TOWNSVILLE NORTH QUEENSLAND REPORT ON FILM INDUSTRY OPPORTUNITIES

July 2015
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Townsville City Council and James Cook University have undertaken a research partnership in 2014 and 2015 involving a detailed analysis of the current and future employment issues facing the Creative Industries sector in Townsville North Queensland.

This research project has identified an active local film and television industry which includes the development of feature films, short films, music videos, documentaries, marketing material and online product.

Ling Geh was contracted by the Townsville City Council to provide a report on the film and television industry and development opportunities for Townsville North Queensland.

Ling Geh undertook consultation in early 2015 and her initial report has been used as the basis for this final report. During the finalising of this report, it became apparent that there was a significant local film industry that in a number of cases had not been connected with each other and informal networking has now commenced.

Bill Leimbach is the Producer of the feature film Beneath Hill 60 and the short film Departure Lounge – both filmed in Townsville. Bill has also provided assistance and has made a submission paper (Appendix 1).

Townsville City Council, James Cook University and the Queensland State Practitioner Network of Economic Development Australia have combined to hold a Queensland Creative Industries Economic Development Forum. With the support of Gibson group NZ and Screen Queensland a master class on film and television is being held on 3 August 2015. It is anticipated that this master class will also inform the possible direction for this industry.

As a creative industry cluster, the film and television (including new digital media) industry represents a significant opportunity for the economic and cultural advancement of Northern Australia.

There is a historical and growing international interest to film in Townsville with five feature films or television series under consideration as at July 2015.

Townsville is also developing closer economic and cultural ties with Asia through its Sister Cities in Japan, Korea and China – cities that have strong documentary, reality television production, music videos and advertising industries.

The recent Bollywood short film Departure Lounge was featured in the International Indian Film Festival in Brisbane in July 2015 and will be screened at the 39th Montreal World Cinema Festival in August and September 2015. It has also been selected in the top 10 comedy short films by AFI AACTA and has generated interest in potential collaborations with India through the work of its Executive Producer Ross Thomas.

Townsville offers the film and television industry unique, diverse and accessible locations in an affordable and film-friendly place. Tourism is a natural partner for this industry with film and television providing support to promote various destinations via all mediums to diverse markets.

Steps to support growth in the film and television industry will be outlined in this report by centralised co-ordination which allows collaboration with stakeholders, providing support to the industry and seeking sustainable growth by providing structures and resources.

This report outlines recommendations for growth of film, television and new digital media for Townsville North Queensland and outlines the role Townsville City Council can play in assisting to develop and foster this industry.

“I believe the key to sustained local development requires that start ups/new businesses have the capacity to take on many different projects, large and small, for local, national and international clients.”

“The broader the knowledge and deeper the skills base in our region, the lower the film production costs. Add this to the many other location and lifestyle advantages of filming in and around Townsville and we present a best case for choosing to locate all or part of production here.”

– Bjarne Ohlin, Program Manager, Townsville Creative Technologies College.
Townsville’s affordable and film-friendly environment provides the attractive benefits of locations that are unique, diverse and accessible.

A number of local resources (including people and equipment) for filming can also be sourced from within the city.

Locations from the Great Barrier Reef, island communities, wetlands, monsoonal rainforest, to ranges and the red outback are all within an hour’s drive from Northern Australia’s most populated city (189,238 people as at June 2013). Connectivity is through direct flights to major capitals such Melbourne, Sydney, Brisbane, Darwin, Cairns and Denpasar (Indonesia) and regional Queensland cities. Townsville has a vibrant urban centre, shopping, period and heritage buildings, industrial and suburban locations which are easily accessed. Additionally landscapes that suit moon landings, prehistoric jungle, swap lands, cattle stations and more are all contained within Townsville and its neighbouring regions.

Townsville has a tropical savannah climate and unpredictable rain patterns from year to year. Although close to the tropics, Townsville records less rain than other areas in the tropics and boasts over 300 days of sunshine each year. Winter is dominated by south-east winds and mostly fine weather. Townsville city is located on a coastline that runs east to west, which is different from other tropical towns on the coast that run north to south that get much more rain. The winter season mainly consists of dry warm days and cool nights.

The City has been identified in the recently released Australian Government Northern Australia White Paper as one of the key Regional Capitals poised for massive growth. Townsville is referred to as the second city of Queensland, and aspires to be the capital of Northern Australia. Townsville remains one of the most affordable Cities in Australia to live.

The City of Townsville is listed in the Screen Queensland Film friendly Pathways program that aims to facilitate relationships between the screen industry and smooth government processes. The program seeks to promote council locations that offer:

- ‘one stop shop’ point person for filming
- recent and searchable images
- loading zone permits and lifting of parking restrictions
- low or no-fee applications for filming
- adoption of a standardised and simple application form
- logistical advice and assistance
- access to key locations under council jurisdiction.

The annual state of feature film and television drama production consisting of Australian titles and co-productions, foreign titles that start production or post, digital and visual effects during the year in Australia is a significant economic driver. The total expenditure by drama was $837 million in 2013/14, the highest ever on record, with Australian television being 41 per cent and feature film 35 per cent of this total. The majority of this expenditure and work occurred in NSW (42 per cent), 31 per cent in Victoria and 15 per cent in Queensland. Townsville has the opportunity to play a role in further developing its opportunities to capture some of this work.


Council Administration

Productions have come to the attention of Council through external parties such as Screen Queensland, and via direct requests from the industry to various Council units or the Mayor or Councillors for funding or support. At times Council may only become aware of the production upon the need for an immediate approval. In some cases there has been no knowledge and filming may already be taking place.

