



Submission in response to “Supporting Australian stories on our Screens” Options Paper

30 June 2020

Executive Summary

ANZSA appreciates the opportunity to respond to the Options Paper “Supporting Australian stories on our Screens”. Our members are active participants in the Australian screen industry, from the creation of content; to investing in production companies, physical infrastructure and post-production services, to the distribution of content into Australian cinemas, home entertainment retail, licencing to free-to-air and Pay TV providers as well as operating direct to consumer SVOD businesses. Our members have contributed to the Australian screen industry for nearly 100 years. ANZSA supports the notion that those who benefit from the industry should contribute to its development.

The screen industry sector’s contribution to Australia’s GDP has increased by 15% between 2012-13 and 2017-18, with Production and Home Entertainment the best performing sectors. Expert international screen consultancy Olsberg SPI notes that this growth is evidence of the sector’s ‘quick and efficient response to the disruption caused by the internet’. The performance of the production sector specifically is noteworthy (+31% in GVA) given that it was achieved without a significant contribution from footloose production. How much bigger the opportunity is becomes clearer when looking at the prior year (FY16/17) which would have seen GVA contribution of the production sector grow by 113.8% - more than four times faster.

Automatic production incentives are in place in 97 countries, states and provinces worldwide. These incentives are seen to create and support jobs less likely to be negatively affected by machine learning and automation, and – apart from direct economic and employment benefits – help build a country’s brand, which supports tourism activity and soft power generally.

ANZSA supports the harmonisation of all Offsets in Australia, whether for TV or film, or for Domestic or International projects, at a minimum of 30 per cent. Olsberg SPI found that for every dollar invested in incentives, \$3.86 of value add is created and that the tax income generated from that exceeds the original outlay. At that level, Australia can compete with countries such as the US, UK, Canada and New Zealand who have more certain, predictable programs in place than Australia’s, which would allow Australia to capture a much greater share of the reported US\$123 billion invested in non-sports content globally (a comparison with the UK suggests an annual increase of \$1 billion is possible over time). The introduction of the Location Incentive Grant increased support levels to 30 per cent overall for qualifying productions – immediately triggering \$900 million in investment for in-bound projects. Furthermore, the fact that the Producer Offset TV is currently below the combined Location Offset and Location Incentive levels for qualifying projects acts as a deterrent to commission local stories for companies that operate globally.

The internet has enabled new ways of distributing content which have accrued benefits for both consumers and producers. Firstly, more of every dollar spent by a consumer can be spent on the creation of content, and a more diverse array of content can be supported. Secondly, SVOD services have also improved the ability of Australian stories to find global audiences and - through that - global funding. The latest Screen Australia Dramas Report shows this with 31% of total investment in Australian stories coming from overseas sources. Australian producers have benefited from the combined effect of these two trends; ANZSA estimates that investment in Australian stories increased by 80% since the introduction of subscription streaming services in Australia between 2014-15 and 2018-19.

These results are achieved despite the fact that the SVOD sector is still nascent, where new and diverse entrants continue to broaden and improve consumer choice. Heavy-handed intervention – specifically Option 3 – could trigger unintended consequences. It would distort the market between SVOD services who invest heavily in premium screen content and UGC services who don’t. It could cause the number of buyers for screen producers to be reduced, affecting the effective functioning of the market. It could create an imbalance within the SVOD sector given that some SVOD services are offered as part of a bundle of are given free of charge for qualifying hardware purchase. We believe Option 3 also views contributions to the sector narrowly, with, for instance, investments in screen infrastructure and services not recognised, despite the fact these are essential to the future success of the sector.

There is ample evidence that opportunity for Australian stories overall is flourishing and therefore we believe the Government should proceed cautiously, given the risk of unintended consequences of some of the Regulatory Options considered. That is why ANZSA recommends the following four-point approach which we believe will deliver the best outcome for solution for the Australian screen sector:

1. A harmonised incentive scheme – for TV and film, for Australian and international projects - at a minimum 30 per cent level. This will result in an increase of foreign investment in Australian stories and help them to better compete on the global stage. Notably, it should support an increase in investment for Adult TV drama and children’s live-action TV drama, both genres identified as at-risk. ANZSA recommends the replenishment of the Location Incentive as an intermediary step as significant foreign investment will be lost without it.
2. Voluntary arrangements with SVOD services will be sufficient and government intervention is not required. SVOD services and their parent combinations are making significant contributions to Australia’s screen eco-system and are investing significantly in local production, and these holistic contributions are needed for the eco-system to flourish. Furthermore, any regulatory burden could have adverse effects for the industry as it works to recover from COVID-19.
3. The definition of Australian content should be deregulated and harmonised. A transparent definitional model would give producers certainty and drive additional investment.
4. Government initiatives should be adopted to promote industry recovery and build capacity.

