fournier's recommendations. Fournier's complicated maze of new governmental film organizations has been reduced to one new agency and modifications to existing agencies.

The new *Société générale du cinéma et de la vidéo* is a Quebec version of the Canadian Film Development Corp., with a similar mandate to promote films and provide financial assistance to the film industry. Although far more efficient than the system recommended by Fournier, the new agency still suffers from some of the ills of committee decision-making described in Part I of this article. (Fournier's statutory system of "automatic" aid to producers, directors, screenwriters and others, also criticized in Part I, has been dropped.)

The existing *Bureau de surveillance du cinéma* is transformed into *La Régie du cinéma et de la vidéo*. In addition to classifying films for exhibition, it administers the new system of permits in a manner very close to that recommended by Fournier. Producers working "on a professional basis" in Quebec will be required to obtain a special permit, as will non-Canadian professionals wishing to shoot material in Quebec. These unwarranted intrusions by the state on individual rights and freedoms, as stated in Part I, "are well-intentioned, but they create a bureaucratic nightmare, a sort of film police."

Although Bill 109 is a major improvement on the Fournier proposals, it fails to set up a system which will maximize the production of creative and innovative films.

Applebert and Fournier are most convincing when they suggest that the primary objective of government intervention should be the production of creative and innovative films and television programs. They are less convincing when they suggest that this objective can best be achieved by the private sector. Whether high-quality films are produced by the public sector or the private sector, they must be given the widest possible audience. Reaching that audience is the task of the distribution process. This part of the article will examine the logic behind the distribution mechanisms recommended by Applebert and Fournier, modified in the latter case by the manner in which its recommendations are implemented by Bill 109.

#### Continuity of product

Applebert states that, "one of the chief goals of cultural policy must be to establish strong and stable lines of commu-

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nication between artists of all kinds and those who will see, read or hear their messages." If strength and stability of communication between artist and audience are to be our chief goals then there must be predictability in the method of distribution so that consumers can easily find the high-quality productions and enjoy them. (In the past our high-quality films have been distributed on an erratic basis. They may appear first in major theatres, small local theatres, on the CBC, private networks or educational television. Word about them tends to spread slowly. Consumers who have been disappointed by the poor quality of previous Canadian productions react skeptically at first. By the time they decide to have a look at a film, it has moved on, to pop up at random somewhere else months later.)

The Hollywood Majors promote a film on the basis of key ingredients - the stars. The stars have already been heavily promoted over a long period of time and that gives the films in which they appear a head start. Applebert comments that they "economize on information by a reliance on 'stars.'" In the absence of anything else to go by, they are willing to believe that the star is the key ingredient which guarantees the quality of the product.

The challenge for the distribution process is to minimize risk by creating convenient places where the consumer will have the best chance to see quality films and television programs on a regular basis. If the product itself is hard to identify, at least the consumer will know the best places to look for it. To maintain consumer confidence in such places, every effort must be made to keep inferior products out of them. Applebert sums up the principle neatly: "Promotion implies selection." Unfortunately, Applebert and Fournier tend to confuse high-quality programming with Canadian content.

#### Taxation and the distribution system

If the consumer is given a quality product, she or he should expect to pay for it. Both Applebert and Fournier seek the ideal means to channel funds collected in the distribution process back into production. Fournier is very specific, calling for a production fund, or "fonds de soutien du cinéma," which in addition to a statutory allocation, receives income from several taxation measures:

- a 10% tax on cinema admissions;
- a 50% increase in the sales tax on television commercials;
- a 10% increase in the sales tax on basic cable services;
- a \$2 increase in the sales tax on each blank small format videocassette.

As Bill 109 is not taxation legislation, none of the above provisions have been implemented and are still under study.

Applebert rejects the idea that cultural needs should be financed by the yield

from special taxes. "Initially there may be a correlation between the need and the yield, but with the passage of time that correlation may diminish rapidly." It therefore recommends that, "Public funds for the support of cultural activity should as a general rule be financed from general revenues," a point of view that makes sense over the long term, though it avoids the problem that production funding must be increased dramatically in the short term.

#### U.S. domination of the theatrical market

Fournier condemns the existing theatrical distribution system in which several major Hollywood studios dominate the world market. They are, "so powerful that almost no Occidental country succeeds in escaping from their hegemony." Applebert explains how the system works: "The theatrical market is highly integrated with the United States market; both Canadian and U.S. theatres are supplied chiefly by distribution companies which are integrated with the major Hollywood studios... These studios have the greatest control over what theatres exhibit because they control the 'blockbuster' Hollywood releases, which are what the theatres want." In other words, Canadian theatres must exhibit their quota of mediocre Hollywood product if they want to be given the heavily promoted expensive productions which rake in most of the profits.