It is recommended that a coordinated effort be developed to provide a streamlined, well-articulated process between industry and council.

Currently, there are several entry points to engage with Townsville City Council for film production via Screen Queensland information, rather than a centralised contact. Queries are managed by the Economic Development and Strategic Projects Unit which supports Creative Industries as one of Townsville’s key industry sectors, and one that is currently being considered for alignment opportunities within Council marketing strategies and Council produced material, such as “Invest Townsville”.

Recommendation 1: Townsville City Council formalise support for the industry and define processes involved in attracting, engaging and encouraging future production interested in the Townsville area.

Recommendation 2: Streamline queries through one Council contact within the Economic Development Unit, taking a case management approach to effectively develop the relationship and ensure all opportunities are explored and leveraged, where possible, for the local industry.

Recommendation 3: Create a webpage within the current Council website (Economic Development section) to communicate basic information about the City’s approach to the industry, connect to the Screen Queensland Locations gallery and develop local resources.

Key Stakeholders

The following stakeholders have been identified as important to the development and growth of the industry to support the industry through seed funding, project work and training.

Links with the tourism industry and local economic development marketing strategies must be strengthened to add value to marketing projects and leverage various forms of media to develop the local industry.

Recommendation 4: Identification of key individuals to assist in the development of a formal Townsville Film and Television industry reference group to advise on specific projects from an industry perspective.

Recommendation 5: City of Townsville to utilise its relationship with tourism bodies to promote Townsville and surrounds as a film destination and leverage tourism benefits.

Recommendation 6: Encourage any filming to use/employ local resources, where possible, to support local jobs and skills development.
Government

SCREEN QUEENSLAND

Screen Queensland is the Queensland Government screen agency based in Brisbane and on the Gold Coast. Screen Queensland’s role is to develop and support a creative, innovative and commercially sustainable screen industry in Queensland, attract production to Queensland, and celebrate an active screen culture across the state. It is focused on driving the growth of the state’s screen industries across all platforms – film, television, multi-platform, digital and games – and in doing so, generates broader economic and employment benefits across metropolitan and regional Queensland.

Contact: Gina Black
gblack@screenqld.com.au
Website: www.screenqueensland.com.au

SCREEN AUSTRALIA

Screen Australia is the Commonwealth Government screen agency providing support to Australian film, television, documentary and digital media makers.

Website: www.screenaustralia.gov.au

ARTS QUEENSLAND

Arts Queensland, part of the Department of Science, Information Technology, Innovation and the Arts, is the Queensland Government body dedicated to building a strong arts and cultural sector.

The Regional Arts Development Fund (RADF) is a state and local government partnership that supports local artists and arts and cultural activities in Queensland communities, and local government and community partnerships. Administered by Townsville City Council for the region, the fund is about $100,000, with individual grants awarded of between approximately $5000 and $10000.

Website: www.arts.qld.gov.au/funding/radf.html
Contact: Ian Walker, Minister for Science, Information Technology, Innovation and the Arts, 07 3034 4016 (Brisbane office)
Website: www.arts.qld.gov.au/aboutaq/minister-dg.html

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND COMMONWEALTH GAMES

Contact: The Honourable Jann Stuckey MP, Minister for Tourism, Major Events, Small Business and the Commonwealth Games 13 QGOV (13 74 68)
Website: www.dtesb.qld.gov.au/about-us/minister-director-general
Education Facilities

JAMES COOK UNIVERSITY

The James Cook University of North Queensland campus features a number of courses in the Creative Industries and New Media Arts. There are on-site studios and production facilities available for use by external parties; these faculties need to be included in an audit and then the directory.

Contact: Professor Ryan Daniel
ryan.daniel@jcu.edu.au
Website: www.jcu.edu.au

TOWNSVILLE CREATIVE TECHNOLOGIES COLLEGE (TCTC)

The TCTC was established to address current skills shortages and meet the needs of new and emerging local digital creative industries. It is administered through the Heatley Secondary College combined campuses and offers Vocational Education Training courses to all senior State, Catholic Education and private school students as well as post graduates in day and evening programs.

Focusing on training for the productive use of digital technologies specific to the animation, game programming, media design, audio and vision capture and editing sectors, the TCTC works with local industry to maintain currency and deliver work ready graduates.

Contact: Bjarne Ohlin, Program Manager
bohli1@eq.edu.au, 4726 8333, 0412 524 639
Website: www.heatleysc.eq.edu.au/Facilities/Campuses/Pages/Townsville-Creative-Technologies-College.aspx

GRIFFITH FILM SCHOOL

The Griffith Film School Brisbane, is the State's industry-specific education facility producing future filmmakers, animators and game designers for creative and exciting careers within the international business of film, television and digital screen media creation. The disciplines include drama, documentary, television, animation, games and interactive entertainment.

Website: www.griffith.edu.au/visual-creative-arts/queensland-college-art/studios/griffith-film-school

CENTRAL QUEENSLAND UNIVERSITY

CQU’s creative, performing and visual arts programs and courses foster the creativity and passion needed for our students to build meaningful and successful careers in the arts locally, nationally and internationally. They have recently opened a campus in Townsville.

Website: www.cqu.edu.au/courses-and-programs/study-areas/Creative,-Performing-and-Visual-Arts

SCHOOL OF ARTS AND MEDIA UNIVERSITY OF NEW SOUTH WALES

Working on projects in Queensland via Dr Greg Dolgopolov Lecturer in Film.