ANZSA thanks the Government for the opportunity to provide comments and we look forward to participating in future consultations. With the right regulatory balance, we believe the Australian screen industry is well placed to succeed and grow.

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About us

- 1 This submission is made on behalf of the Australia New Zealand Screen Association (ANZSA). ANZSA's core mission is to advance the business and art of filmmaking, increasing its enjoyment around the world. We seek to protect and promote the safe and legal consumption of movie and TV content across all platforms. Our members are proud participants and contributors of the film and television industry that contributed \$9.2 billion to the Australian economy and supported an estimated 54,818 FTE workers in 2017-18¹, and include Walt Disney Studios Motion Pictures Australia; Fetch TV; Netflix Inc; Motion Picture Association; Paramount Pictures Australia; Sony Pictures Releasing International Corporation; Universal International Films, Inc.; Village Roadshow Limited² and Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc.

Part 1 - General comments

- 2 Our members have been active participants in Australia's screen ecosystem since 1926. Our members' support for Australian stories extends right across the screen industry supply chains, from investments in and ownership of Australian production companies like Matchbox and Playmaker, to investment into the production and distribution of Australian stories, as well as investments in physical screen industry infrastructure (e.g. sound stages) and post-production services.³ Our members also take an active role in the distribution eco-system, from distribution into Australian cinemas and home entertainment stores, to licensing content to free-to-air TV,⁴ Pay-TV (where they also operate their own branded channels) and all online distribution models (ranging from download-to-own to transactional and subscription video on demand). Now, for the first time, they also operate a number of direct-to-consumer streaming subscription video-on-demand (SVOD) businesses.
- 3 Our members acknowledge the important role the Government has played in the success of the Australian screen industry. The Australian Government provides significant funding for our industry, for which we are very grateful. The Options Paper outlines the extent of this funding as well as the benefits of government investment recognising the economic and cultural benefits which accrue to Australian society. Given the devastation brought upon the tourism sector as a result of the COVID-19 pandemic, it is worth highlighting the benefits the screen sector brings to the tourism sector; Australian content draws around 230,000

¹ Olsberg SPI, *Study on the Economic Contribution of the Motion Picture and Television Industry in Australia*, <https://anzsa.film/wp-content/uploads/2020/02/Study-on-the-Economic-Contribution-of-the-Motion-Picture-and-Television-Industry-in-Australia_Final-Report.pdf>

² Village Roadshow Limited supports the ANZSA position on the Location Offset and Location Incentive, and will express its views on content obligations in its own submission.

³ The Options Paper focusses on production and distribution of content but does not consider the broader screen industry ecosystem. Appendix 2 outlines the limitations of data as presented in the Options Paper.

⁴ Network Ten is now also owned by the parent company of one of our members.

international tourists to Australia each year, driving an estimated \$725 million in tourism expenditure.⁵ Part 3 of this submission will focus on the benefits and impacts of incentivising screen production.

- 4 We support a guiding principle that those that benefit from the industry should contribute to the development of the industry. This principle applies offline as well as online and to government as well as industry. Our members have a track record of contributing to the Australian screen industry for nearly 100 years.
- 5 It is worth noting that this consultation is a result of a recommendation made by the Australian Competition and Consumer Commission (ACCC) in its Digital Platforms Inquiry to harmonise media regulation.⁶ Harmonisation of media regulation is a noble goal as siloed regulation does not promote competition on a level playing field. Indeed, the current regulatory environment for local content may be outdated, lead to unintended consequences and there have been many reviews over the past decades into these issues. Impediments to reform include the complex, overlapping and technical implications of current policy settings as well as the significant differences between online and offline markets for content and individual sectors therein.
- 6 A further complicating factor for media regulation harmonisation is that there are effectively two markets being considered, which have different competitive dynamics, and which intersect offline and online business models.
 - a. Commercial free-to-air broadcasters compete with Digital Platforms for advertising investment and for consumer attention. The ACCC made findings relating to the significant market power of Google and Facebook in the advertising market and the effect this has had on commercial free-to-air broadcasting, yet Google and Facebook are almost entirely excluded from the scope of this review process. Moreover, the ACCC correctly draws no conclusions about the market power of SVOD services.⁷
 - b. The Options Paper appears to conflate two forms of competition; competition for audiences and competition for advertising investment. Australian SVOD services currently do not compete for advertising revenue with commercial free-to-air broadcasters and are funded entirely by subscription revenue. The nature of the internet is open, and consumers should be entitled to pay for what they want, and services should not be forced to be homogenous. For instance, NBC Universal's Hayo is a known destination for US reality TV, Madman's AnimeLab is a known source for Japanese Anime, and Optus Sport is a known source for international soccer. The pressure on the commercial free-to-air broadcasters is primarily caused by the rise of Social Media and User Generated Content services.

