



INSIDE THE GALLERY PODCAST – SERIES 2 EPISODE 12 (Mid-DEC 2020)

Transcript of interview:

RON BROWN – CEO, OZFLIX

The establishment of OZFLIX ARTS streaming video service

Tim Stackpool:

Ron is taking his OZFLIX streaming service further with the soon-to-be-established offshoot, OZFLIX Arts. Ron, thanks for joining us on the podcast.

Ron Brown:

Absolute delight. Absolute delight.

Tim Stackpool:

Now, OZFLIX itself, I mean, we talk about streaming services quite a bit, and of course, we've enjoyed them so much over the past few months kind of through necessity for entertainment. But OZFLIX is a little different to Netflix and Stan in that you don't actually have a subscriber model.

Ron Brown:

We don't have monthly subscription. We use a pay-per-view model, which was something that was predicted was fading from interest in the general community when we started. People said, "Ah, look, pay-per-view, that's okay for somebody like iTunes, but the way of the future is the subscription, the monthly subscription." And what we observed in the five years that we've been streaming is that people have basically got to the point where they've often exhausted most of the content in a library that they're willing to pay per month for, and they're very happy now to swing back to just cherry-picking those individual films or TV programs that they want to watch, and they'll just be happy to pay a few dollars to watch those. So we're seeing a bit of a swing back actually.

Tim Stackpool:

Then the other thing is, too, what I kind of like about your platform and how you operate it is that oftentimes within a streaming service, there will be the opportunity to enjoy movies and shows, and then they'll vanish from the platform. You won't be able to go back to them in a few months' time. And there's probably various reasons for that. But I kind of see that perhaps then when you go searching for that favourite Australian movie, which you can't find on any of those subscription model platforms, they turn up on OZFLIX.

Ron Brown:

Indeed. We have a philosophy that when we put something up, we leave it up. And the interesting thing is that yes, the monthly subscription services are based on the idea of rotating their content. They do that because they have to actually pay the owners of the content an upfront lump sum fee for a period of time. So they'll pay for three months, six months or 12 months for the content. And then if they're not getting sufficient interest in that piece of content, they'll take it down, and they won't pay again to the distributor for the rights.

Ron Brown:

We have a different model with our suppliers, and that allows us to leave the content up forever. So it's a healthier situation in that our library just builds and builds and builds, and it'll all be there. If you saw it

there three months ago or six months ago or a year ago or five years ago, it'll still be there when you come back.

Tim Stackpool:

It's like the old model of the rental video store, the Blockbuster. Until the VHS tape wears thin, it would always be available on the shelf.

Ron Brown:

Absolutely.

Tim Stackpool:

You're now branching off, and this is the purpose of this conversation, of course, into what you're calling OZFLIX Arts, not yet launched. But why did you actually decide as a streaming service to concentrate initially on that as a bit of a sidecar to what you've been offering?

Ron Brown:

Sure. I think there's two things there really. One is that I've been involved in the arts in lots of personal and family ways for most of my life. My wife danced for 10 years before we started our family. My eldest daughter, Bonnie, is a concert pianist. There's lots of music, dance and theatre sort of background in the family through all the extended family. So I've always had that.

Ron Brown:

And then I think the other thing is that in watching the opportunities to access dance and music and theatre content over time and also to observe, I guess, the way that some broadcasters and cable services have pulled back from the arts in recent times, particularly, and I'm not saying this critically because I know they're under financial pressures. But the ABC, in particular, have reduced their arts content considerably over time. And so, of course, have Foxtel, who basically now axed their arts channels.

Ron Brown:

So we thought strategically that there was an opportunity to fill that gap at OZFLIX. And we also thought, I think, that it was something that was near and dear to our hearts. So Haig Burnell, my business partner in the arts channel, who was formally head of classical music at the ABC for many, many, many years and has worked with the BBC and the Berlin Philharmonic and various other organisations over time, he and I sort of put our heads together at the beginning of the year and said, "Look, the COVID thing, the lack of public performance and so on, this might be the time now that we start working towards that arts channel that we've been talking about for five years."

Ron Brown:

So basically yes, we're now often aggregating content, that is acquiring the rights to content for the channel. And that arts content will appear on the ozflix.tv channel on the internet first. And then eventually it will be split out into its own separate standalone channel when we get enough content on there.

Tim Stackpool:

Oh, great, great. So we don't have to wait for your actual arts platform to get up before we can actually start seeing this content that you're aggregating, as you say.

Ron Brown:

Correct. The content's actually starting to appear now, and we've been building that collection, if you like. But we've been negotiating very actively over the last three months with lots of major suppliers in Australia, lots of filmmakers, independent filmmakers and distributors. And I think we've probably got somewhere around 50 to 100 pieces of content that will be live and on the channel before Christmas. So people can look forward to a summer of plenty of arts content at OZFLIX if they're keen to delve into it. Yep.