Telephone: (02) 9385 4866
Contact: gregd@unsw.edu.au
Economic and Tourism Bodies

**TOWNSVILLE ENTERPRISE LIMITED (TEL)**

TEL is the Townsville North Queensland Regional Economic Development and Regional Tourism Organisation and Convention Bureau. It is a not-for-profit, apolitical, membership-based organisation, advised and influenced by a Board of Directors and Strategic Advisory Committees.

Townsville North Queensland Bid Fund Townsville Enterprise – Convention Bureau, Townsville City Council, Tourism and Events Queensland and a collective of local accommodation and venue operators – have contributed to a funding pool to support the attraction of new events into Townsville North Queensland.

Contact: Patricia O’Callaghan, CEO  
(07) 4726 2733, patricia@tel.com.au  
Website: www.townsvilleenterprise.com.au

**MOUNT ISA TO TOWNSVILLE ECONOMIC ZONE (MITEZ)**

MITEZ is the peak regional development organisation for an area encompassing seven local government areas – Mount Isa, Cloncurry, McKinlay, Richmond, Flinders, Charters Towers and Townsville.

Covering a total land area of 271,732 square kilometres, the region is home to over 216,700 persons and is a vital transport corridor connecting the rest of Queensland, Australia and the world via road, rail, air and sea.

Contact: Glen Graham, CEO  
(07) 4743 3488, ceo@mitez.com.au  
Website: www.mitez.com.au

**TOURISM AND EVENTS QUEENSLAND (TEQ)**

TEQ is a statutory body of the Queensland Government and the state’s lead marketing, destination and experience development and major events agency.

In partnership with government, regional tourism organisations, industry and commercial stakeholders, TEQ aims to build Queensland’s tourism and events industry to foster innovation, drive industry growth and boost visitor expenditure.

Contact: info@queensland.com, (07) 3535 3535  
Website: www.teq.queensland.com

**OUTBACK QUEENSLAND TOURISM ASSOCIATION (OQTA)**

The OQTA is a membership-based organisation responsible for marketing and promoting the region to target markets on behalf of the local tourism industry, businesses, communities and local government within the region.

Contact: 1800 247 966  
Website: www.outbackqld.com.au
Cultural / Thematic Tourism / Film Festivals

Thematic tourism can include the ability for the story telling of film to be left behind after filming through either a physical or other unique feature that becomes a tourism point of interest, and can provide on ongoing legacy of economic benefit and enhanced cultural experience of a place.

There is no better example of this than Lord of the Rings for New Zealand and the related interest in New Zealand tourism. There has been a 50 per cent increase in the level of tourism to New Zealand since the release of the first Lord of the Rings movie; Lord of the Rings: the Fellowship of the Ring. It may be that only 1 per cent of the tourists say that Lord of the Rings is the primary reason to visit New Zealand (worth approximately NZ$33m), but a further 8 per cent say it is one of the reasons that they chose to visit. Over 80 per cent of visitors know that the movie franchise was filmed in New Zealand.

Additionally, thematic tourism appeals to the largest growth area of tourism, intergenerational tourism, where attractions can be visited by families and similar intergenerational groups.3

It is noted that one potential upcoming project being considered for filming in Townsville, Waltzing Matilda, is looking at the ability to commit to providing a legacy tourism product on its conclusion, through a committed and community minded Producer and supportive sponsors4.

“We will build the 1895 town of Winton so it becomes a permanent tourism experience to be shared for many years to come”
– Bill Leimbach, Producer, Waltzing Matilda.

Recommendation 7: Identify, provide support to, promote and celebrate projects of cultural and economic significance.

Film festivals are a growing industry around the world, and have the ability to become a tourism destination while providing an avenue for local industry development. Film festivals are supported by Screen Queensland through their Screen Culture Funding Program which also includes support for Workshops, Public Events and Tours by leading film makers.

Recommendation 8: Facilitate the development of a unique film festival that will attract international, national, regional and local interest based on identified points of difference and characteristics of the region.

Townsville City Council is developing and fostering cultural links to its Sister Cities Suwon (Korea), Foshan and Changshu (China), Iwaki and Shunan (Japan) and Port Moresby (Papua New Guinea). A current project includes the development of Townsville Sister City Cultural Music, consisting of three to five minute “webisodes” with Townsville musician Jade Holland.

Through a combination of social and conventional digital platforms there is great opportunity for collaborative activities. The purpose of this collaboration would be three-fold:

1. Promote the Townsville Region’s tourism and economic development potential
2. Promote the artist along with other local talent
3. Connect with international activities supported and fostered by Townsville City Council

Industry Resources

LOCATIONS GALLERY

A Locations Gallery is the most important industry attraction tool for Townsville where it can showcase locations, diversity and relativity easily and simply online.

Recommendation 9: To work with Screen Queensland to service the online Locations Gallery and associated facilities and crew listings.

Examples are:

SCREEN QUEENSLAND

Website: www.screenqueensland.com.au

The Screen Queensland Locations Gallery available online and via app is the leading online resource. Locations are easily navigated and cross-referenced with facilities and crew. The app also showcases completed productions.

FILM MELBOURNE LOCATIONS

Website: www.filmmelbournelocations.com

The interactive site provides a comprehensive image library. Each category lists hundreds of potential sites of interest. The site also has a video section with case studies (for example Where the Wild Things Are and Predestination), as well as showcase videos of some of the areas/locations (Melbourne City, Coastal and Water and Regional) and a corporate video indicating that there is high-level government (State) support of the industry.

SOUTH AUSTRALIA


The interactive site has a breakdown of different locations available, plus a movie section with short movies of approximately two minutes for each location being showcased within the categories, with moving images about locations.