⁵ Screen Australia, *Screen Currency, Valuing our screen industry*, 2016, <<https://www.screenaustralia.gov.au/getmedia/1b1312e5-89ad-4f02-abad-dae601b739/ScreenCurrency-SA-Report.pdf>>

⁶ The Digital Platforms Inquiry was focused on assessing the power of Google and Facebook in the advertising market and genesis of the inquiry was a deal made with crossbench senators in 2017 to relax cross-media ownership laws.

⁷ ANZSA estimates that the revenue base of all SVOD services is 28 per cent of the combined revenue bases of the Commercial and Public FTA and Pay TV broadcasters. See Appendix 3 for details.

In their absence, the broadcasters would have been able to lift their advertising rates when audiences decline given that no new alternative advertising sources would have existed. Furthermore, PWC has estimated that the combined Linear and BVOD revenues for these broadcasters will start showing growth again, with a CAGR of 0.6 per cent forecasted.⁸

- c. Whilst briefly acknowledged in the options paper, the scope of this review does allow a full consideration of the regulatory bargain for commercial free-to-air broadcasters. This bargain includes preferential access to sports rights and protection from competition; commercial free-to-air broadcasters are free to compete in the SVOD market, but SVOD services are not free to compete in the free-to-air market.⁹ For example, Stan is owned by Nine and Network Ten owns Ten All Access. However, SVOD services are free to compete in a market without arbitrary restrictions on new entrants.¹⁰
 - d. Australian content quotas on commercial free-to-air broadcasters including for at-risk genres (drama, documentary and children's content)¹¹ have been a regulatory obligation that ensures that there remains free access to these genres, and – according to the Options Paper - address a market failure for these genres on that medium.¹² The Options Paper fails to accurately portray that no such market failure exists in the SVOD market. As the capacity constraints of a programmed linear schedule do not apply, SVOD services provide possibilities for Australian audiences to access content on their terms, which is of profound benefit to consumers. However, the limitation in Screen Australia's 'first Australian release' reporting standard¹³ dramatically understates both the absolute investment and the number of shows financed with support from SVOD services,¹⁴ for viewing on their Australian and international services. Indeed, as Part 4 of this submission will show, there is no market failure for investment in Australian content and the broader Australian screen industry by SVOD services.
- 7 Any measures to support Australian stories must reflect the differences between online and offline as well as advertising and subscription models, acknowledge the mistakes of the past and avoid distorting markets that are functioning well. Part 5 of this submission outlines some potential unintended consequences of significant market intervention.
- 8 Separately, we note that the options paper provides no rationale as to why proposed policy settings for local content obligations and production incentives were presented together in each of the scenarios.

⁸ PWC Media & Entertainment Outlook 2019, Free-to-Air television, <<https://www.pwc.com.au/industry/entertainment-and-media-trends-analysis/outlook/free-to-air-television.html>>

⁹ If the SVOD service does not have a license under the *Broadcasting Services Act 1992*.

¹⁰ Commercial free to air licenses are limited to three under the Broadcasting Services Act s37A, commercial free-to-air broadcasters are provided preferential access to sports rights under the anti-siphoning list.

¹¹ See Appendix 4 for some additional comments on the performance of each of the sub-genres.

¹² See Options paper page 5: "an Australian network can generally import a high-quality program for \$100,000 to \$300,000 per hour. Commissioning an equivalent Australian program may cost a broadcaster anywhere from \$500,000 to more than \$1 million per hour. Older foreign content can be imported for as little as \$1,000 per hour. In many circumstances, the broadcaster can expect a similar return on investment (revenue and audiences) for foreign and local programs".

¹³ See Appendix 2 for an overview of data limitations in the Options Paper and the impact of the 'first release' reporting basis.

¹⁴ See Appendix 5 for an overview of shows SVOD services have been involved in.

Furthermore, sole focus on these two policy measures does not allow consideration of the entirety of the regulatory environment that affects the screen industry and unnecessarily narrows potential policy responses. Further, whilst further updates may be required now, it is without question that the production incentives that were introduced in 2007 have achieved their policy objectives.