The two major Canadian theatre chains, Famous Players and Odeon, have done little to improve the situation. Famous Players is owned by Gulf & Western, the same U.S. conglomerate which owns one of the major Hollywood studios. Yet Applebert is more irritated by Odeon which stopped exhibiting a voluntary quota of Canadian films shortly before it was acquired by Canadian interests: "The problem we are describing cannot be resolved by a policy requiring Canadian ownership of theatres." As Fournier puts it, "Everyone knows that the large Canadian theatre chains benefit from privileged agreements with the Majors which make their productions available to them on a priority basis." To Fournier, "Reappropriating control of the national marketplace constitutes, therefore, in the eyes of the Commission, one of the prime objectives on which the State must concentrate when intervening in film distribution and exhibition."

Unfortunately, beyond such generalities, Applebert and Fournier are not of much concrete help.

#### Increasing Canadian content

When it comes to solving the problems they have articulated so clearly, both Applebert and Fournier miss the target by a wide margin. Applebert is vague: "The federal government should provide the Canadian-controlled film distribu-

tion industry with the economic strength to market Canadian films successfully to Canadian and foreign audiences through all channels of exhibition and sales." It suggests that subsidies and loans could be made to Canadian-owned film distributors for distributing Canadian films - throw money at the problem and maybe it will go away.

Fournier's recommendations have been simplified by Bill 109 which provides that:

- all film distributors doing business in Quebec must be 80% Canadian-owned and obtain a permit from the Régie du cinéma et de la vidéo;

- the Régie du cinéma et de la vidéo sets the minimum percentage of box office gross receipts which must be received by each party as part of the agreement between film distributor and film exhibitor.

Unfortunately, transferring power away from the Majors to Canadian distributors is not that easy. Fournier recognizes that the Majors may simply make a sweetheart deal with a Canadian-owned distributor willing to do what it is told in return for cash. The permit system is apparently to be used to prevent such a deal. Bill 109's new Régie du cinéma et de la vidéo can set regulations for the procedure to be followed in the issuance of permits, but the bill does not clarify exactly how far the Régie may go. Fournier intends it to go far indeed: the Régie should "ensure that the grants of distribution rights to Canadian enterprises are genuine. In particular, it will be able to require that the distribution rights for a film are granted for a period of at least two years. It will also be able to require that the distributor's commission, established by contract, be not less than 20% of distribution revenues. The issuance of permits can be based on all other conditions, established by regulation, which the Régie judges necessary to attain the objectives which govern the recommendation." In other words, the Régie can bend the regulations to ensure that the Canadians receiving distribution permits haven't sold out to the Majors.

There is no way of knowing all the criteria on the basis of which the Régie will issue permits. If the regulations are straightforward, they will not prove to be much of an obstacle for the Majors who can make their contracts of convenience with little to fear. They will see the system as complex nonsense that benefits some private sector opportunists. On the other hand, if the Régie adheres to the policy suggested by Fournier, it risks becoming a force with frightening powers.

#### Solving the theatrical puzzle

The objectives which Applebert and Fournier fail to achieve in the theatrical market can be summarized briefly:

- a method of distribution which provides a continuous flow of high-quality product and thereby gains consumer confidence and loyalty;
- a priority in this distribution method for Canadian productions whenever these are available;
- a meshing of this system with the distribution of expensive and heavily promoted Hollywood productions which provide a solid financial base for film exhibition.

The solution to this puzzle may require the active involvement of the public sector, but both Applebert and Fournier reject this option, the former because "governments and government agencies are not the best promoters," and the



latter on the basis that governments should "foster the development of independent and responsible Quebec enterprises." However neither report proposes a mechanism whereby the private sector can do the job required.

## Language

The Majors have usually been slow to introduce French versions of their big hits in the Quebec market. Bill 109 requires the Régie du cinéma et de la vidéo to limit distribution of films for which there is neither a French version nor a contract to make such a version. The restrictions only take effect 60 days after the first public showing of the film in Quebec. After that the film may not be shown publicly for a period of 180 days. Following this blackout period, only one copy of the film in each format can be distributed for public exhibition. These provisions are reasonable. In fact, it is difficult to believe that the federal government has done all that it could to see that high-quality Canadian films and television programs are made available in both languages as quickly as possible. Applebert comments that, "federal cultural policy should be shaped by the fact that we have two official languages, but it should not partition Canadians into two linguistic compartments."