THE GOLD COAST GOLD BOOK

Website: www.businessgc.com.au/locations-guide

This Gold Book is a printed booklet showcasing the available sites for productions. It is simple, portable, easy to read and recognised as a valuable resource.
Service and Resource Directory

As is noted within the Screen Queensland online resource, there are other complementary services that are required by the industry for production to occur; these include travel agents, logistics partners, caterers, equipment, real estate relocation and accommodation services to name a few.

It has been suggested that the Service and Resource Directory could include specialised needs such as ‘camera ready kitchens’, ‘water tanks’, access to airplanes and the like.

Recommendation 10: To develop an industry Services and Resources Directory database.
Recommendation 11: To produce a Locations Gallery and Services and Resources Directory for Townsville and surrounds.
Recommendation 12: Consideration be given to expanding the geographic boundary of the products to include all of North Queensland.

Preliminary discussions with Cairns Regional Council indicated they were supportive of a North Queensland approach.

GC SERVICE DIRECTORY
Website: www.screenqueensland.com.au
This is more of a listing; however there is a comprehensive fully searchable Service Directory within Screen Queensland site. There are 386 pages of information on industry professionals with contacts and profiles.

FILM MELBOURNE SERVICE DIRECTORY
Website: www.filmmelbournedirectory.com
This is also a fully searchable Directory; however most of the listings are for companies as opposed to individuals as is the case for the Screen Queensland Directory. The majority of people and businesses within this directory are focused on television.

SA FILM CORPORATION SCREEN DIRECTORY
This easy-to-use searchable directory can be accessed as pdf files on the SA Film Corporations page and lists categories for productions.
Infrastructure Development

A good multi-purpose studio consists of a minimum enclosed 1000 square metre high truss, is sound proofed and has three phase power. The facility should have good access for vehicles and ability to build sets and smaller studio areas for example, sound booths or photographic use.

The commitment to construct a purpose built studio is not currently recommended. Upon the completion of an infrastructure audit to identify the current resources and their capacity (for listing in the directory), this may be revisited.

Similarly, a multi-purpose space or ‘hub’ for various creative industries was mentioned. A place for creative spaces such as studios, production, office desks, learning, and business advice could be a valuable resource, particularly when combined with a need for urban regeneration and activation of public buildings and spaces in Townsville.

However, this should not preclude the opportunity to consider the development of one should a production specifically require a facility. However if the opportunity to repurpose a facility arises, such as the custom built building of Pit lane for the V8 Supercars or other Council owned facilities could be identified.

The Townsville City Economic Development Plan 2013-2017 identifies the opportunity to develop Information and Communication Technology Business precincts and Creative Industries Hubs/Incubators, and a multipurpose studio could fit within these facilities.

There is also the need to catalogue the current facilities and equipment that can be sourced in Townsville.

Recommendation 13: Council to foster a local networking approach by the local industry to provide a database of resources including skills, facilities and equipment.
Industry Development

Bill Leimbach, in his report ‘Film & TV Discussion Points’ in Appendix 1, proposes growth through supporting local productions and talent, largely by leveraging subsidies and financial support through grants and other schemes.

This is an option proposed to be explored not only by Townsville City, but also the wider North Queensland region.

Both FilmVic and South Australia Film Corporation provide industry support for talent and development of industry in a similar way.5

The FilmVic funding models can also be investigated as they are the only group that also funds new digital media.

Industry Incentives, Grants and Funding

The various incentives and grant structures that exist in each State are summarised in Appendix 2.

Currently TEL has an Events Bid Funding model for attracting major events. Consideration could be given to identify a similar film fund with the model developed for events to be duplicated for film, television and new media projects.

This could be developed in partnership with Screen Queensland and local industry to increase filming and production in Queensland. These outcomes and impacts on jobs and industry could be measured similarly to a major event.

Recommendation 14: Explore the bid model of funding for film and television projects with Townsville Enterprise and coordinate all funding sources.

Development of a Film, Television and New Media Fund

The concept of a fund made available to film producers and investors is outlined by Bill Leimbach, with the fund lending against the Australian Tax Office rebate for feature film production. Returns on funds loaned would be at fixed percentages, with the suggested interest rate being somewhere between 8-12 per cent. This is based on a model that has been in operation by Screen Queensland for the past year. Leimbach has also suggested that the prioritisation of these funds be on local producers and product to further enhance and develop the film, television and new media industries in Northern Queensland.

Recommendation 15: Further investigation of the concept of funding and support through the development of a loans facility to producers through the establishment of a North Queensland fund*.

*This investigation should consult with other bodies in North Queensland to identify interest in contributing to such a fund, as well as investigation into the effectiveness of the Screen Queensland scheme that is already in operation.

Industry Development Body

Bill Leimbach puts forward the establishment of a body to actively seek out productions for North Queensland. This body would act in a similar way to Screen Queensland, promoting and marketing the region, as well as maintaining a resources database that would aid in attracting productions.

Further, it is suggested that this body funds investment in the development and training in film, television and new media as well as in associated industries. Leimbach suggests that ultimately this body could coordinate and administer the establishment of a training facility in these areas.

Additionally, Leimbach strongly urges investment in the New Media sector, which is not dependent on locations, rather it is non-location specific and as such North Queensland and Townsville can promote itself as a hub for these productions for web based, mobile and other electronic productions and post-production services.

Recommendation 16: Investigation into the efficacy of developing a region-specific body which seeks to market, develop and grow the film, television and new digital media in Townsville and surrounds.