Part 2 – Changes in the Screen Content Eco-System

- 9 Olsberg SPI published its *Study on the Economic Contribution of the Motion Picture and Television Industry in Australia* (the Study¹⁵) in February 2020. The Study reviews the changes in the Screen Industry between 2012-13 and 2017-18 across five sub-sectors;
- a. Screen production (includes post-production)
 - b. Distribution (into cinemas and transactional home entertainment channels)
 - c. Exhibition (into cinemas)
 - d. Home entertainment (includes all digital VOD sales as well as physical DVD and retail sales), and
 - e. Broadcasting.
- 10 The Study found the Australian screen industry generated gross value-add (GVA) of \$9.186 billion, representing a growth of 15 per cent from 2012-13. This growth was driven by home entertainment, where the internet delivered the greatest efficiency gains (physical stores and supply chain are gradually replaced by online distribution, and production who benefited from these efficiency gains, which allowed a greater share of revenue to be invested in content creation.

Table 1 – Screen Sector GVA in Australia (A\$, m), 2017-18

| | Direct | Indirect | Induced | Total | Comparison to 2012-13 |
|---------------------------|----------------|----------------|----------------|----------------|-----------------------|
| <i>Production</i> | 573.7 | 543.0 | 521.3 | 1,638.0 | +31% |
| <i>Distribution</i> | 305.4 | 289.0 | 277.5 | 872.0 | -8% |
| <i>Exhibition</i> | 240.5 | 227.6 | 218.5 | 686.6 | +20% |
| <i>Home Entertainment</i> | 496.4 | 314.7 | 309.0 | 1,120.1 | +36% |
| <i>Broadcast</i> | 1,689.8 | 1,586.0 | 1,594.3 | 4,870.1 | +12% |
| Total | 3,305.8 | 2,960.3 | 2,920.7 | 9,186.9 | +15% |

Source: Olsberg•SPI analysis

NB: numbers may not sum due to rounding

¹⁴ Ibid 1.

- 11 Over the same period, employment dropped 6 per cent, with the Distribution and Home Entertainment sectors most affected with job decreases of 23 per cent and 35 per cent respectively, and Broadcast and Production the best performing sectors with job increases of 10 per cent and 9 per cent respectively.

Table 2 – Screen Sector FTE Job Creation in Australia, 2017-18

| | Direct | Indirect | Induced | Total | Comparison to 2012-13 |
|---------------------------|---------------|-----------------|----------------|---------------|------------------------------|
| <i>Production</i> | 7,526 | 9,646 | 9,399 | 26,570 | +9% |
| <i>Distribution</i> | 4,006 | 5,135 | 5,003 | 14,144 | -23% |
| <i>Exhibition</i> | 3,155 | 4,043 | 3,940 | 11,137 | 0% |
| <i>Home Entertainment</i> | 2,935 | 3,622 | 3,587 | 10,143 | -35% |
| <i>Broadcast</i> | 7,150 | 7,718 | 8,119 | 22,987 | +10% |
| Total | 24,771 | 30,163 | 30,047 | 84,982 | -6% |

Source: Olsberg•SPI analysis

NB: numbers may not sum due to rounding

- 12 Across the screen industries, the value added per employee was up 23 per cent over the period, reflecting the efficiency of more streamlined distribution models, which has triggered economic benefits for consumers and producers alike. Olsberg SPI notes “this growth is a strong example of the industry’s quick and efficient response to the disruption caused by the internet”.
- 13 The strong performance of the Production sector (GVA + 31 per cent, employment +9 per cent) is especially noteworthy given that it was achieved without the benefit of inbound investment from footloose production. Prior to 2017/18, the Government made top-ups available on top of the Location Offset and starting from 2018/19, the Australian economy benefitted from the Location Incentive program. To assess the impact of the absence of international footloose production, Olsberg SPI also compared 2012-13 with 2016-17 (the last year top-ups were granted by the Government) and found that the performance of the sector was much stronger; GVA was up 113.8 per cent versus 2012-13, and employment was up 78.5 per cent over the same period. The changes from 16-17 to 17-18 were dramatic and show the impact of a globally uncompetitive production attraction program. Clearly, the 16-17 figures demonstrate the greater opportunity to generate economic activity and high-value employment for Australians.

