From: Kim Lane <lane.k@climbingkoalaindustries.com>
To: Tanaka-san <tanaka.m@entertainmentjapan.com>

Subject: Re: bilateral entertainment ventures

Dear Tanaka-san,

Thank you for your prior communication expressing your interest in unified projects within the entertainment industry. Your email generated a large amount of interest from both myself and my fellow board members at Climbing Koala Industries. We agree that the relationship between Australia and Japan over the past 30 years has been mutually beneficial in many areas, such as the economic and cultural sectors. However, although our cultural relations in the past years have extended to activities such as sporting exchanges, traditional plays and demonstrations, Australia and Japan have yet to join efforts in such projects as movies, music and video games, which we believe serve to further strengthen our economic and cultural ties. We too feel that the level of bilateral entertainment ventures between our two countries could be increased to the advantage of both nations.

The entertainment industries in both Australia and Japan have been growing rapidly in recent years due to a number of different reasons. One such reason is the strong and stable economy that both countries possess, which allows for large levels of expenditure aimed towards the entertainment industry. Last year, the media and entertainment division in Australia alone was worth an estimated \$20.8 billion¹, a significant increase from previous years. Although there is speculation that these profit levels may slow slightly over the next few years due to increasing fuel prices and interest rates, among other things, the projected profit in both countries still remains both positive and extremely large. My board members and I agree that now is the time to experiment with select cohesive ventures within the field of entertainment, and as such have included several ideas for projects that we believe could be introduced following the cooperation of the Australian and Japanese entertainment industries.

As I mentioned before, there have as yet been few efforts made to combine forces in various areas of the entertainment industry. One area where we believe joint projects would prove worthwhile is in the film industry. The Japanese film industry has created for themselves the trademark of being particularly daring and technically stunning with their work. Japanese animated movies, more commonly known as anime, have received particular success. In recent years the Japanese film industry has hit new heights, generating millions at box offices world-wide with internationally acclaimed movies by directors such as Chihiro Kameyama. This international success has boosted the popularity of movies within Japan, with the number of screens rising from approximately 2,600 in 2003 to 2,825 in 2004². This number is expected to rise even further in the future, despite the expensive ticket prices and the more popular pastime of karaoke.

¹ "Australian Entertainment & Media Outlook 2005-2009"

² "Japanese Film Industry"

Movies have proved to be a popular pastime within Australia for many years now. One reason for this is due to the numerous successes both nationally and internationally, and the nurture of some of Hollywood's biggest names. The Australian film industry has had many successes both nationally and internationally, and has produced some of Hollywood's biggest names. While the industry has slumped in recent years, there are still scores of talented actors, directors and technical personnel being produced within the country.

Specialising in the film industry yourself, Tanaka-san, I am sure that you will agree collaborations between certain Japanese and Australian filming companies would be beneficial to both parties. What I am suggesting is that we test the success of producing a movie using the joint effort of both Australian and Japanese film workers. While there have been small attempts at incorporating both Japanese and Australian actors into a single movie (with Japanese Story being one such case), there is yet to be any attempts at cojointly producing a movie using a combination of Australian and Japanese workers in all aspects of the film making process. Personally, I believe that such a venture would be extremely lucrative to all involved, both economically and experience-wise. For example, through collaboration with an Australian company there may be opportunity for the Japanese company, along with the Australian company, to earn a rebate on the final expenditure of the film of between 9 and 12.5 percent³, providing of course that they meet the other requirements necessary for such a cash refund. As application for such a refund requires an Australian resident company, a Japanese company would be unable to apply for such a refund on its own even if they chose to film, hire and produce within Australia. This rebate would create financial gain for all involved, providing further incentives to enter in such a project.

Before such a project can commence, however, there are a number of problems that would first need to be overcome. One such example would be making compromises to deal with the incredibly diverse styles that Japanese and Australian film-makers lean towards. Of course there may be problems caused by both sides wishing to remain true to their own style, yet the point of the entire project is to create a synthesis of both forms. Much collaboration would be necessary to overcome such a barrier, yet I believe that once this difficulty and others like it are passed, we would be on the way to creating a movie of exceptionally high quality, due to the collective talent and experience that would be contributed to such a project. If you agree that this could be a feasible project, Tanaka-san, we would be grateful if you would nominate individuals and companies within the film industry in Japan who you believe capable of such an undertaking.

Another area within the film industry that we felt could be explored would be a sort of "learning exchange" for people working in the industry, similar to exchanges currently participated in by teachers and students between the two countries. This would provide technical crew and/or people specialising in certain areas within the industry the

³ "Australian Film and Television; Information for film makers"

opportunity to gain international experience by working in a company in the other country. Those involved could even set up a "sister- and brother-company" relationship of sorts, not unlike those relationships currently featured between schools and cities in Australia and Japan, to ensure continual placement. Such exchanges would further cement relations between those companies involved in joint-movie productions as well as creating more opportunities for those involved in the film industry.

Such exchanges need not be limited to just the film industry, too. I am almost certain that there are many graphics designers who would be interested in travelling to Japan to gain experience in a country renowned for his prowess in animation, both in movies and video games. Considering the rising popularity of video games within Australia, such an opportunity would provide invaluable experience and expertise for those Australians involved and would provide them with an edge upon return. This alone would be cause for many graphic designers and game developers to sign on. Additionally, such exchanges could quite possibly boost the reputation and popularity of Japanese video games within Australia, providing an economical reward for participating in such exchanges. Although the popularity of video games are on the rise, particularly following the release of consoles such as Xbox and Playstation2, Japanese-made video games have yet to reach the cult status that they retain in their own country. The majority of video games within the top 10 Playstation2 list in Australia are from American or European companies⁴. The introduction and push of Japanese-made video games would allow for further understanding of the Japanese culture within Australia, as well as providing top-class entertainment for those who wish it.

There is also room for co-joint projects outside of the electronic and audiovisual entertainment sector. One particular project that we propose would be the exchange of individual members within both the Japanese and Australian music division, focussing particularly on the exchange of members of the national orchestras. We have chosen to focus on these members simply because the style of music and performance within both orchestras is quite similar, especially when compared to the differences between Australian and Japanese popular music. Currently, the extent of the exchange between the music industries of Japan and Australia consists of whole orchestra tours of particular functions within the other country. Although this has proven to be quite successful in past years, I propose that we allow the orchestral members to receive a more culturally based experience by taking them out of touring with members of their own country and integrating them fully into life in another country. This will allow them to more fully appreciate and understand the other culture, which is essential in maintaining good bilateral relations.

For both of the above proposals concerning exchanges between the countries, we believe that it would be beneficial to approach both the Australian and Japanese governments to ask them to consider subsidising such exchanges. With the Year of Exchange coming up in

^{4 &}quot; Video Ezy PS/2 Top 10"

2006, we want to ensure that as many people as possible are able to have the experience of travelling to and working in either Japan or Australia, depending on their country of origin. This should not be subject to the monetary status of the participants, as it currently is in many cases. Since you and I have both made frequent trips between Australia and Japan, Tanaka-san, I am sure that we are both aware of the high expenses involved in such trips. Gaining the support of both countries governments would be essential in assisting as many people as possible to participate in such cross-cultural exchanges.

Australia and Japan have maintained and strengthened their good relations into the twenty-first century, much to the delight and benefit of both countries. I believe that the next step in the relationship between our two countries is to further develop our cooperation within the entertainment industry, and I hope that you will consider the propositions outlined above.

We would appreciate your thoughts and comments on the ideas discussed within this email. If you have any queries, please feel free to call our offices. We are looking forward to our future communications.

Yours Sincerely,

Kim Lane

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