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SINGAPORE MEDIA DEVELOPMENT AUTHORITY

Website: www.mda.gov.sg

The Media Development Authority of Singapore (MDA) promotes and regulates the media sector to contribute towards economic growth and help foster a cohesive and inclusive society in Singapore.

Adopting a dual approach of co-regulation and consultation, MDA lowers the barriers for commercial entry and industry growth, and ensures that Singaporeans continue to have access to quality local content.

MDA promotes the development of six media industries: broadcast, film, publishing, animation, interactive media and games through seven grants and schemes:

» Development Assistance – for initial development of concepts and ideas
» Production Assistance – for assistance of bringing concepts and ideas to production
» Marketing Assistance – promotion of new product
» Talent Assistance – providing training opportunities for talent
» Enterprise Assistance – providing business development advice to develop sustainable business models
» New Talent – direct assistance for new (first or second) productions

GEORGIA FILM TAX OFFSET

The State of Georgia in the United States has targeted Film and Television as an industry in which to invest via the Georgia Film Tax Offset, and this approach has resulted in significant benefit to the state. The scheme and its benefits are summarised in Appendix 1. It should be noted that the US market is the largest producer of Film and Television and as such, Georgia is able to access a much larger amount of available funds than would be available within the much smaller Australian market. However, it does demonstrate what is possible with high-level support for the development of the creative industries.
## IDENTIFIED LOCAL TOWNSVILLE INDUSTRY CONTACTS*

### FILM

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</thead>
<tbody>
<tr>
<td>Magnetic Island TV</td>
<td><a href="mailto:magneticislandtv@gmail.com">magneticislandtv@gmail.com</a></td>
<td><a href="http://www.youtube.com/magneticislandtv">www.youtube.com/magneticislandtv</a></td>
</tr>
</tbody>
</table>

*As provided by JCU Creative Industries database. This is not intended to be a complete listing.*
**SUMMARY OF RECOMMENDATIONS**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Townsville City Council formalise support for the industry and define processes involved in attracting, engaging and encouraging future production interested in the Townsville area.</td>
</tr>
<tr>
<td>2</td>
<td>Streamline queries through one Council contact within the Economic Development Unit, taking a case management approach to effectively develop the relationship and ensure all opportunities are explored and leveraged, where possible, for the local industry.</td>
</tr>
<tr>
<td>3</td>
<td>Create a webpage within the current Council website (Economic Development section) to communicate basic information about the City’s approach to the industry, connect to the Screen Queensland Locations Gallery and develop local resources.</td>
</tr>
<tr>
<td>4</td>
<td>Identification of key individuals to assist in the development of a formal Townsville Film and Television industry reference group to advise on specific projects from an industry perspective.</td>
</tr>
<tr>
<td>5</td>
<td>City of Townsville to utilise its relationship with tourism bodies to promote Townsville and surrounds as a film destination and leverage tourism benefits.</td>
</tr>
<tr>
<td>6</td>
<td>Encourage any filming to use/employ local resources, where possible, to support local jobs and skills development.</td>
</tr>
<tr>
<td>7</td>
<td>Identify, provide support to, promote and celebrate projects of cultural and economic significance.</td>
</tr>
<tr>
<td>8</td>
<td>Facilitate the development of a unique film festival that will attract international, national, regional and local interest based on identified points of difference and characteristics of the region.</td>
</tr>
<tr>
<td>9</td>
<td>To work with Screen Queensland to service the online Locations Gallery and associated facilities and crew listings.</td>
</tr>
<tr>
<td>10</td>
<td>To develop an industry Services and Resources Directory database.</td>
</tr>
<tr>
<td>11</td>
<td>To produce a Locations Gallery and Services and Resources Directory for Townsville and surrounds.</td>
</tr>
<tr>
<td>12</td>
<td>Consideration be given to expanding the geographic boundary of the products to include all of North Queensland.</td>
</tr>
<tr>
<td>13</td>
<td>Council to foster a local networking approach by the local industry to provide a database of resources including skills, facilities and equipment.</td>
</tr>
<tr>
<td>14</td>
<td>Explore the bid model of funding for film and television projects with Townsville Enterprise and coordinate all funding sources.</td>
</tr>
<tr>
<td>15</td>
<td>Further investigation of the concept of funding and support through the development of a loans facility to producers through the establishment of a North Queensland fund*.</td>
</tr>
<tr>
<td>16</td>
<td>Investigation into the efficacy of developing a region-specific body which seeks to market, develop and grow the film, television and new digital media in Townsville and surrounds.</td>
</tr>
</tbody>
</table>
REFERENCES

1. James Cook University, Faculty of Law, Business and the Creative Arts (2014) ‘Creative Industries: a vehicle for driving economic growth in Townsville. Townsville, QLD.

2. Townsville City Council, Gallery Services (2014), Culture Matters, Townsville, QLD.


4. Screen Australia (2014), Info Guide; Getting started in Film, TV and Interactive Digital Media.

5. Regional Australia Institute (2013), Rethinking the future of northern Australia’s regions. QLD.

Submission by Bill Leimbach

FILM & TV DISCUSSION POINTS
Presented by Producer Bill Leimbach

The purpose of this submission is to discuss the development of a strategic policy for the creative industries and entertainment sector to counter the lack of scale and market power and tyranny of distance in an increasingly competitive global marketplace, let alone our own region, and to put creativity firmly at the centre of the North Queensland economy.

WHY CREATIVE INDUSTRIES?

The creative industries have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.

For this discussion I will focus on film and TV, new media digital production, music, the performing arts, broadcasting, advertising, interactive leisure software and computer games.