## U.S. domination of the television market

Both Applebert and Fournier are very concerned about U.S. domination of Canadian television. According to Fournier, "Almost a million Quebec homes now subscribe to cable and thus receive an abundance of programs, mostly American." Not only do the majority of Canadian homes receive American stations, but Canadian stations purchase as much U.S. programming as they can. Applebert explains that, "the problem of Canadian content stems from two facts: first, it is much cheaper to acquire a foreign program than to produce a domestic one of equivalent quality; and second, foreign, especially U.S., comedy and drama tend to attract larger audiences than Canadian equivalents because they can be more heavily promoted and because the larger market to which they are sold makes it possible to invest larger sums in their production, thus often enhancing their appeal." What irritates Applebert even more is that the Canadian networks bid against each other for U.S. programs: "Competition between the CBC, CTV and Global networks and some independent broadcasters for American programs means that Canada pays considerably more for those American shows than does the United Kingdom, for example, with a market nearly three times the size of Canada's." Although Canadian-produced light comedy and drama suffer from this U.S. competition, there are profitable television markets for Canadian-produced sports and variety programs. Applebert is disturbed by CBC purchases of U.S. programs and finds the root of this evil to be the acceptance of advertising by the CBC. "The need for advertising revenue exerts a profound pressure on CBC programming to fill prime time with U.S. programs." To solve the problem of U.S. domination, Applebert recommends that, "CBC television should discontinue selling air time for commercial advertising." Since CBC affiliates also want U.S. programs, "CBC television should discontinue its affiliation agreements with private television stations."

Applebert confuses the problems of

Canadian content with those of revenue-producing potential. In the early part of its report, Applebert makes a "functional analysis" of cultural activities in general. "There is clearly a very large sector of activity of which the primary function is to satisfy varying demands for entertainment and recreation, transmitting little from the past, leaving little residue in the form of future heritage and showing little conscious concern with the interpretation of society of itself... From government it demands courses of action that involve at least as much industrial (or, more broadly, economic) policy as cultural policy..." Although this may suggest some disdain on Applebert's part for activities which consist mainly of simple entertainment, Applebert later asserts that "the programming policies of the CBC must encompass not only the arts and specialized programs but also popular and mass entertainment." To accept that assertion at face value, one would have to conclude that the CBC should run sports and variety programs. Perhaps the objective should be to reduce purchases of U.S. programs without adversely affecting the revenue generated by Canadian mass-appeal programs.

## Specialized programming

Applebert attaches considerable importance to the rapidly expanding number of available channels and programs: "To an extent, the control over programming is passing from the hands of broadcasters to viewers and listeners." This transfer of control becomes more pronounced with pay-television. The viewer purchases what he or she wishes to see: "Television broadcasters will probably become more specialized in the production of programs, provided they have a market large enough to yield a profit." That profitability proviso is crucial: it may be technically simple to pump one hundred television channels into homes, but who on earth is going to pay for the programming which runs on them?

Applebert is correct in recognizing that conditions will favour specialization. If a viewer is in the mood for sports, drama, variety, public affairs or soft-core pornography, she or he is likely to turn first to a channel which either specializes in that type of programming or runs it frequently at that time of day. Those who run such programming on an erratic basis, no matter how high the quality, may keep missing their audience. In trying to be all things to all people, the CBC will find itself at a serious disadvantage.

## Public-sector distribution objectives

A natural question arises as to just what the difference is between the production objectives of the CBC and those of the NFB. In recent years, there have been quite a number of CBC-NFB co-productions which in itself indicates that there is quite an overlap of the two agencies. Applebert goes so far as to make the extraordinary statement that, "the NFB's mandate 'to interpret Canada to Canadians and to other nations' has been increasingly assumed by the CBC's news and public affairs programming." The marvellous thing about "interpreting Canada to Canadians" is that no one knows what it means exactly, but everyone wants to do it.

The NFB distributes both general interest material (produced by itself and by the CBC) and special interest material (produced by itself and by the private

sector for individual government departments). These materials are made available on a free-loan basis. The private sector distributes its own general interest and special interest material (produced in the hope that it can be sold and rented profitably) as well as productions from other countries. With so many overlapping paths, it's not surprising that the NFB and the private sector keep treading on each other's toes. According to Fournier, the NFB's free-loan service "creates consumer habits which are injurious to those who rely on a market which is already restricted and difficult." Why should consumers rent films from a private sector distributor when the NFB loans them out for free?

