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Department of Infrastructure, Transport, Regional Development and Communications  
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CANBERRA ACT 2601

By email: [contentoptionspaper@communications.gov.au](mailto:contentoptionspaper@communications.gov.au)

## **Supporting Australian Stories on our Screens—Options Paper**

### **AMPAL**

The Australasian Music Publishers Association Limited (**'AMPAL'**) welcomes the opportunity to make this submission in response to the Supporting Australian Stories on our Screens—Options Paper (the **'Options Paper'**).

AMPAL is the industry association for Australian and New Zealand music publishers. Our members include large multi-national companies as well as many small local businesses. AMPAL's members represent the overwhelming majority of economically significant musical works enjoyed by Australians.

Music publishers invest in songwriters and composers across all genres of music. They play a critical role in nurturing and commercially exploiting their writers' musical works and providing returns to songwriters. AMPAL and our members also recognise the immense cultural and artistic significance of the works that music publishers represent.

Music publishers actively support the songwriters and composers they represent to allow writers the time and resources to create. They work with other intermediaries in the business such as record companies and managers to bring the works to market. They are responsible for the collection and distribution of songwriters' income on a global basis and they create new income streams for songwriters by facilitating licences within the continually evolving digital space. Music is a key component of locally produced screen content, and a strong Australian screen industry is important for music publishers, and their songwriter and composer partners.

AMPAL members are also members of the Australasian Performing Right Association (APRA) and the Australasian Mechanical Copyright Owners Society (AMCOS), and we endorse their joint submission with the Australian Guild of Screen Composers (AGSC).

The Department has invited submissions in response to the Options Paper. We set out our comments below.

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## Comments on the Options Paper

Australia has a long and proud history of producing local screen content – across film and television. Australian stories on screen reflect our cultural identity, help to define us as a nation, and portray Australia on an international stage. Music plays a crucial part in the telling of these stories on screen.

Local screen content featuring songwriters and composers' works represents a key medium for self-expression, and to this extent needs to be encouraged and nurtured as a fundamental part of Australia's cultural landscape. For Australians to have access to a diversity of voices and views, it necessarily requires that those voices are given continued scope and incentives for creative manifestation. The rationale for government's role in audio and audio-visual media is to ensure that outcomes in the public interest are delivered which, in the absence of government intervention, might not be delivered in an unregulated market. Adequate levels of Australian content across platforms are understood as necessary for the government to deliver its social and cultural broadcasting policy objectives.

Investment and innovation in the creation and distribution of new Australian content is integral for Australia's continued cultural evolution. The economies of the future will increasingly be built on creativity and innovation to create new jobs and sustain economic growth. To remain competitive in a globalised world, Australia must support and invest in its creative industries to foster this growth, to ensure that our talent is developed and remains at home, and to support a strong domestic creative content market on which our international success can flourish.

Like the Australian music industry, the screen industry has been deeply impacted by the COVID-19 pandemic. The creative industries will play a critical role in the recovery of our nation – the power of the arts to unite and heal is now more important than ever. It is essential that the right government policy and investment framework is implemented now, so that creators can continue to advance the cultural heritage of Australia.

AMPAL supports Minister Fletcher's position that '[t]he technology may change, the industry structure may change, but our goal is constant: great Australian stories are seen by viewers in Australia and around the world'.<sup>1</sup> AMPAL submits that **Model 3** under the Options Paper is the best model to guide future regulation and investment decisions in order to achieve this goal.

As the Options Paper recognises,<sup>2</sup> the economic and cultural significance of the Australian screen production industry are significant. Screen Australia has previously found that screen content under Australian creative control generates \$2.6 billion in value-add to the economy, and 20,158 full-time-equivalent jobs.<sup>3</sup> The industry of course also generates vast indirect benefits to the economy, driving demand for related goods and services. There are significant benefits to international tourism through the promotion of Australia as a destination for travel, as the Options Paper identifies. Deloitte Access Economics have previously found that 230,000 international tourists are

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<sup>1</sup> <https://www.communications.gov.au/what-we-do/television/ministerial-statement> (last accessed 1 July 2020).

<sup>2</sup> Options Paper, page 6.

<sup>3</sup> Screen Australia, 'Screen Currency: Valuing Our Screen Industry' (2016), page 6.

estimated to visit or extend their stay in Australia each year as a result of viewing Australian film and TV content, representing \$725 million in estimated tourism expenditure in Australia each year that may be associated with Australian screen content.<sup>4</sup> A strong local screen industry is also important for the entire ecosystem of the creative industries, including the music industry.