An economic analysis will shed some light on why creative activities are organised the way they are: how deals are done, how collaborations are organised between creative personnel (artists) and the folk who work with them, how competing firms in creative industries prepare, distribute and promote these goods.

But once an analysis has been completed and a decision to go forward is made, I recommend the formation of two new entities.

1. NORTH QUEENSLAND FILM DEPARTMENT (NQFD), to minimise restraints and maximise the opportunities for free enterprise in cultural and artistic endeavours. A unique Department to tackle the problems of producing film, TV and or internet projects - to increase the chance of success and sustainability in the world marketplace and to bring the world’s film companies to participate in North Queensland.

NQFD would work toward attracting some of increasing private investment in a local Film and TV industry and also consider creating the foundation of a film-services industry capable of competing successfully in the international and domestic marketplace. This should be at the centre of the Government’s creative industries economic agenda.

North Queensland has so much to offer the film, television and digital industries. Some include:

• Builders
• Designers
• Planes
• Airports
• Helicopters
• Warehouses
• Water
• Soldiers
• Army Vehicles and Trucks
• Heritage
• Victorian Buildings
• City Scapes
• Crocodiles
• Camels
• Rivers
• Mining Industry
• Islands
• Opals
• Oil
• Ore
• Reefs
• Fishing Boats
• Naval Vessels
• Swimming Pools
• Government Buildings
• Escarpments
• Desert
• Outback
• Primary Forests
• Beaches
• Restaurants
• Theatres
• Cinemas
• Escarpments
• Sheep
• Cowboys
• Horses
• Wagons
• Production Investment Rebates
• Regional Development Support
• Ethnic Communities
• Payroll Tax Returns
• Successful Businesses
• Empty Buildings
These locations and services should be compiled into a photographic database. This is not the same as a TOURISM database as it is often off the beaten track or as per a heavy industrial area, not immediately attractive. This would then be marketed to the world through the NQFD - marketed online or by attending film and television markets.

2. NORTH QUEENSLAND FILM FUND: This would be a Film Fund available for film producers and investors. NQFF would not invest in film equity (too risky for a government body) but to LEND against the guaranteed rebate the producer will receive from the ATO on the completion of his film (made in North Queensland). The NQ Film Fund would lend against this bankable collateral so that the investors will in turn invest in the film and/or TV production. This is almost ‘money for jam’ as the film is guaranteed to be completed and the 40% rebate is paid to the production once the film is complete – a guarantee return with 8 to 12 per cent interest. Screen Queensland has done this for over a year now.

INVESTMENT IN DEVELOPMENT: Would be the responsibility of the Film Department. That is, financial support with R&D subsidies - to encourage film TV and other new media development, including screenplays and new production vehicles, i.e. video and internet games, delivery systems, interactive communications.

GLOBAL EDUCATION EXCHANGES: With major film and TV companies can easily be formed, both online and exchange students. The film school at JCU can become more proactive, or a completely new film school be tendered for. A new NQ Film School could also be considered.

ASIA PACIFIC: We need to create strategic alliances with countries in the Asia Pacific Region who are already playing host to big-budget productions and are hungry for more. It will mean being part of the fastest growing region in the world. At the same time, we will need to strengthen links and market to, the American and European industries at every level.

The NQ Government needs to position Townsville as an Asia Pacific centre for global filmmaking activity: a financial and production hub, throwing its doors open to all skilled filmmakers and entertainers from around the world who want to work here. The Australian Bureau of Statistics 2006 Year Book shows that almost 3 million people (18.4 per cent of the adult population) are engaged in cultural or leisure activities. This is a 10% increase over just three years from 2001 to 2004, and doesn’t include those who dabble for a hobby.

Real estate and mining booms will not provide financial security forever. Our approach to the concepts of innovation and creativity must be generous, inspired and open-minded. It requires the active engagement of all sectors: politicians and policy-makers, educators and economists, business and community leaders, urban and regional citizens alike.

I strongly recommend positioning NQ as an Asia-Pacific centre for global film- making activity, a financial and film production hub – a creative cluster for economic digital development. A film hub which is:

1. Destination for international investment.
2. Supplier of skills (without the present union sanctioned visa restrictions) and services to the regional and international film market.
3. Consistently creates Australian films that attract worldwide distribution and large audiences, while still using subsidy to support cultural production and new talent.

How can the Government help the industry achieve that transformation? The answer needs to be multifaceted. One solution doesn’t fit all. We need a robust financial and production infrastructure. By making financial incentives much more flexible that will enable us to make those films here and compete in the world marketplace.

Digital technologies, chiefly broadband Internet and mobile, are becoming established and increasingly lucrative distribution channels that are changing the way consumers acquire entertainment and media content. Global spending via online and wireless channels reached $67 billion by 2010. Digital technologies consist of five categories: online rental subscriptions and digital streaming in filmed entertainment, licensed digital downloads and mobile music in recorded music, online and wireless video games, electronic books, and online casino gaming. These industries are indoor activities well suited to ward off the heat and heavy rainy seasons of the tropical north. A silicon valley in Townsville.

Virtually every segment of the entertainment and media industry is shifting from physical distribution to digital distribution of content. As this shift continues, there will be more revenue opportunities for entertainment and media companies in NQ.

