

**COMMUNITY DEVELOPMENT AND JUSTICE
STANDING COMMITTEE**

AGENCY REVIEW HEARING — SCREENWEST

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 19 OCTOBER 2016**

Members

**Ms M.M. Quirk (Chair)
Dr A.D. Buti (Deputy Chair)
Mr C.D. Hatton
Ms L. Mettam
Mr M.P. Murray**

Hearing commenced at 10.06 am**Mr IAN BOOTH****Chief Executive, Screenwest, examined:****Mrs JANELLE MARR****Chair of Board, Screenwest, examined:**

The CHAIR: On behalf of the Community Development and Justice Committee, I would like to thank you for interest and your appearance before us today. One of the functions of the committee is to review the departments within its portfolio responsibilities, and from time to time the committee will conduct agency review hearings. The purpose of today's hearing is to discuss the operations of Screenwest, an agency for which the Department of Culture and the Arts is responsible. At this stage, I would like to introduce myself and other members of the committee present today. I am Margaret Quirk, the member for Girrawheen. On my right is the deputy chair, Dr Tony Buti, the member for Armadale. On my left is Ms Libby Mettam, the member for Vasse. On her left is Mr Chris Hatton, the member for Balcatta, and we are expecting the member for Collie–Preston to come shortly. The committee is one of the Legislative Assembly of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings in the house itself. Even though we are not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing and Hansard will be making a transcript of the proceedings for the public record. If you refer to any document during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed today, I need to ask you a series of questions. Have you both completed the "Details of Witness" form?

The Witnesses: Yes.

The CHAIR: Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

The Witnesses: Yes.

The CHAIR: Did you receive and read the information for witnesses briefing sheet?

The Witnesses: Yes.

The CHAIR: Do you have any questions in relation to being a witness at today's hearing?

The Witnesses: No.

The CHAIR: Before we proceed with further questions, do you wish to make an opening statement to the hearing?

[10.10 am]

Mr Booth: Thank you. May I address you as the member for Girrawheen —

The CHAIR: Sure.

Mr Booth: — or chair? Because of the breadth of the question that was being asked and being an overview of the agency itself, I might give an opening statement and just give a flavour of the organisation and what it is we do, if that is appropriate?

The CHAIR: Yes, thank you.

Mr Booth: Screenwest has been operating under its current constitution since the 1980s, and it has been receiving funding from Lotterywest since 1991. We are an incorporated association and we have nine members, and those are the members that are appointed by the minister who form the board of Screenwest. There are no actual direct employees of Screenwest Inc. We are all the employees of the Department of Culture and the Arts and are lent to the agency, so my direct report is the director general of the Department of Culture and the Arts. We are in effect a statutory authority and designated as such under the Financial Management Act, so we fall under all the governmental requirements as a state authority. Under our constitution, the role of the agency is to encourage and promote the provision of financial assistance or otherwise to the development of the Western Australian film industry.

I will just flag a few points because it is really quite broad, the role we have, being not limited to development, making, promotion, distribution, broadcasting and exhibition of films. It goes on to note more specific areas of administration of financial assistance, the development of film scripts, screen culture, infrastructure, overall awareness of the industry, and keeping the agency and the industry informed of new technological developments in the industry. Our major funding comes from Lotterywest and their legislation is equally as broad. It talks about funding for the purpose of funding incentives to undertake, or projects to facilitate the undertaking of, commercial film production in this state. Our role has been designed by successive boards to be working at the peak level of the industry. To give a sporting example, we are akin to the WA Institute of Sport. We are not teaching kids how to swim or play sport. We are wanting filmmakers to be at the national and international level, in a similar way that programs are designed for the athletes of Western Australia to be working at that level internationally.

Dr A.D. BUTI: If I can just briefly interrupt you, of course WAIS has a substantial amount of employees, does it not?

Mr Booth: That is correct. But they are also, interestingly, an incorporated association where the members are appointed by the Minister for Sport and Recreation. Fundamentally, we see our role as wanting Western Australians to be making high-end film and television production in Western Australia for the benefit of the Western Australian community. As an agency, just in recent times we have won three Premier's Awards for public sector excellence in three different parts of the activities we do—for our Indigenous strategy, for developing the economy in a three-to-one crowdfunding initiative and also our work in developing opportunities in Asia. Our purpose and vision and so on were recently redefined in our strategic plan, which I submitted to the committee. I have hard copies here, if it would make it easier? You have copies—great. I will not dwell on the document, but in the past five years, as we have just launched this new strategy from now, we have seen a significant growth in the scale and the success of the productions that we have been involved in from Western Australia, so *Red Dog* and *Red Dog: True Blue*. *Red Dog: True Blue* hopefully will have the same success which *Red Dog* had, which was a top-10 film of all time in Australia. The DVD sales were the biggest ever by Village Roadshow out of any production they have released.

The CHAIR: I assisted in that. I give them overseas to people I go and see.

Mr Booth: Fantastic.

The CHAIR: There you go. I think I have bought about five copies.

Mr Booth: I am constantly buying new copies to give to people because it is such a great example of what can be made in Western Australia—the scale of the production and obviously its success. In the past five years, we have had multiple feature films at the leading film festivals of the world. We have had films in Cannes, Toronto, Busan, Venice, Berlin and Sundance—multiple times over multiple occasions. In television, there has been significant productions that have won AFI's, that have been nominated for the AACTA awards. These include *Cloudstreet*, *Desert War*, *Jandamarra's War*, *Prison Songs*, *SAS: The Search for Warriors* and so on. There are multiple

productions that we have been involved in. I am trying to paint a picture of a depth as well as a breadth of the type of work we do. We are now doing around 40 different productions per year. Under the last strategic plan, there was significant development of quite a number of newer companies into the fold as well; companies such as Metamorphic, Joined Up, Sea Dog, Mad Kids, Factor 30 Films, WBMC are all doing regular, significant productions in their chosen field, as well as the established players, like, Prospero Productions, Electric Pictures, Artemis, Mago Films and so on. They were all still producing significant works over that time.