Tim Stackpool:

Yeah. Lovely. Now, I remember you discussing in another forum an additional motivation for you to get this up, and that you were somewhat concerned, especially at the start of COVID when institutions and artists and musicians, if you like as well, were creating content and virtually giving it away online, which is very honourable of course, to do so. But you thought that from the perspective of the artist, there was an opportunity here to perhaps gain a bit more control over their artistic property and their intellectual property, rather than just, say, giving it away on YouTube.

Ron Brown:

Absolutely. Tim, I was horrified when I saw that one of our major symphony orchestras in Australia had decided to give their content away on YouTube. And I thought, "There's two problems with it." The first is that YouTube is an open platform in terms of access, but it's also a very open platform in terms of people being able to copy, download and, I guess you might say, almost steal that content. I guess people probably don't feel they're stealing it. Sometimes they feel, look, "I'd just like to have a copy of it so I can watch it over and over again. And it might not be there next time I go back."

Tim Stackpool:

This is downloading stuff off YouTube, which you can't do from the actual front end of YouTube, but there are applications available where you can, what they call, rip the content and store it on your own hard drive, which of course there is a breach there in YouTube's conditions of use as well.

Ron Brown:

People are constantly doing it. And I know that, in the copyright administration community, film producers, distributors, and others, it's a constant battle to issue take-down notices to YouTube that somebody has uploaded something that they didn't own, and that it's actually yours. And people call it piracy, but in many cases, people aren't trying to take money out of artists' pockets.

Ron Brown:

But that brings me to the second point, which is that apart from the copyright breach or the sort of lack of control of your copyright, the other significant issue for me is that you cannot really monetize your content on YouTube, even if you aggregate a whole lot of content and have a channel and enter into their sort of revenue sharing scheme for people who own the content get literally sort of pennies on the dollar or fractions of pennies in some cases. YouTube keep the rest.

Ron Brown:

So it's a very, very uneven model or unequal model from the artists' and creators' point of view. Our business model at OZFLIX is actually a 50-50 share. So we keep 50% to run the channel and do our marketing, and then we give 50% of any revenue earned immediately back to the artists or producers of the content. And we just think that that's a lot healthier model for, I think, sustainability of artistic endeavours.

Ron Brown:

And I was horrified. I saw this going on. And then I saw more and more groups doing it, other theatre groups, opera groups, dance people, and so on, seeing that some of the major performing arts groups in Australia put their content on YouTube, they started doing it. And then there became a bit of a movement towards it. And I thought, "Wow, this is going in completely the wrong direction."

Ron Brown:

So Haig and I moved very quickly to start communicating with these organisations and letting them know that OZFLIX was an alternative, and also that down the track we believed we could deliver global distribution, not just distribution to the existing Australian audiences.

Tim Stackpool:

Yeah. That 50-50 model is very generous. From my experience, I would have to say is very generous. Now, in terms of content, now, I have to say, we are a podcast concerned with the visual arts. And art channels traditionally in the past, and you spoke about the ABC and also Foxtel, do have a focus on, I guess, those arts which are kind of more accessible and perhaps more immediately entertaining, if I can put it that way without wanting to appear offensive. And that is in terms of symphonies, opera, dance, as you mentioned. But can we expect, I guess, a bit of a focus as well on visual artists and that sort of thing on your arts platform?

Ron Brown:

Yeah, absolutely. And we've worked hard to build bridges in both, what I'd call, I suppose, the existing catalogues of visual arts content. So there are people who have been making documentaries for the ABC, for SBS and for other organisations, other broadcasters over the years, and we've gone out and spoken to those people, and we've now aggregated a considerable amount of that content actually. We've got, I'd say, probably maybe somewhere between 20 and 30 hours already of visual arts content. But the most exciting thing for us is that we're now talking to certain venues, particularly art galleries, about creating content that is going to be almost multifaceted, I suppose, in terms of the arts practices that are involved.

Ron Brown:

So we've partnered with the Auckland Art Gallery in New Zealand, and they're going to be creating content, which is going to have performance in the space and integrate visual arts together with some of the other art forms. So there'll be some musical performances in the gallery. There'll be some dance performances in the gallery.

Ron Brown:

The National Gallery of Victoria, of course, have done this in recent years. They've partnered with Australian Ballet, they've partnered with the Ballet Orchestra and so on and created content that is,

again, visual arts as a context or a background. Sometimes the performance relates to the artworks, and sometimes it's just literally sort of a physical setting.

Ron Brown:

And then the third thing that we're doing is we are actually working very closely now with quite a number of First Nations visual arts organisations to create some original content next year, where we literally are going to be working with the artists and the community arts organisations to create content.