On the other hand, Applebert suggests that the CBC should take over responsibility for all NFB distribution. "We would like to see our hundreds of public and school libraries become more effective distributors of audio and video productions than the 27 NFB offices have been in recent times." In fact, public and school libraries do help to distribute NFB productions, but when budgets are under pressure, audiovisual activities are often the first to be restricted. Applebert observes that the free loan of NFB productions should eventually be restricted to non-professional videocassettes.

## The international market

Bill 109 specifically provides that one function of the new Société générale du cinéma et de la vidéo is to provide financial and other assistance for Quebec films "in festivals and other cinematographic exhibitions." Applebert proposes a new "Film Canada" agency to be supervised by the CFDC. "The new organization would assume most, if not all, of the functions now performed by the NFB, the Department of External Affairs, the Department of Communications and the CFDC itself for promotion, sales assistance and exhibition of Canadian films outside Canada." While such an enterprise remains a future possibility, the extant Film Canada has been shelved due to private-public sector friction.

## The new technologies

Fournier believes that the effects of the electronic revolution will be profound: "The coming technological upheavals are undoubtedly going to involve changes in the economics of the audiovisual field and encourage the emergence of new styles, new formats and a new aesthetic." Applebert agrees: "As always, such changes bring with them opportunities and dangers." Applebert and Fournier discuss how three of the new technologies affect the distribution process:

- videocassettes;
- pay-television;
- direct broadcast satellites.

## Videocassettes

The problem with videocassettes is that they remove the economic base for non-theatrical distribution. Some of the Hollywood Majors are battling Sony in the U.S. Supreme Court in an attempt to obtain compensation for the erosion of this market. One might as easily try to restrict the use of Xerox machines.

Fournier is particularly concerned about the video pirates who sell illegal copies of movies to retail stores. Bill 109 requires all commercial distributors of videocassettes to register each title with the Régie du cinéma et de la vidéo. As part of the registration procedure, a copy of the distributor's agreement with

the rights holder must be deposited. The Régie issues a registration certificate for each title, a copy of which must be given to the retail store.

Both Fournier and Applebert mention the idea of a special tax on non-professional format videocassettes. Fournier recommends the \$2 tax per videocassette which was mentioned earlier as part of its proposal for taxation measures to support production. Applebert's suggestion is more interesting: "The federal government should empower a non-government, Canadian cultural products marketing organization to administer a discount voucher scheme, based on a levy on sales of blank audiotapes and videocassettes, to stimulate the sale and production of Canadian sound recordings and film and video productions." The buyer would pay a fixed levy on the blank videocassette. "In return, the buyer would receive a voucher, redeemable at the value of the levy (or a multiple thereof) towards the purchase price of a 'Canadian recording,' with that category of products being fully defined and identified."

## Pay-television

Another overrated bonanza is the large portion of pay-television fees which the CRTC believes will be allocated for Canadian program production. Applebert and Fournier have no argument with this view.

## Direct broadcast satellites

Direct broadcast satellites will have signals of sufficient strength for consumers to capture them with a device the size of an umbrella. This will give consumers the opportunity to receive U.S. and Canadian networks cheaply without cable. Applebert comments that, "it is sobering to contemplate what the impact will be when a host of U.S. services can be received via satellite anywhere in Canada." This cannot be prevented, but Applebert realizes that there is also a positive side to the coin. "This new technology provides unprecedented opportunities for us to increase the distribution of new Canadian programs and services, not only domestically but internationally."

It is not a time for timidity. As our direct broadcast satellites expand their coverage into our north, their footprints extend south into the U.S. If Applebert and Fournier are correct in stating that a large Canadian audience is watching U.S. border stations, what better place to promote Canadian programming?

## Conclusion

Applebert and Fournier have taken an honest look at film and broadcasting in Canada. They recognize clearly the mistakes of the past and make a sincere effort to formulate policies which will improve the situation. In general these policies look to the private sector for solutions to the existing problems. Bribes and threats are frequently used to convince the private sector that it should pursue culture instead of profit. Applebert and Fournier keep trying to pound square sticks into round holes. Neither public nor private sector can do everything well. Government policy must find and support the strength of each sector and set clear goals which can be evaluated afterwards. This has not been done. The challenge now is to build on Applebert and Fournier to arrive at a film and broadcasting policy which unlocks creative potential and establishes meaningful communication between artists and audience.