Creatively, documentary and factual production has been the mainstay of the industry for a long period of time and continues to be so. There are very strong relationships with the broadcasters—the ABC and SBS in particular. But in the last five years, there has been a real growth in feature films, and we are now making more feature films than ever. Last year, there were seven features and there are probably about 20 to 25 features that get released in Australia each year. So we have gone from hardly ever making a feature film to having over 20 per cent of the output of production coming from Western Australia. What is really exciting is that some of the individuals behind those productions are now having significant career opportunities nationally and internationally. I am happy to talk about some of those, as needed. From a statistical point of view, in the past five years, Screenwest invested \$29 million into these nearly 200 productions. The total production value of those was over \$200 million in that period of time. I have a graph, if it may assist, that demonstrates the growth over that five-year period. Obviously, our programs that we ran are from the development phase all the way through production and then marketing.

We are not the majority funder of productions and we need to partner with many different parts of the industry to make things happen. We are not a production house. We are not commissioning projects. We are working with our independent sector who are driving the productions coming to us and then working with the broadcasters, distributors, international sales agents and others for the money to come together. When we are putting in 10 to 15 per cent of the budget, we need everything else to be in place for the production to occur. We are working very closely with all those different parties. We are usually committing to a project early and trying to hang in there and allow the producers the opportunity to get the rest of the finance together to make the opportunity happen. In terms of the breadth of schemes we are running, we are running over 20 different types of programs in different parts of the value chain—travel support for practitioners to get to market; professional development opportunities, such as attachments, mentorships; support to guilds and organisations; providing funding to the Film and Television Institute to assist emerging filmmakers. We have short-film funding initiatives, business development, location scouting, as well as production funding, and support to festivals and so on under our screen culture program. We are receiving about 700 applications a year and we are probably funding about half of those on average. With the guidelines being designed at times for not multiple applications because of being at that peak level, there is obviously a lot more advice and support that is happening before people actually apply.

From there, I was going to give a summary of the strategic plan, but it is a document that you have received, so perhaps it would be an opportunity to take questions.

[10.20 am]

The CHAIR: Thank you. The member for Vasse, I know, has quite a few questions, but there is one that I just want to get off my chest before we go on. There are similar organisations in other states.

Mr Booth: Yes.

The CHAIR: How are they funded?

Mr Booth: They are usually funded directly by Treasury, as opposed to Screenwest, which is getting support from Treasury, from Lotterywest, and now through the regional film fund, through

the royalties for regions initiative. Yes, we are certainly seen as different to have those different funding sources.

The CHAIR: In my view, especially I think the South Australian Film Corporation and the New South Wales equivalent are quite aggressive in going after projects. For example, I have to say—was it the *Oranges and Sunshine* production, which is a Western Australian story—I was pretty annoyed to see it set in Adelaide. Have you any comments about that? We are supposed to tell our stories, and how is it that the South Australian Film Corporation is filming the damn thing in Adelaide?

Mr Booth: Thank you for the question. Look, I think that obviously as we are not a commissioner or a producer of projects, we are not driving every single opportunity; it is the individual, independent producers who are creating those opportunities. That story was driven by a UK-based company who formed an association with Emile Sherman and his company, who are a New South Wales-based company, and they particularly wanted to do that one in South Australia. Emile had had a previous working relationship in South Australia. I can give other examples. I am not sure if you have read the book *The Light Between Oceans*, which is a terrific Western Australian book. The rights were optioned by DreamWorks, a US-based company, before it was released publicly. As soon as we knew that the book rights were with DreamWorks, we were in touch with them to advise them, “This is where the production was set. Are you interested in talking further about the opportunity?” Because of the size and scale of the project, and the fact that they selected a US-based director, what they were looking for was locations based on the look and feel for a movie, adapting that work as opposed to wanting to be a faithful rendition of the story itself. We have no control over the fact that DreamWorks wanted to make a particular story, adapting that Western Australian story. Ultimately, that film was shot in New Zealand rather than Australia. A small, second unit was done in Tasmania. We had access to the head of DreamWorks through one of our employees at the time, so readily aware of Western Australia becoming a destination, but the way the finances came together and the vision of the director was one where we were not able to secure it. We are not going to get every single current production opportunity. I see our role as trying to find the right opportunities that have a significant impact for Western Australia.

The CHAIR: Are you saying that it is really up to the producers and the people that provide the majority of the funding to pick the location, and if they happen to pick Western Australia, there are some sweeteners for them? Is that an accurate description?

Mr Booth: That is right. Yes, we just do not have that level of control over the opportunity. I will give another example of *Breath*, where there was a US-based producer who secured the rights from Tim Winton. Interestingly, the story that he tells was that when he initially discussed the adaptation and the project with Tim Winton, Tim thought that the producer was going to relocate the story from Western Australia to —

The CHAIR: California or something.

Mr Booth: — California, and he thought that of all his books, this would be one which would be more valuable to adapt to a different place, and it might have more success if it was. But the producer, Mark Johnson, was certainly of the view that no, no; there was so much authenticity and story within the location that he wanted to shoot it in Western Australia. Contrasting to *The Light Between Oceans* example, where the Hollywood producer just wanted to take it anywhere where the finance worked, in this case Mark wanted to make it as authentic as possible in Western Australia.

The CHAIR: I will not be able to afford to holiday in Denmark anymore! I am slightly resentful!

Mr Booth: I had the fortune of seeing an early cut of the film a few weeks ago and it is just looking fantastic; the south west is looking incredible.

The CHAIR: Maybe I can address either of you. Do you feel there is still some misapprehensions within producers as to the skill levels and the expense it would be to film in Western Australia, and how do we overcome that?