Aside from the strong economic contribution of the Australian screen industry, the immense cultural contribution of the industry must also be recognised. Local creative content, including screen content and music, is central to our culture and our identity, and enhances social cohesion. A purely theoretical economic-analysis approach may find that screen content can be imported at a lower cost. However, Australian screen content and music is not interchangeable with foreign content. It is more important to the national identity and cultural heritage than a fungible economic commodity. AMPAL submits that the best way to increase our performance as an exporting nation is by encouraging the continuing success of Australian content. In this regard we acknowledge the importance of the current regulatory measures (including local content requirements) and direct and indirect financial contributions of the Australian Government to the screen industry. A healthy local market is imperative to developing Australia's considerable screen export potential. The Options Paper recognises the importance of this, stating that '[t]he cultural significance of Australian content is not easily quantifiable, but it is highly recognisable, and supported by the vast majority (76 per cent) of surveyed Australians who are in favour of government support to the sector'.<sup>5</sup>

With the strong uptake of subscription video-on-demand (SVOD) streaming services by Australian audiences, including some multi-national services, it is also appropriate to review the current government regulatory settings to ensure that they are fit-for-purpose in the context of the new competitive landscape. The Australian Communications and Media Authority (ACMA) found earlier this year that 71% of Australians with a home TV had one or more subscription or paid streaming service.<sup>6</sup> While demand for drama, documentary and children's programs remains, as the Options Paper notes, '[a]udiences are shifting to watch these programs on streaming services, which have no obligation to make or source Australian content. While Australian programs do appear on streaming services, particularly the Australian streaming service Stan, they represent a very small percentage of the overall catalogue. In the case of Netflix, Australian programs represent 1.7 per cent of titles for the entire catalogue. Stan has Australian content levels at 9 per cent'.<sup>7</sup>

It is unsustainable for the future of the Australian screen production industry, and the economic growth, jobs, innovation and cultural enrichment that it supports, for these now well-established SVOD services to not be subject to any local content obligations. As the Options Paper notes,<sup>8</sup> this current situation creates an uneven playing field with respect to traditional screen broadcasters.

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<sup>4</sup> Deloitte Access Economics, 'What are our Stories Worth: Measuring the Economic and Cultural Value of Australia's Screen Sector' (2016), page 3.

<sup>5</sup> Options Paper, page 6.

<sup>6</sup> Australian Communications and Media Authority, 'Communications Report: 2018-19' (2020), page 7.

<sup>7</sup> Options Paper, page 8.

<sup>8</sup> Options Paper, page 9.

AMPAL also notes the recent moves in Canada and the European Union to extend local content obligations to SVOD services.<sup>9</sup>

AMPAL endorses the position of APRA AMCOS and the AGSC that all broadcasters and SVOD services must be regulated to require investment in new Australian content, and that ACMA should have sufficient powers to enforce these regulations. AMPAL supports the objective of Model 3 under the Options Paper with respect to SVOD services, to establish platform-neutral, future facing obligations and incentives that take into account individual platform offerings and audience engagement. Requiring investment of a percentage of Australian revenue of SVOD services into the production of new Australian content is an effective way to achieve this. In addition, local content requirements of traditional broadcasters remain of critical value and importance in Australia.

It remains true that without the current local content requirements, Australian content (including Australian music) would be more absent on commercial broadcast services. Indeed, as recognised in the Options Paper, ‘a PricewaterhouseCoopers (PwC) economic study stated that if quotas were eliminated on commercial television, children’s programs would cease to be produced, drama programs would reduce by 90 per cent and documentary programs would be halved. In the absence of supporting regulatory mechanisms culturally significant Australian content would struggle to make it on screen’.<sup>10</sup>

Australia’s existing content thresholds are by no means unique or onerous compared to overseas markets. Any reduction of current quotas would have a detrimental impact on today’s Australian creators, while also discouraging future investment in new Australian artists. In this regard, we support the call by APRA AMCOS and the AGSC for the recent suspension of Australian drama, children’s and documentary content obligations on free-to-air and subscription television for 2020 to be lifted. AMPAL also supports the call for dedicated funding for public broadcasters to make drama, documentary, children’s programs and First Nations screen content. There is a cultural importance of indigenous storytellers for all Australian stories. Recent releases such as the feature documentary *The Australian Dream* (2019) demonstrate the significance of this. First Nations screen content and music is central to how we define ourselves as a nation, and our place in the world. Harmonising the Producer, Location and PDV Offsets is also an important measure.

The safeguarding and extension of Australian local screen content obligations will underpin the progress of a diverse modern Australia which provides all Australians with the opportunity to have access to Australian content – both new and old, of varying cultural backgrounds, genres and formats. It will ensure that Australian creators including musicians will be able to benefit from the development of a strong digital economy and will ensure that Australian stories continue to be heard here, and internationally.

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<sup>9</sup> In Canada, the Broadcasting and Telecommunications Legislative Review Panel released their final report, ‘Canada’s Communications Future: Time to Act’ on 29 January 2020: <https://www.ic.gc.ca/eic/site/110.nsf/eng/home> (last accessed 3 July 2020). In the EU, amendments to the Audiovisual Media Services Directive were approved by the EU Council on 6 November 2018.

<sup>10</sup> Options Paper, page 7.

**Conclusion**

AMPAL thanks the Department for the opportunity to make this submission in response to the Options Paper. We reiterate our support for Model 3 under the Options Paper as being the optimal model to guide future government regulation and investment decisions, on the basis of the overall economic and cultural benefits to Australia.

Please contact me if we can be of any further assistance.

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