



“Supporting Australian Stories on Our Screens” Options Paper

SUBMISSION LETTER

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To Whom It May Concern:

I am lucky enough to be one of Australia’s most successful screen composers working in Australia. I may not be a household name, but I can say that there is a strong case that the majority of Australians have heard my music as it has graced the screens from projects ranging from ***A Country Practice, All Saints, Love Child, Doctor Doctor. Rake, Mystery Road, Redfern Now, The Slap, Janet King, Operation Buffalo, Animal Kingdom, I Am Mother and Top End Wedding.***

I am also one of Australia’s most awarded screen composers, having won three AFI awards, five AACTA awards and around twenty AGSC awards. My life has proved that one can make a living out of what one loves doing. It is my passion and my career also helps support a whole subset of industries and contractors.

As well as being a full time screen composer, I am also the Managing Director of the Music Production House **Sonar Music** that I run with four other partners employing five full time staff and other contractors. We also share a facility with the Sound Production House **Unison Sound**. This is a co dependent business arrangement where we share in the mutual benefits of being able to provide our various clients with the option of working with two companies under the same roof.

Sonar Music also employs freelance engineers, other composers, musicians, orchestrators and regularly hires outside studios that are complete with their own staff. In short, we have a micro-economy that sits within the screen industry and we are reliant on work generated by producers who are in turn reliant on broadcaster’s ability to broadcast content.

I am very concerned that with the uptake of streaming services taking off in Australia, along with Big Tech companies now effectively becoming broadcasters in their own right, that there is no legislation to ride this tidal wave of competing services to the free to air networks who are currently the only broadcasters required to screen Australian content. This is not a sustainable model and there needs to be urgent government legislation to ensure the viability of our industry.

Australian drama, comedy and children's shows are not only important for our own consumption, it is used as a mechanism to promote our culture and story-telling around the world. It helps attract tourists to our country. It is estimated that 230,000 tourists visit or extend their stay in Australia each year as a result of viewing Australian film and TV content, generating around \$725 million in spending.¹

If one looks at just the income generated by royalties from music for the screen sector in the 18/19 financial year, APRA AMCOS revenue for screen music sources such as Television, Video on Demand, and Cinema was valued at over \$110 million, making up approximately 24% of APRA AMCOS total revenue.

I urge you to adopt Model 3-Significant in the 'Supporting Australian Stories On Our Screens' in the Options Paper. It is really the only viable method to ensure a sustainable screen industry that can adapt to the shifting media landscape.

I do support the further recommendations from the Australian Guild of Screen Composers which include:

1. **Streaming Services Contribution to Local Content**

Streaming Service providers should contribute 10% of their subscription services revenue derived in Australia to make, promote and broadcast Australian made content.

2. **Big Tech contribution to the Australian Production Fund**

Giant technology companies such as Google/YouTube and Facebook should contribute 1% of their advertising revenue generated in Australia to be pooled into the same Australian Production Fund (APF). This system could be based on the proposed code that the ACCC is preparing in order to compensate media companies for news services.

3. **Re-instatement of Quotas for Free to Air TV with regulation and allocated funding for National Broadcasters**

Until such time that new regulations are implemented, the AGSC calls for the immediate revocation of any current suspension on quota obligations for Free to Air broadcasters. It is imperative that broadcasters continue to be required to produce and broadcast Australian drama, documentary, childrens and First Nations content.

Harmonisation of Producer Offsets

The Producer Offset for Australian drama, documentary and childrens' programs should be harmonised with the Location and PDV Offsets at 30%, with an additional 10% applicable if Australian Key Creatives including Screen Composers are used. Offsets should apply to all platforms and across one-off and series content. The offset should be applied for productions that use key Australian Creatives and Heads of Department including Australian composers, bringing the total Producer Offset to 40%, in line with New Zealand. In recent years, many big Australian films receiving the offsets have not used Australian screen composers (such as of *Mad Max IV*, *Breath*, *The Great Gatsby*, *Mary Magdalen*, *Lion*, *The King*, *The Lego Batman Movie*, *Hacksaw Ridge* and many more). Inclusion of a cultural uplift 10% bonus offset would assist greatly in utilising Australian screen personnel on these productions.

¹ Screen Australia article - TOURISM AND EXPORTS: THE SCREEN INDUSTRY IS A MAJOR CONTRIBUTOR, JANUARY 2017, DON GROVES.
<https://www.screenaustralia.gov.au/sa/screen-news/2017/01-18-tourism-exports-andthe-screen-industry>

Currently Australian screen composers are able to retain authorship of the Intellectual Property (IP) of their creative work and associated royalties, which ensure their livelihood. Unfortunately, this retention of IP is being eroded by large international productions making films and TV shows in Australia by insisting composers agree to “buyout deals” and other nefarious practices to strip the authorship and rights from the composers. This consequently reduces significant revenue to the Australian economy, as royalty income of the screen composer is no longer part of the Australian tax process (refer to earlier point of \$110 million paid to Australian composers by APRA for screen in the 2018/2019 year).

Consequently, I recommend the introduction of sector-°-agreed Terms and Conditions for receipt of the offset, that ensures there is ongoing support for, and inclusion of, Australian key creative and Heads of Department and the retention of IP and authorship alongside screen composers rights.

4. **The Post Production Spend Threshold**

The Post Production Offset (PDV) threshold (that is currently \$500,000) be reduced or removed. This would allow overseas productions to more readily employ Australian composers and post-production services without only being applicable to large budget films.

Furthermore, the Post-Production Offset (PDV) should have a weighted or points-based system to further define post into the categories of visual effects, editing, sound and music. This would attract international as well as local productions to use Australian based talent across the Post-Production sector rather than simply utilising large Digital and Visual Post-Production Houses.

5. **Reinvestment Deals**

Reduce or abolish the current trend towards unsustainable reinvestment practices, where composers are being asked to reinvest up to 70% of their fee back into the film, with little to no likelihood of seeing a return on their investment. This practice has enabled production companies to attract a government rebate, whilst predominantly resulting in composers not receiving their full fee but regardless are still being taxed on the full amount up front.

6. **Incentives for Film Exhibitors**

Film exhibitors and cinemas be allocated a form of rebate or offset to screen Australian made films in order to help attract Australian audiences to the box office.

For our industry to profit from the presence of streaming services, and tech giants, who provide immediate access to screen content, and for our free to air broadcasters to continue to operate successfully, we need to take a harmonised, holistic and platform-neutral approach and legislate for content obligations accordingly to ensure that we can foster, and benefit from, an Australian content boom which will have positive and long lasting economic and cultural benefits for decades to come.

Please do not hesitate to contact me if you have any questions or would like to consult further.

Please update me and keep me informed of any developments regarding this matter.

Yours sincerely,

Antony Partos
Sonar Music