Mr Booth: Yes, I think there is. I usually follow the advice of someone who a long time ago told me that reputation follows fact and we need to have more runs on the board and have more demonstrated success for people to see the opportunity, acknowledge it and then want to do something about it. Certainly in recent times, the depth and the quality of opportunity is growing in Western Australia, so, yes, we are definitely seeing more quality opportunities come through, but we are still needing to educate producers as to how much things cost and what are the benefits of Western Australia as well as the difficulties. A relatively recent example is a US producer who wanted to do a particular production in Western Australia. He said, "I would love to do it here. It's fantastic. The location is super, but it's going to cost me \$1 million more than it would anywhere else in Australia." I said, "Well, I don't think that's the case. Why don't we do a budget and actually go through and work out what the cost is? Where do you want to shoot it in Western Australia?" He said, "Margaret River. It would be fantastic in Margaret River." "Terrific. Margaret River—where is the comparison place that you want to do it?" "Byron Bay." I said, "Great. Let's just compare Byron Bay and Margaret River. Let's get an independent budget assessor to draw up the budget of both places and then work it out." This is an \$11 million film, and the actual difference at the end of the day was \$30 000 between Margaret River and Byron Bay in terms of the fact that you are bringing in people from Sydney or Melbourne or wherever to make the film in Byron Bay. You are bringing people from Perth and the surrounds and some from the east to make it in Margaret River. It is those sorts of stories that people need to hear. What we have been able to do in more recent times is have a lot of location reccies. We are bringing over producers and directors at a stage where the project is real; where it is likely to be financed and then maybe potentially going to other places. It is to give support to them, particularly on the ground, to get to locations and find the right place, and then from there work with them to get the film up.

The CHAIR: Just before I hand over to the member for Vasse, just going back to the comparison of, say, the South Australian Film Corporation and New South Wales and Victoria equivalents, what is the sort of budgets that they have compared with Screenwest?

Mr Booth: Their budgets are different in that, for the bigger projects, they are accessing funding over and above their direct funding levels, and it comes through Premier and Cabinet.

[10.30 am]

The CHAIR: Do they underwrite projects or what have you?

Mr Booth: Yes. They do not actually disclose what those levels of funding are. In a similar way they are attracting a big event to a particular place. It is the same challenge if you are trying to do *Superman IV* or *Pirates of the Caribbean* or something. The states do not disclose how much funding support they are providing over and above. So, yes, it is quite hard to tell transparently what the comparisons are, but in terms of operational funding, it is comparatively similar. In South Australia they have a very significant infrastructure spend. The studio complex they have is terrific.

Ms L. METTAM: In relation to the presentation and development of scripts for future film financing, does Screenwest apply a test to the likely uptake for WA or Australian audiences?

Mr Booth: Yes. We have a whole series of criteria set out in our guidelines as to how we assess where the money goes to each project that gets support, and so there is an evaluation of the idea itself, the team and the likelihood of that idea and that team being able to make that film. We use a mix of internal and external assessors to form an evaluation of the likelihood of success, and then go from there. The development of feature films is very, very expensive, and there are many projects which have developed which ultimately do not get to full finance, despite having a strong

premise, a good team and a plan, because of the circumstances of the industry and the time lines involved. For a success like *Red Dog*, it was seven years from when Nelson Woss was able to secure the option to the Louis de Bernières book.

The CHAIR: That is 49 dog years—terrible!

Mr Booth: But that is quick, Madam Chair. *Bran Nue Dae* is the other example I use. It was an enormously successful piece of theatre that took 20 years to go from that success to having a feature film which starred Geoffrey Rush in it. There were three different sets of producers—producer teams—and they were all very successful in their own right and had a plan about how they would do it and so on, but they just were not able to secure it. I was in this role when that was financed, and I think it was the timing. Australia was more ready for a reconciliation story at that time, as we are now. But we are starting to open up those stories, and therefore people believed in, “Yes, we can make this crazy comedy road movie musical set in Broome and it should hopefully go somewhere.” So it took hundreds of thousands of dollars, three different teams, two of which failed completely, and 20 years before a feature film was made.

Ms L. METTAM: With the securing of funding through the royalties for regions funding, is there consideration given to the film’s ability to showcase Western Australia and attract national and selected international audiences through a successful uptake in these markets?

Mr Booth: Yes, definitely. It is part of the criteria for that fund. It is really looking at what is the long-term impact for the region, and part of that is about how the film is going to travel nationally and internationally; what are the market attachments at the time of the application and what is the potential of that growing; who is in it; who are the stars going to be that are going to drive it; and what are their plans to get out to those broader audiences and so on? So, yes, definitely, it is part of the criteria.

Ms L. METTAM: You referred to the recent launch of the Screenwest strategic plan. How is Screenwest’s approach to doing business changing and what areas of current operations are being maintained?

Mr Booth: Thank you for the question. I would see this as a growth of the previous plan—the last five-year plan which was put in place—and we do not need to reinvent ourselves and move forward. From my perspective, just to give a bit of background, the strategy is the strategy of Screenwest rather than the industry as a whole. It is really focusing on what we can do rather than what the whole industry needs to do. We cannot do everything, but we need to work with all the different sections, so part of it is aligning that. It was an extensive process that we undertook—a lot of one-on-one interviews and we had workshop sessions. We held one in Bunbury as well as one in Broome. We took written submissions and so on. Some of the key themes that came about through that were really about the connection of the agency to the community, to have a more direct connection to audience. Because we are working through the independent production sector, the visibility of the agency and its important role, having that broader outlook, was something that was seen that we needed to focus on in this next stage—focus on the marketing and promotion of Western Australia in the content—sort of drawing slightly on the questions from the chair. There is a need to focus in that area more than we have in the past. There is a real sense of the tyranny of distance for decision-makers. Again, a comparison to the eastern states—all decisions are made predominantly in Sydney and some in Melbourne, but where the head office of all the different companies is, such as Screen Australia and so on. The conservatism that there is both in television and in feature film in trying to making something happen—they are all very significant investments that have been made. So it is, “We don’t know you. We haven’t been there before. We’re not really sure. We probably won’t go with you and we’ll go with something we know.” Certainly, breaking that down and getting more awareness is something that we see as a role we play and we need to do more. It is a real challenge for us. It is getting harder. There is a focus on regional within the plan, and obviously having the new funding and wanting to ensure that we embed it and get the best

