



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 MacKenzie 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. ●



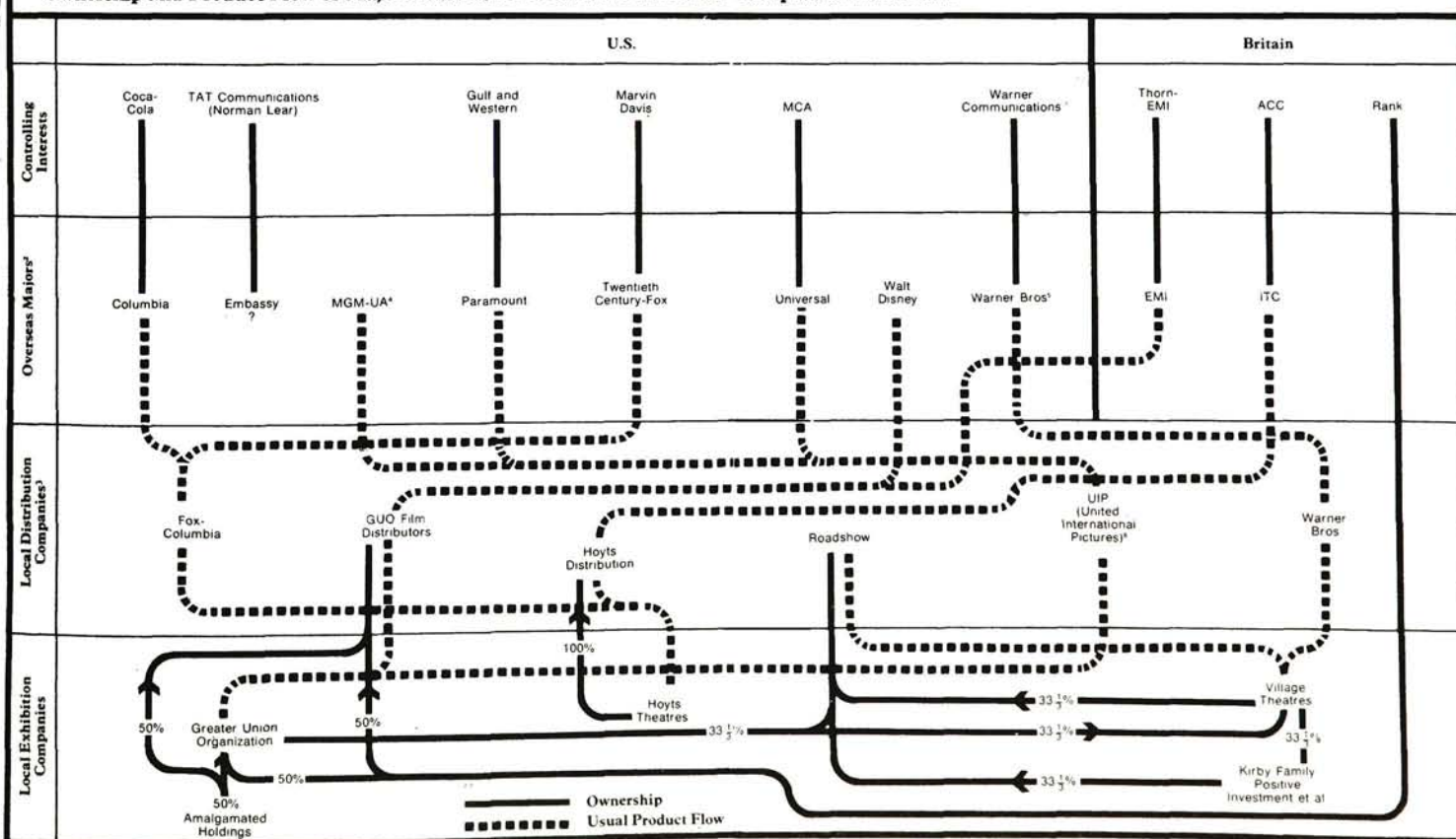
AUSTRALIAN DISTRIBUTION AND EXHIBITION

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 Australia¹



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.