Development support is vital to kick start an industry. The American major studios spend around US$400-600 million per year on script development and acquisition of literary rights, about 10% of annual production expenditure. The average film development deal per script is between US$300,000 and US$500,000 with top writers earning over US$1 million. It is this development approach which is the source of Hollywood’s strength. Unlike the American Major Studios, Australia’s media groups have traditionally proved very reluctant to invest development funds, or even take the concept of script very seriously.
PRODUCERS ARE THE FIRST STRATEGY

Australian entrepreneurs who raise the money, assemble the creative team, get the films / programmes made and sell them are the Producers. Hence, the need to focus on developing and supporting Producers. A country the size of Australia is not going to have an unlimited number of producers. The successful ones must be supported while new talent must be encouraged. There is no known management system or technique that can guarantee the development of commercially successful motion pictures. Successful product almost always results from the efforts of individual entrepreneurs marshalling resources from the financial and creative community.

Unlike an employee-producer in a large organisation such as the Australian Broadcasting Corporation or Screen Australia the independent producer is a finder of material suitable for translation to the film or television medium. The Producer raises development or ‘seed’ money to prepare a screenplay, then attracts and contracts a small nucleus of creative people to effect this development. That Producer prepares a package including lead cast and director; determines the budget and prepares a composite business and marketing proposal; Secures an investment mix and pre-sales on a country-by-country basis; Supervises all aspects of the production of the product; Supervises all aspects of the postproduction of the product; Supervises all the marketing and distribution of the product, including a fair and equitable return to the private investors on a commercial rather than a prestige basis; Services international sales and contractual agreements, supplies negatives, prints, publicity materials, etc.

The Australian producer has a sound working knowledge of the requirements of private sector finance and international and domestic distribution and exhibition practices; has an ability to encourage, enthuse and contract members of the creative community to work together in a framework of artistic freedom and financial consistency.

Digital technologies, chiefly broadband Internet and mobile, are becoming established and increasingly lucrative distribution channels that are changing the way consumers acquire entertainment and media content. Global spending via online and wireless channels was more than $100 billion in 2012. Digital technologies consist of five categories: online rental subscriptions and digital streaming in filmed entertainment, licensed digital downloads and mobile music in recorded music, online and wireless video games, electronic books, and online casino gaming.

Establishing a Department of Creative Industries (NQFD) and a lending facility (NQFF) will to give NQ’s creativity and creative potential a genuine economic edge. It is important that all members of government and policy makers broaden the general perception that the “arts” like sport are supported and enjoyed by the majority of the Australian people.

Also to start promoting Townsville as a centre for the creation of digital content - a financial and production/creative hub for regional filmmaking/content wherever that film/content may be made, throwing NQ’s doors open to all skilled filmmakers video gamers entertainers and creative and artistic talent from around the world who want to work here, making Townsville the location of choice for those who produce, package, promote and finance film/digital content.

In the new global economy, the regions that succeed will be those that are magnets for the highly educated, highly mobile, innovative people that high-wage, high-growth companies need to hire. To enable the NQ media and entertainment industry to move beyond “culture” to become a healthy vigorous and commercially viable part of the global economy.

Promote and Market Townsville as an Asia Pacific centre for global filmmaking activity: a financial and production/creative hub, throwing North Queensland’s doors open to all skilled filmmakers and entertainers from around the world.

It looks as if soon Australia may well be producing feature films at a rate of about 30 a year, plus a greatly increased output of documentaries and shorts. NQ has the chance to make a dramatic impact on the world cinema scene and an impact on mass television audiences.

It will also be necessary to create or enhance a tertiary education in the visual arts – a NQ Film School. We have to encourage inward investment into the film business and not worry about the nationality of money.

CONCLUSION: Our North Queensland film industry could compete successfully in the international marketplace, by offering a different perspective and by celebrating our diversity and our unique intersection of history, geography, culture and economic circumstances.

This could all be marketed to the outside world and supported by the establishment of two entities – a dedicated film office (which I have called NQFD) and a Film Bank (NQFF) to lend money to producers and investors to create projects to bring recognition to the people and region of North Queensland.

Having a secure base or entity uniquely devoted to enhancing the arts in NQ, will make it easier to market and attract interested clients at domestic and international events. A logo, a website, an office, a strategy and proactive leader will put North Queensland on the global map.
Summary Incentives and Funding Models

FEDERAL GOVERNMENT FUNDING

The Australian Screen Production Incentive (the incentive) is the Australian Government's incentive for film, television and other screen production in Australia.

The incentive is available in three streams:

» The Producer Offset, a 40 per cent rebate on the qualifying spend of qualifying Australian films and a 20 per cent rebate for other qualifying media.
» The Location Offset, formerly known as the Refundable Film Tax Offset, a 16.5 per cent rebate on Australian spend of large-budget productions that do not satisfy the significant Australian content test for the Producer Offset.
» The PDV Offset, a 30 per cent rebate on the qualifying PDV expenditure of large budget productions, including those not necessarily shot in Australia.

STATE BASED FUNDING

These are additional to the above grants from the Federal Government. Schemes do not take into account discretionary funding that individual State Governments may decide to direct to any particular project.

QUEENSLAND

Screen Queensland Production Investment

Aimed at:

» To support industry practitioners to produce high quality film, TV and documentaries with audience appeal.
» To support production activity in Queensland that enhance professional development of Queensland practitioners.
» To support Queensland business growth through increased production and partnership opportunities.

Eligibility:

» Queensland practitioners or interstate practitioners with significant Queensland elements and benefit.
» Production credit and/or experience considered appropriate by Screen Queensland.
» Provisional Certificate is required for those projects eligible for the Producer Offset.
» Projects in receipt of a Production Incentive (but excluding Payroll Tax Rebate and Regional State wide incentive grants) are generally not eligible for production investment.