results for that funding. There is a continuing focus on technology—as I mentioned it is part of our constitution—but also the new changes that have occurred in the way that film and television is financed; the whole changing nature of how you view content; the ability to get it through online services rather than directly through your TV, or will you go and pay 18 bucks to go to the movies? It has caused great challenges for our industry, but also the opportunities that are opening up in virtual reality and augmented reality—in documentary, as well as in drama projects—and they are all things that we are wanting to start to explore during this new plan. Another sort of area that is focused on is diversity in its broadest form. We have had a long history of supporting Indigenous film making and had three five-year Indigenous plans, but certainly the board and management were keen to look more broadly at diversity in terms of behind the camera and in front of the camera and audience reach and so on, and what we can do about it.

[10.40 am]

Ms L. METTAM: On audience reach, if we look at some of the big success stories in Australian films, like *The Sapphires*, and WA films, *Red Dog* and *Paper Planes*, obviously they have a big audience reach and human interest and are of that family-type genre. What is your key criteria, if you like, when you are looking at allocating funding for a film?

Mr Booth: It is very broad. You sort of have to break it down into the different areas that we are funding. Obviously, we are wanting the greatest impact within a particular area. *Prison Songs* is something that we funded which, unfortunately, is going to have a modest level of audience share, but in terms of the opportunity for the director involved, the production company—all the key creatives—to try and make a quality production at their highest possible level is what they achieved. It is now very successful at festivals; internationally it sold; also human rights awards, the Walkley awards. More fundamentally than all of that, it helped change people's lives at an individual level. I mean, the fact is that they were promoting the use of singing and music within prisons to change people's behaviour really at that fundamental level. They have continued to hold events and classes and so on within the Darwin prison but also other prisons and have had screenings all around Australia for different groups. So yes, it is about the specific project itself. I try and instil in my team, "How can we make this opportunity? How can it grow versus a how can we knock it out approach?" You cannot fund everything. The overall criterion is one of quality.

Ms L. METTAM: So the scope is sometimes beyond that which is a part of the film industry; sometimes it is about the broader message that may be projected through a film?

Mr Booth: Absolutely, yes; no question. There are countless examples of things we have been involved in that have had that sort of message. But in that case it is being driven by the marketplace. That is the case with SBS, who saw this as being fundamental to their charter and were willing to pay, in that case, 15 per cent of the budget. It was an over-\$1 million production. They were putting in well over 15 per cent of the budget, and Screenwest were putting in the same sort of level. The federal government, through Screen Australia and other sources, made up the production budget of the project.

The CHAIR: Competing with the eastern states and preconceptions and so on is obviously a challenge for you. But I am wondering if we have sought further afield in terms of our neighbours in Asia and in the Indian Ocean, Indonesia? There is now an Australian new film corporation. There has been a Bollywood movie filmed. I think there has been two in Melbourne and a couple in Sydney. Is there any consideration of maybe partnering with doing something through AusIndia?

Mr Booth: Certainly, the agency in my time has been significantly focused on Asia, and I could talk at length about China, Singapore, Malaysia, a bit about India and Indonesia, but perhaps focus on those last two countries that have been particularly mentioned.

India is a very interesting opportunity. It has a rich cultural history and has strong economic connections to Australia and Western Australia. One of the difficulties is there is not as yet

a coproduction treaty between Australia and India, so to have a formal relationship where something is eligible for all the support that is available from the federal government at a direct and indirect support level, as well as the states. It is trickier to then have a project. If it is more Indian than Australian, it starts to not count for the Australian components of the support, if you know what I mean, and its relevance to an Australian audience starts to also potentially diminish, as selected by the broadcasters and the sales agents and so on. So yes, the challenge is to find the right material to try and make a story work between those two countries. I have personally been there to their producing conference. I was invited to speak at their conference about what is happening in Australia. I made some good connections and an expat WA producer, Robyn Kershaw, who produced *Bran Nue Day* and other leading productions in Australia, has continued to look for opportunities but they have not really quite cracked. I had the opportunity to meet with the Indian minister for culture and arts in May and asked him about what is the progress on the treaty between Australia and India, and he said, “Oh, you know, we’re definitely wanting to achieve it.” Unfortunately, and I am not attributing blame to Australia or India in terms of the negotiations, but it is beyond Western Australia’s remit, but there has not been progress to a point where a treaty has been finalised.

In terms of Indonesia, the market there has been controlled somewhat by the state and there has been perhaps less opportunity to find projects to invest in and so on, as they have had a strong control over the product unless it was coming in to use Indonesia as a location, but to do a collaboration with the Indonesians has been more difficult. In recent times, the director general of the department is keen, as well as State Development is keen, for those connections to be more broad, so in January this year I set up a screening of *Paper Planes*, as part of the festival that the embassy in Jakarta were doing about Australia around Australia Day, and sent the Western Australian producer Liz Kearney—who I am sure you know, Libby —

Ms L. METTAM: Yes.

Mr Booth: — to go and to scope out what she thought the opportunities were there, which she did and found some interesting companies. But it is early days.

The CHAIR: So are you saying the Australian Film Commission funding demands a certain amount of Australian content and that makes it problematical?

Mr Booth: That is correct.

The CHAIR: In terms of, for example, the Bollywood movies that are filmed in Sydney or Melbourne, are they more potentially funded by Indian interests rather than Australian?

