

Dear Content Review

I am currently out of the country overseeing an animated children's tv series at a service studio for an Australian company. It is still EOD where I am.

A colleague -Suzanne Ryan- drew my attention to the deadline for the Submission today. Kapow Pictures has been producing animated Australian children's tv projects since 2003. Our company develops, produces and consults on children's tv.

We attend MIIPCOM, MIPJR, MIPTV and Kidscreen on a regular basis and have built up relationships with International producers and distributors.

**Are the policy objectives and design principles articulated in the discussion paper appropriate? Why do you say that?**

We strongly believe that Australia projects are produced by Australians. They do not necessarily contain 'kangaroos and koalas'-this is not meant literally.

Australian projects are well respected in the International marketplace. It is however hard to raise budgets to produce high quality tv. We need to produce projects that we can co-produce and that appeal and therefore sell Internationally. There is also merit in producing Australian content that has narrower appeal for a local audience-but this will not make for sustainable businesses.

Animated content is expensive to produce. The average budget for 52 x 11 mins is between \$7-9 million AUD. It is true that content not produced in Australian can be much cheaper to license than produce at home, but this is the same for Live Action Drama content also. We do not understand why content produced in New Zealand should count as Australian content. This should be removed. It is also a specialist area. We have seen a lot of productions run by inexperienced people 'reinvent the wheel' and fail because they have no idea how to run a production or a business.

With Australian wages it is very hard to build a sustainable industry where we can produce projects we can sell Internationally. Animation projects 'animation' component is inevitably outsourced. Animation studio's in Australia tend to produce the pre-production and post-production components of a project. Productions do produce animation in Australia from time to time, but they can only afford to pay low wages -not wages at industry level for skilled labour.

**What Australian content types or formats is the market likely to deliver and/or fail to deliver in the absence of Government support?**

Without government support our industry would shrink significantly.

Kapow Pictures has produced and created 2 children's tv shows Yakkity Yak (a Canadian/Australian co-production-Australian created 52 x 11 mins 2D animated tv series) shown on Nickelodeon and CJ the DJ (an Australian/Malaysian co-production 52 x 11 mins 2D animated tv series) shown on ABC Australia. CJ the DJ is voiced by Australians and we were very proud of that. It was however hard to sell Internationally. Neither of these projects made their budgets back. We do not owe money on them but they did not sell and go into profit. This is usual for children's tv series.

As Australian companies we need to run sustainable businesses. Kapow Pictures has produced a range of digital content from tv's, short films, feature length films, tv series, web based series. We continue to diversify but we find it hard to run a business at a profit although we have been 'successful' and survived for 19 years.

We need government support. The PDV is good but we would recommend it be raised to 40% to stimulate more production.

We have seen a variety of initiatives over the last couple of years to stimulate diversity in the film and tv industry but the industry as it currently stands cannot support more people.

Our company has tried over 19 years provide work experience and training for students and new graduates. Government incentives to encourage companies such as ours to continue to do this would be very helpful.

The government does need- in our opinion- to continue to maintain quotas for Australian created content. It is the only way to guarantee that Australian children have access to local culture. Free to air broadcasters take projects on quota. If there were no quotas they would not finance children's tv at all.

**What types of Australian screen content should be supported by Australian Government incentives and/or regulation?**

Case study

We have developed a project entitled Scouts Honor a 52 x 11 mins 2D children's tv series. We persuaded a Canadian broadcaster Teletoon to give us money to develop the show with a Canadian partner of our choice. (This is very hard to do) We produced 4 x scripts, bible and a trailer. We chose a company-Titmouse who have studios in LA and Vancouver. We are one of 3 projects waiting to get a green light this year (October 2017). Having progressed to this stage we went to the ABC because we need Australian money to co-produce the project. Michael Carrington who is currently Head of Children's tv acknowledged how hard it is to get a foreign broadcaster to commit to a project but did not think it was 'Australian' enough. It has Australian creators/producers/directors/designers how is it that it isn't 'Australian'? We do not believe that the ABC necessarily makes the best decisions in the interests of the industry. (Last year the ABC commissioned a Canadian created animated project with an Australian company attached. It is very hard to develop projects-which can take years- when the criteria changes on the whim of a new head of tv)

The ABC should be commissioning episodes in smaller quantities. We were recently told they would only consider commissioning 52 x 11 mins because that was what International Broadcasters want.. That is simply not the case. We meet with broadcasters at markets.

Tv producers want to get their content onto youtube, Youtube content producers want to get their content on tv.

As experienced producers we are continually looking at new ways to tell stories, formats and new ways to monetize content. We are very inventive both with creative and business opportunities. However swapping a broadcaster for Netflix simply means you have a different person making decisions. It does not necessarily offer more opportunities. Yes we believe children's tv content is a unique industry that should be supported even if the business case is often weak. Different formats should be supported in different ways. Experienced producers should be paired with other industries and new technologies to develop new formats. Australian culture will benefit from government investment. We need to continue to develop our identity beyond Australian animals, Captain Cook and bushrangers to reflect society now.

Please get back to me with any questions.

Best regards

Sandra Walters