QUEENSLAND PAYROLL TAX REBATE

A tax rebate available to companies that have expensed a minimum A$3.5m Queensland Production expenditure (QPE) upon completion of their project.

» The funding provided is not capped.
» Rebate is administered by Screen Queensland on behalf of the State Government’s Office of State Revenue.
» Eligible projects must have QPE of A$3.5M.
» This rebate is subject to assessment being conducted by Screen Queensland once production has been completed.

PRODUCTION INCENTIVES

A production attraction program to provide significant economic, industry up-skilling and cultural benefits to Queensland.

Eligibility:

» National and International Producers.
» AU$3.5 million minimum QPE.
» Generally must not have received Production Investment.

CITY OF GOLD COAST INVESTMENT ATTRACTION INCENTIVES

An investment attraction program for film and television production that incorporates a suite of services, including a financial assistance package that production in the Gold Coast.

Eligibility criteria:

» Approximate value of the production (minimum AU$1.5 million spend on the Gold Coast).
» Duration of the production and approximate percentage conducted on the Gold Coast.
» Approximate number of jobs and economic impact created on the Gold Coast during these periods.

Applications must be made prior to confirming a Gold Coast shoot.

<table>
<thead>
<tr>
<th>Value of production undertaken on the Gold Coast - AU$</th>
<th>Assistance cap - AU$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.5-4 million</td>
<td>$15 000</td>
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<td>$5-10 million</td>
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<tr>
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<td>$90 000</td>
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<tr>
<td>$76-100 million</td>
<td>$110 000</td>
</tr>
<tr>
<td>over $100 million</td>
<td>$130 000</td>
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</tbody>
</table>

VICTORIA

Production Incentive Attraction Fund (PIAF) 7
PIAF grants are aimed at productions to film or post produce/VFX feature films or television series in Victoria.

To qualify, productions (projects which have qualified interstate and/or international alternatives) must spend a minimum of $3.5 million. In the case of post production only grants, projects must meet a minimum $1m Victorian spend.

Regional Location Assistance Fund (RLAF) 7
The RLAF grant encourages projects (projects which have qualified interstate and/or international alternatives) to use locations outside metropolitan Melbourne.

RLAF assists projects by offsetting some of the additional costs incurred when filming in regional areas such as accommodation, living overheads and travel.

A project must use regional Victorian locations during principal photography for a minimum of five shooting days to be eligible for this grant.

GAMING (DIGITAL INDUSTRY) 9

Games Professional Placements
Up to $20,000 is available for host games companies.

This program supports Victorian games companies to engage a Victorian practitioner.

Assigned Production Investment - Games
Assists Victorian games companies to produce a prototype or full game, with an emphasis on the creation of intellectual property (IP) and long-term business benefits.

Between $30,000 and $90,000 is available, depending on experience. Funding is provided as Assigned Production Investment, where Film Victoria’s equity, copyright and recoupment position is assigned to the producer.

Games Release
Supports Victoria’s newer and smaller games studios to deliver a well-planned and marketed release of their project. Up to $25,000 is available. Funding is provided as a grant.

SOUTH AUSTRALIA

SA Film Corporation
The majority of the funding available through SA Film Corporation is targeted at supporting local (South Australian) producers and writers. There are some incentives to non-SA FTV producers; however, they are focused on partnering local producers with these non-local producers.

Production Attraction Grant
Via this scheme the SAFC will partner directly with local producers in attracting footloose productions to the state by providing direct funding, on a competitive basis, for companies to provide attraction services (i.e. reccees, air fares, accommodation and comparative budget analyses) to potential footloose productions.

Payroll Tax Exemption
SA Government will provide a 4.95% per cent exemption on payroll tax to producers shooting a feature film in South Australia.

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USA - THE GEORGIA ENTERTAINMENT INDUSTRY INVESTMENT ACT

The Georgia Entertainment Industry Investment Act (film tax credit) has led to Georgia becoming the leading US State for film and TV production (FTV). Total value of production increased 400 per cent in 2007-10 period and total annual spending exceeding US$600m in 2010.

FTV relocation to Georgia has resulted in significant economic impact with over US$800m added to State Gross Profit and creation of 11,000 full time equivalent jobs, which ranks FTV as one of the top 10 employers in the state and one of the top three non-government employers.

The value add to the overall Georgia economy is through development of supply base for FTV, development of infrastructure, training and generation of tourism and cultural events.

Film tax credit consists of a 20 per cent transferable tax credit for companies that spend US$500,000 in the state on production, and post production deemed eligible for the credit. This is inclusive for both materials and employees.

For employees it is applicable for both residential and non-resident employees who are working within the state, with a cap of US$500,00.

An additional 10 per cent tax credit is applied if a Georgia promotional logo is displayed in the credits for any finished product including feature film, television program, music video or digital (video game) production.

The effect of tax credit has been;

- Feature films: nine in 2004 to 19 in 2010.

Growth of the Georgia FTV industry also has created impetus for growth in film festivals, with 20 film festivals created since the inception of the tax credit. This has resulted in over an estimated 100,000 attendees a year.

Additional Economic Benefits have included;
- Formation and expansion of industries to support the FTV industry. This is inclusive of infrastructure being developed, relocation of suppliers (over 30 industry specific since inception of tax credit).
- Significant increase in employment in the FTV industries. This has had direct impact on unemployment within the state.
- Increased training and internship opportunities within the state.
- Georgia Entertainment Promotion brand impact, which has increased the awareness of FTV within Georgia.
- Increased support for local charitable organisations.
- Support of local film festivals.