Mr Booth: Exactly. They are predominantly Indian funded is my understanding, and the investment or support that is coming from the states is usually coming from tourism as opposed to the film bodies in those states.

The CHAIR: Just on that issue, I notice Mrs Marr is grinning. Did you want to make a comment? When I asked the question, you seemed to have a knowing look on your face. I wondered whether you wanted to contribute.

Mrs Marr: No.

The CHAIR: Just before I let my colleagues ask some questions, just on the tourism issue, I have got an article here, which admittedly is some time ago, where you said, Mr Booth, that it is not Screenwest’s job to promote Perth as a tourist destination. It seems to me that a lot of focus on what is approved or not approved and what gets support and stuff, especially with the regional fund, has to have some sort of emphasis on location. So have you changed your view?

[10.50 am]

Mr Booth: No, but perhaps I may need to reread that particular quote. I am not denying that it says that, but what I would say, if I recall what I was talking about, is that while Screenwest is in to write

scripts and to actively engage in the creative process to demand a particular outcome from a creative point of view—was this in reference to the *Paper Planes* discussion?

The CHAIR: I can show you the article, but basically the headline was—it was in *The West Australian* January last year—“Perth doesn’t have to be a silver screen hero”. And your quote is —

The reason the State and Federal governments invest in films is a mix of cultural and economic returns. The way films are financed in Australia is a complex and risky business. No two projects are the same. The suggestion that ScreenWest should contract filmmakers to show or mention a location in a certain way is counterproductive and would harm our competitiveness as a filming destination.

Is that something you still concur?

Mr Booth: Yes, in an overall position I do because if we get to that point of dictating creatively, that is a difficult position for a government-funding organisation to be in. But whether something is more beneficial to Western Australia and should get more support because it has more of a connection to here, is a different question.

Dr A.D. BUTI: You are right. I do not think anyone has asked for Screenwest to decide the script, but the issue is, though, do you fund certain scripts that are providing an economic benefit to WA or a tourism benefit? That is the issue.

Mr Booth: Absolutely we are.

Dr A.D. BUTI: I do not think your answer necessarily is the answer to the question that is actually being put. The question that is being put is: should Screenwest when they are deciding funding, should they be looking at the benefits to Western Australia, whether it is economic benefits or whatever? That is not saying that you then go and determine the script. I do not think anyone has ever thought that.

Mr Booth: The allegation was raised by the journalist and, if I recall, the Lord Mayor also made a similar comment on radio, saying that we should be specifically saying that, in the context of *Paper Planes*—I am not sure if you have seen the film —

The CHAIR: You are saying the fact that it was in Perth did not have anything inherently to do with the story. Is that what you are saying?

Mr Booth: No, I am not. I am in complete agreement with Dr Buti about we definitely look at the benefit to Western Australia in terms of what we are looking at, but in terms of *Paper Planes*, the issue was that the journalist wrote—if you recall the film, there is a local final, then there is a state final and then they go to the national final. The point the journalist was making was that the national final should be in Western Australia because we have national finals of particular sports and why could the *Paper Planes* final not be Western Australia. At that point, my view was that would be dictating to the producers and the directors as to the script. For a national audience, it is more than likely that Sydney would be where the final of the national competition was held.

The CHAIR: Plus there is the thing about them travelling the distance to get there and all of that.

Mr Booth: Yes, but I would say it is a movie and that is the way they want to put —

Dr A.D. BUTI: You would never want to trust a journalist, would you!

Can I just go on about something that is related to something the member for Vasse said about funding. You used the analogy with the Western Australian Institute of Sport. I really actually do not know if that is really a very good analogy, apart from the issue of how many employees they have. To be funded by the Western Australian Institute of Sport, you have to be able to reach certain criteria, like you must be nationally ranked or whatever. That goes also for the Australian Institute of Sport and that goes for funding of our elite sportspeople throughout Australia. It does not appear

that there are any quality criteria actually in you determining who you fund. We will deal with that first.

Mr Booth: If we turn to particular parts of the funding programs, we are definitely looking at the quality of the team involved and their ability to finance productions.

Dr A.D. BUTI: How do you determine that?

Mr Booth: It is broad because it is based on the particular activities that they are wanting to do. But yes, absolutely, we are looking at that on every different type of activity. How realisable is the plan? Following the development example, if we are going to spend a significant \$25 000 on the development of the script, we want to know that the team has the capacity to finance the production in the area that they are doing. In comparison of us to Screen Australia, for example, they have more detailed credit requirements before their funding kicks in and usually a couple of feature projects before they will then put money into a feature script. But to do that would be limiting to the state of the industry in Western Australia.

Dr A.D. BUTI: I am not saying it is wrong. I am just saying it is a different way to the Western Australian Institute of Sport, which then raises the issue—because it is hard to actually have clear-cut performance indicators to guide you in determining who you are going to fund—of how you allocate the funding. There was a report—and I am sure you have seen it—by Rebecca Turner on ABC online titled “Screenwest: WA Arts Minister approved \$1.72m funding to film board members”. I have got to say I have a real problem with this. If you read through the article, it quotes a couple of board members, like Mr O’Bryan, who have received funding. It states —

Fellow board member Mr O’Bryan said he was very confident in the impartiality of the board and its governance processes.

He said board members assess their colleagues’ funding applications in a professional way, and board members often got their applications rejected.

Why he would even need to say that is interesting —

“It’s certainly not automatic,” ...

This whole issue of where if you have a conflict of interest, you declare it and then you do not engage in the process, I think is not really a very good governance procedure, because I have sat on a number of boards, and you form a relationship with your board members. So they can go outside the room but they already start off with an advantage because you know them. I think there are enough people in Western Australia with industry expertise that can sit on the board that are not also involved in production or applications for money from an organisation where they are a board member. So the fact that they do not sit in the final decision on those applications, I do not think carries much with the general public; it does not carry with me personally. There is an issue of—you are a former lawyer—perception of bias. There cannot be but a perception of bias. The money that you receive is not a lot. Screenwest does not receive a lot of money, and to have \$1.72 million being allocated to projects that involve board members, I think, is alarming. I do not know. There may be other boards in Western Australia where that is the case, but I know that the board that I was on, the Armadale Redevelopment Authority board, that just would not have happened. It would not have happened.