Ron Brown:

So that's an initiative that we're taking, where we actually want Aboriginal and Torres Strait Islander folk to be kind of the focus of the content. And we'll go probably, I think, quite a deal in the community, and we'll capture that sort of process, and it will be done with indigenous filmmakers doing that. So that it'll be a very fair and, I suppose, respectful is probably the best word, indigenous voices talking about their art and their culture. It's not white Australians talking about indigenous culture. It's indigenous Australians talking about indigenous arts and culture.

Ron Brown:

So that's very much a part of our discussions, and we've had some great conversations there. Likewise, with the indigenous team at Sydney Opera House, the indigenous people at the Australia Council and other indigenous arts organisations around the country that we've been talking to. So we believe that because OZFLIX has its ambitions both as a local Australian and an international service, the key point of difference for us, I think, in many ways is to be able to show indigenous arts and cultures as part of our offering internationally. That's important to us.

Tim Stackpool:

We have many artists themselves and art managers who subscribe to the podcast. In your discussions, have there been significant contentious issues with what you're proposing or contentious issues within the arts that relate to what you're proposing? I guess I'm asking, what are the challenges for you in putting this together?

Ron Brown:

So look, I think the main thing is, at this stage, there are some concerns because there haven't been models for rights. And in the past, when people have been making content, for example, for the ABC, the ABC turn up with cameras, sign here, they make the content, they put it on the channel, they pay for it. And the artist is basically being given, I suppose you might say, a promotional opportunity or a-

Tim Stackpool:

Through exposure, yeah.

Ron Brown:

Yeah. But we've got a different idea. We actually think that we should be sharing the revenue that is achieved, whether it's through an advertising model or a pay-per-view model, with the content creators, as well as with those who are, I suppose, the subject of the films that we make. So there will be a royalty scheme, and that's something that we are mapping out at the moment, as I said, with people like the Australia Council is what's a fair and appropriate royalty scheme, and we're putting together an advisory

group actually with the help of the Australia Council that's going to have practitioners involved that's going to help us determine the appropriate way forward.

Ron Brown:

And in many ways, I guess I see OZFLIX Arts as a wagons-in-a-circle kind of an idea, where we can get all the practitioners around the table, as well as the filmmakers, and ultimately obviously then share that with the audience. It's not a case of us as gatekeepers saying, "Here's the stuff that's important, watch this." We actually want the arts practitioners in all the different genres and areas of the arts practice involved. And that goes for the visual arts too, absolutely. We want to give those people a voice in the process of making and disseminating that content.

Tim Stackpool:

You have to pay to keep the platform running as you do, and yet you still want to be very generous in terms of what you're offering to the artists and the content providers. The question will be, of course, and this is always a question that I have in generating content and then giving it over to somebody's platform, how exclusive are you wanting to be able to hold on to this material?

Ron Brown:

Well, I think our attitude is this. If you've created the content yourself, if you're a filmmaker or you've worked with a filmmaker to create a piece of content and you're offering it to us, we're completely non-exclusive. So where we kind of say, "Let 1,000 flowers bloom," put your content out in as many places as you possibly can, and we'll be one of the shopfronts, if you like, that you can share your content on.

Ron Brown:

If we go into a co-production situation, which we were planning to do with some major performing arts groups and galleries and others, we'll share the costs and we'll share the revenue. And in the third case, where we literally commission content, where we pay for all of it in the old, I guess, the ABC or SBS kind of government broadcasting model, where they pay for everything and own it, we'll probably have a similar situation where we'll have exclusivity. But the exclusivity will also include royalty payments and other revenue share. It won't just be, "Gee, thanks very much. Here's your exposure."

Ron Brown:

I well know, particularly with a concert pianist daughter, exposure doesn't pay the rent. And it's an unfortunate byproduct of the arts in Australia that for many generations now, as long as I've been alive, people have been expected to practice their art for nothing, as it were, for no remuneration, with a few exceptions of people that have broken through and had a very successful career. And they've obviously been visual artists, as well as performing artists, who've had that luxury. They've been able to make a very handsome living from their work. In their lifetimes, it has happened. But look, for 90% or 95% or perhaps even higher, many art practitioners in this country are expected to have a day job and to practice their art in their spare time. I just think that's terrible. I think that's shocking, and I want to be part of the solution, not part of the problem, I guess.

Tim Stackpool:

Congratulations on the success of OZFLIX to start with.

Ron Brown:

Thanks.

Tim Stackpool:

And on the establishment soon, in any case, of OZFLIX Arts. Now, keep us in the loop because when you launch, we'll certainly talk about it at least on the podcast and on the Facebook pages and that sort of stuff. And thank you so much for speaking with us.

Ron Brown:

Thank you, Tim. Appreciate it. Thanks a lot. Cheerio.