Mr Booth: You have raised a number of issues.

[11.00 am]

Mrs Marr: I guess it might be worth at this point giving an overview of how we actually manage our conflicts of interest process and perhaps the governance model itself that we have got in place. As Ian alluded to, the Screenwest board is appointed by the Minister for Culture and the Arts and it does comprise independent members who are business and corporate people who come to us with

a series and diverse range of skills and expertise, but it also does include a number of members, as you have alluded to, who are professionally employed in the sector. I guess it is important for us—and we do take our conflicts-of-interest obligations and legal and ethical obligations in this area very seriously. We do have under common law statute and the Screenwest constitution a duty placed on each of us as a board member, regardless of whether we are independent or funded by the agency, to have and act in the best interests of Screenwest as a whole. I guess in terms of the queries that you have raised, it is important to note that Screenwest board members are aware and understand their legal and ethical duties as directors when they are inducted onto the Screenwest board. We use a board code of conduct—we refer to it as the board code—and the conflicts-of-interest section of the board code is based on the WA public sector conflicts-of-interest guidelines published in 2013. So we do take this area very seriously. Our conflicts-of-interest policy aims to communicate the required standards of conduct and behaviour of Screenwest board members, promote professionalism and excellence, and provide guidance in ethically ambiguous situations, which are the points that you have raised. Like the majority of the Australian state and federal screen agencies, there are screen industry practitioners on the Screenwest board—and there have been since the agency's inception—providing us with professional insight into the screen sector. For example, the federal agency that Ian has referred to with Screen Australia has a number of leading industry members on its board as well. You mentioned the size of the sector and that potentially there are others that could be on our board and provide that insight. Due to the size of the Australian and WA screen industry sector, it is inevitable that our board will at times be called upon to make decisions on matters that affect the personal interests of one or more of our members. It is a very small sector, and so there will be times when we have this situation.

I guess what I would like to provide is an overview of the process that we do go through in terms of conflicts of interest, and, yes, it is an obligation on each board member to raise those. If you do not mind, I will proceed to give you that process so that you have some of that background. If there is a perceived or potential or actual conflict of interest in any project or subject, it must be declared from the outset, and the member is excluded from all material and discussions surrounding the project or subject. Board members are also required to list out any potential, perceived and actual conflicts of interest in our Screenwest board private interest conflict of interest register. All conflicts of interest are recorded in the Screenwest board minutes. If a member declares a conflict of interest, they receive board papers where the conflict is redacted. The member is instructed to leave the board meeting when it reaches that agenda item and is invited to rejoin once the discussion is concluded. Post the board meeting, minutes are circulated, and the conflict of interest and any relating material is redacted once again from that particular member. It is important to note that under the delegated authority of the Minister for Culture and the Arts, the director general of the culture and arts portfolio approves grant funding recommendations exceeding \$50 000. To ensure our transparency in funding decisions, Screenwest funding approvals are reported annually also in the Screenwest annual report, which you have a copy of. The agency is also in the process of finalising a template for its new website so that funding decisions can be published throughout the year, so it is not something that people have to wait for to the end of the financial year when the annual report is published. This template will be rolled out in the next few months. In terms of our agency's grant administration and the funding, we do use the specific expertise of independent sector-skilled individuals, often interstate, with national standing, and an individual board member as well as management, when we are assessing funds. The recommendations to the board are coming from management through a process of an independent assessment panel around the different funding programs that we have currently. Where a conflict of interest is noted, then those particular board members are not involved in those processes around assessment for funding.

Dr A.D. BUTI: Thanks for that; it is comprehensive. What you say is obviously what I would have thought—that they would not be involved in the actual direct deliberation on whether their own

projects should be funded. A couple of things, though: you mentioned the size of the industry. It is quite small, I suppose, and that makes it even more important to ensure that you govern against conflict of interest where there can be a club mentality that develops. I find it disconcerting that you have board members who are having projects that they have an economic interest in receiving funding from the board that they sit on, even if you have got all those balances and checks. In local government, for instance, I would not think that a local councillor—I may be wrong here, and we should have the Minister for Local Government in here—would be able to be involved in a company that is receiving a contract from that local government agency if they are a councillor. I may be wrong there, but I would be surprised if that is the case. I just know from my time on a board that it was just a no-go zone that you were involved in a company that would receive funding from that board you sat on, even if you were not involved in the deliberations. I am not suggesting for one moment that all those projects that you have funded and that these board members are involved in are not worthy. I am sure they are. But regardless of the actual conflict, there is a perceived conflict, and even the comprehensive procedure that you have read out I do not think takes away the perception that any reasonable person would have that there is a perceived conflict of interest. I am just wondering: would it not be easier if there is going to be someone that wants to be involved in seeking funding, that for a period of two years they do not sit on the board, or three years, because it is a long process as it is anyway?

Mr Booth: Thank you for your comments, Dr Buti. I suppose I should just add that I cannot speak on behalf of local government, but certainly across many industries, there are similar situations where there is perceived conflicts and they are dealt with in an appropriate manner. This is in not-for-profit in business, as well as the screen industry, and, as Janelle mentioned, Screen Australia, New South Wales, Victoria, New Zealand Film Commission—there are countless examples of where this situation is, because those who are appointing those members to the board have recognised that industry knowledge is a skill that the board needs to have, as well as legal, corporate and other skills. Industry knowledge is something that the board has needed to have. I would just make two other points. One was that obviously the members are appointed by the minister, as opposed to the board itself, and it has long been the policy of government, in my time, that both sides of Parliament have appointed local industry members to the board.

Dr A.D. BUTI: I am not saying that should not happen.

Mr Booth: Mr O'Bryan was appointed by Minister McHale rather than —

Dr A.D. BUTI: Mr Booth, just to interrupt, of course you should have industry people, but what I am saying is that those industry people cannot have their cake and eat it too. For that period of time they are on the board, they should not be involved in seeking funding from the board or from the organisation.

Mr Booth: Can I just add one other comment, which is that the audit report, which I tabled to the members, which the Office of the Auditor General tabled in Parliament in July this year, found that Screenwest displayed good practice across all lines of inquiry, which included the awarding, approval, monitoring and acquittal of grants.

Mrs Marr: It took into account all those interests specifically.

Dr A.D. BUTI: Would you not agree, though, that there is at least a perception of a conflict of interest?

Mr Booth: I think that I suppose yes, there could be a perception, and that is why there is a policy in place to deal with that perception.

Dr A.D. BUTI: Okay. So there is a perception and you have a procedure which you think guards against that, and you may be correct, but would it not be better if there was no perception, so for a period of time, if you are going to receive funding—because, as you said, it is a long process. A potential applicant is probably going to know for a period of time that they are going to make an

application. They just do not wake up today and suddenly put in an application. So if that is going to be the case, they should stand down from the board for a period of time.

Mr Booth: That may be your view, but again I would say that that would apply to Screen Australia and where the CEO and chairman of Macquarie Bank is the chairman of that organisation, and they clearly have policies on conflicts and perceived conflicts with very senior members of the screen industry who are similarly conflicted and similarly receiving significant sums that go towards their projects.

[11.10 am]

Dr A.D. BUTI: So they are conflicted.

Mr Booth: It is a conflict and it is declared and they are not part of the decision that then the project is supported. But again I make the point that that is very similar across many types of industry, of not-for-profit, other art forms and so on. But I do not make the appointments to the board. That is the Minister for Culture and the Arts.

Dr A.D. BUTI: I know. We are not saying you do.

Mrs Marr: I guess, coming back to your question, if there is a perception of a conflict of interest, we are managing it through our board code of conduct conflicts of interest process.

Mr Booth: I would make just a general observation, too, that if you look at the make-up of the board, it has become more independent over time.

Mrs Marr: Over time, yes.

Mr Booth: In more recent times, there are more independent people that have come onto the board. In the process of the minister's deliberations and who he wants to put on, he has put more independent members, such as Janelle, onto the board.

Mr C.D. HATTON: Could I have a bit of attention maybe for a while? You have talked at the beginning about how it is high-end film and TV that you are mainly dealing with—correct?

Mr Booth: Yes.

Mr C.D. HATTON: I do not have a problem with that. You have had a strategic plan from 2011 to 2015, which is more on the facts and docos and so forth, and maybe children's, which is great, and in the last five years, 2016 forward to 2021 another five-year strategic plan. There is a lot that has been done in the last five years. You have had a lot of celebrations, a lot of successes. So I guess I want to sort of lead into the area of cost-benefit—again, taxpayers' money and how it is spent—and your scope and operation leading into the future. We talked earlier about maybe cross-cultural connections internationally with India. Just talking about that, there was the film *Bend it like Beckham*, which was highly successful. Are you looking in the forward scoping and strategic plan at our multiculturalism, and what would be stopping you tapping into something like a *Bend it like Beckham* thing?

Mr Booth: Thank you for your question. Yes, certainly, as I mentioned, diversity in its broadest forms is something that we are definitely looking at in this next strategy. Recently we have selected a consultant to assist us in a scoping study and also called for expressions of interest for people to be part of a working party to work out strategies and what we could do to further the different parts of forms of diversity. In terms of particular types of countries and areas of focus, I touched on it before but I will happily go into more detail. To give you an example of something that we have done in the past and will continue to do with different countries, Singapore is a really good example. There is a treaty between Australia and Singapore, and there is a similar organisation to Screenwest in the Media Development Authority in Singapore, who are trying to focus on the development of the screen industry in Singapore. As I am sure you know, Singapore is very outward looking in wanting to partner with the world and collaborate with others and realises that

not everything can happen at home and it needs to broaden its borders and boundaries and have a connection to the country. So through connecting with the organisation, the Media Development Authority, we identified that there are a number of different initiatives and ways that we could instigate opportunities for the industries in both Singapore and Australia. We decided to have development funding set aside for the development of particular ideas that might work as something that would work between Singapore and Australia, and so we focused on factual and also television ideas. We had a number of delegations of Western Australian producers going to Singapore. We had opportunities to meet internationally, because a lot of producers from both countries need to travel internationally all the time to different markets to get sales for their projects, and we had people coming to Western Australia as well. So ideas were developed and relationships explored.

The biggest single one that was created was the series *Serangoon Road*. I am not sure if you saw that series but it was a 10-part, adult drama series commissioned by the ABC and HBO Asia. It was their first significant commission of HBO in Asia, where it was an official coproduction between Singapore and Australia. Interestingly, quite a bit of the production actually occurred in Indonesia because the company involved had a studio within Indonesia. Unfortunately, changes at the ABC meant that that show was not recommissioned for a second series. But you had millions of dollars of funding going to a Western Australian company making a high-end drama series that went all around Asia and sold internationally as well. So, the long answer to your question being, yes, those opportunities can be explored and it is a matter of targeting the right countries and then looking at the right partnership opportunities that exist, to then develop ideas and then focus the efforts of producers on key opportunities.

Mr C.D. HATTON: Thanks for that. I am unfamiliar with that genre or that type of film or that production, but thanks for answering like that. However, you are funded with Treasury, Lotterywest and the regional —

The CHAIR: Not Treasury.

Mr C.D. HATTON: Sorry? He did say that earlier.

Mr Booth: Through the Department of Culture and the Arts.

Mr C.D. HATTON: A government department has funding from Treasury.

The CHAIR: Yes, that's the personnel. It is not anything other than that, is it? Do you get any other money from Treasury?

Mr Booth: We get \$3.8 million this year from Treasury.

The CHAIR: Through the Department of Culture and the Arts allocation?

Mr Booth: Correct.

The CHAIR: What is that for?

Mr Booth: Operations and overheads, and also we use that to put out the door to fund grants and investments and support.

The CHAIR: Sorry. I understood it was all Lotterywest money.

Mr C.D. HATTON: That is all right, no problem. So you are funded by Treasury, Lotterywest and the regional fund. The regional fund I do not quite understand but I do not want to touch on that right now. Then the cost–benefit, like the taxpayers' money that is being spent, and you produced a graph there, how do you determine a graph like that with benefits? What are the benefits? Also, are you necessarily tapping into the cultural needs of current Australia and where we lie demographically, or are you still going high-end with the Anglo–Saxon type story promoting to film and TV? Do you understand what I am saying?

Mr Booth: In part. Perhaps if I answer the first part of your question and then we can turn to the second part about the subject matter if that is okay?

Mr C.D. HATTON: Sure.

Mr Booth: What that graph represents is the total volume of production that has gone through those production companies that are Western Australian productions. We have invested \$29 million over five years and there is \$200 million worth of production that has gone through.

Mr C.D. HATTON: What is “value of production”?

Mr Booth: The total of the budgets of those productions that have been made with Screenwest support.

Mr C.D. HATTON: So how does that translate back to benefits for the community—for Western Australians?

Mr Booth: Through the economic flow-through of those productions.

Mr C.D. HATTON: How do you determine that area or space? How do you get the figures?

Mr Booth: We are investing in most of these productions. We enter into a production investment agreement. We evaluate budgets. We are a party to the key production-related agreements. The production has accounting that happens on a regular basis—in feature films, it is every week; in documentaries, it is every month. At the end of the process, there is an audit, which we are provided with.

[11.20 am]

Mr C.D. HATTON: If I could interrupt? I think I understand that, but, say, you make a film in Denmark—down south here and not Denmark internationally—what are the sustainable benefits to a place where you do a local production, “sustainable” meaning ongoing? Do you have evidence of that?

Mr Booth: It depends on the particular production as to what the benefits would be.

Mr C.D. HATTON: Local tourism, local content, local employment, all those are what the framework —

Mr Booth: That is right, yes. They are evaluated up-front and assessed on that basis to get a breakdown of —

Mr C.D. HATTON: I guess what I am asking is—sorry, for interrupting—to me, there seems to be a lot of underlay there that could be more explained or transparent to the taxpayer. It is not always evident to me, anyway.

Mr Booth: The way in which the details are formed and form part of our annual report were agreed by Treasury and the Office of the Auditor General.

Mr C.D. HATTON: I am not being critical. I just want to know and have a better understanding.

Mr Booth: No, I appreciate that. As a general comment, I would say that it is something that our industry and the arts more broadly are focused on. It is trying to look at measures that are a mix of economic and cultural benefit, and how you measure cultural benefit is something that the Department of Culture and the Arts is doing a significant amount of work on, doing some leading work with the Arts Council England, in trying to demonstrate public value.

Mr C.D. HATTON: It is a difficult thing to do, is it not?

Mr Booth: Yes because it is the intrinsic perceived benefit —

Mrs Marr: It is the quantitative as well as the qualitative.

Mr Booth: That is right.

Mrs Marr: The qualitative becomes more challenging to —

Mr C.D. HATTON: I will leave you with one question. Given that we have a highly multicultural environment here in WA, for example, do you think that you need to have more of that into your strategic plan forward to 2021?

Mr Booth: We have identified it as something we need to focus on and, as I have mentioned, we are starting on the journey definitely. I personally see it as a real opportunity for broadening story content connection.

Mr C.D. HATTON: Thank you.

The CHAIR: Just a couple of questions. I think it was \$7.3 million you got from Lotterywest last year?

Mr Booth: Yes.

The CHAIR: Is that \$7.3 million the aggregative money that they fund for specific projects or is it a set amount that you are given for the last year; and why is it that amount and not some other amount, if it is the latter?

Mr Booth: Where we fall within the legislation of Lotterywest defines what that aggregate amount is. We are in a pool with the Perth International Arts Festival, where effectively it is up to 2.5 per cent of net revenue, under section 22, I believe it is, of the Lotteries Commission Act. Each year, the lotteries —

The CHAIR: It is a percentage.

Mr Booth: Yes.

The CHAIR: On encouraging Indigenous employment, can you just tell us a bit about that?

Mr Booth: Sure. The agency, and the industry I think, has recognised for a long period of time the importance of Aboriginal culture to Western Australia. Every time I talk to someone internationally about Western Australia, the first thing they are asking about is our history and our heritage. The stories that travel are usually the ones that have an Aboriginal connection, which is really interesting. But the agency has recognised this for a long period of time. We have had an Indigenous board member for all of my time and longer—probably over 10 years. We have had an Indigenous staff member and we have had specific programs to try and target opportunities for Aboriginal filmmakers. We have had three different plans specific to their needs, and last year we rolled out the latest one of those. It is really about finding the talent, investing in them, supporting them and then promoting it, in the simplest terms. But there is a detailed strategy there. There are lots of anecdotal examples of stories and things we have been involved in. One of the things I brought along was one of the *Deadly Yarns* series that we have done with the ABC, Aboriginal filmmakers telling fantastic stories that have then developed into career opportunities for these individuals.

The CHAIR: Great. Thanks very much for coming today and for your evidence before the committee today, the transcript of which will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days of the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct and new material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on any particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thanks very much.

Mr Booth: Thank you.

Hearing concluded at 11.25 am