Part 3 – The positive effects of incentivising screen production

- 14 Leading creative industries strategy consultancy Olsberg SPI summarises the use of, and benefits offered by, screen production incentives in their May 2019 white paper on Global Film Production Incentives.¹⁶ As of May 2019, 97 automatic production incentives were in place in countries, states and provinces around the world. The value of these incentives varies from 15 per cent to 45 per cent of qualifying production expenditure, with a mean average of 30 per cent. Governments around the world see benefits flowing from these incentives; they generate economic activity and employment at an attractive return on investment, not least from the construction of new infrastructure that they trigger, and increasingly, Governments also value the impact it has on national branding and promotion, including on tourism activity. The report shows a number of clear examples of these benefits.
- 15 But there are other reasons to support these incentives;
- a. They generate jobs that are found to be more future proof to technologies like machine learning and mobile robotics. UK organisation NESTA found that in the US, 86 per cent of workers in the highly creative category are found to be at low or no risk of automation. In the UK, the equivalent number is 87 per cent.¹⁷
 - b. They develop skills that are growing increasingly important to future workforces. The UK's Creative Industries Policy and Evidence Centre, in collaboration with NESRA, found that creative skills are becoming increasingly important to employers in a number of industries far beyond the screen sector.¹⁸
- 16 Global screen production expenditure is growing quickly, enabled by the efficiency of distribution over the internet (see Part 4 for more detail) as well as the growing middle classes in countries such as China, India, Indonesia and Brazil. Olsberg SPI's report on the Global Production Deluge¹⁹ summarises some of the key trends:
- a. Global consumer spend for theatrical and home entertainment reached US\$96.8bn in 2018, up 9 per cent from 2017, and 25 per cent from 2014.
 - b. Scripted series production in the US went from 389 shows in 2014, to 532 shows in 2019.
 - c. The estimated number of feature films produced globally went from 7,455 in 2014 to 8,204 in 2018.

¹⁶ Olsberg SPI, *Global Film Production Incentives – A White Paper by Olsberg SPI*, June 2019, <<https://www.o-spi.co.uk/wp-content/uploads/2019/06/Olsberg-SPI-Global-Incentives-White-Paper-Final-2019-06-04.pdf>>

¹⁷ NESTA, *Creativity vs Robots*, April 2015, <<https://www.nesta.org.uk/report/creativity-vs-robots/>>

¹⁸ Creative Industries Policy & Evidence Centre, Eliza Easton and Jyidyz Djumalieva, *Creativity and the future of skills*, 13 November 2018, <https://media.nesta.org.uk/documents/Creativity_and_the_Future_of_Skills_v6.pdf>

¹⁹ Olsberg SPI, *The Global Production Deluge*, 25 February 2020, <<https://www.o-spi.co.uk/wp-content/uploads/2020/03/Global-Production-Production-Deluge-Evidence-and-Discussion-Paper-Final-2020-02-25.pdf>>

d. Production expenditure worldwide for non-sports content is estimated to have been US\$123 billion in 2018, up 29 per cent from 2013.

17 Australia's main competition to attract more of this growing pie is from the United States, Canada, the United Kingdom and New Zealand. These countries have highly skilled workforces (in front and behind the camera), they have high-quality infrastructure and services, they offer economically and politically stable environments and they benefit from being English-speaking.

The Australian Incentives story

18 In 2018, ANZSA commissioned Olsberg SPI²⁰ to produce a report on the economic impacts of Australia's Film and TV incentives programs. The report concluded that Australia's investment in screen incentives is self-funding, with each dollar invested generating \$3.86 of value-add activity, which in turn returns \$1.05 in additional tax income. Please note that the budgetary impact for each qualifying project would not be realised until the project is completed, typically a full two financial years after the economic activity has taken place, with the positive effects working through the economy prior to that, and consequently the tax income triggered by the incentive mostly collected prior to disbursement of the Offset payment.

The success of the Location Offset at 30 per cent

19 Australia's headline rate via the Location Offset scheme is currently set at 16.5 per cent. The overwhelming majority of major productions produced in Australia between 2012-13 and 2016-17 were offered a discretionary top-up of 13.5 per cent, making the overall incentive equivalent of 30 per cent. Major productions would not have gone ahead without the 30 per cent. These discretionary top-up grants stopped in 2017-18, causing investment in foreign location shoots to fall from \$521 million in the year directly preceding to just \$10 million in 2017-18. Meanwhile, for PDV work enjoying a stable and competitive 30 per cent offset, investment increased from \$60 million to \$98 million.²¹

20 This clearly outlines the need for the Government's decision to introduce the Location Offset incentive program in May 2018's Budget. This \$140 million four-year program provides a grant equivalent to 13.5 per cent of the qualifying expenditure.

21 We thank the Government for the introduction of the Location Incentive; without it, Australia's production facilities would be empty, and the brain drain of talent to the UK and other countries would have continued. Screen Australia's Drama Report has demonstrated the immediate effect of this measure, with Foreign Location Shoots recovering from just \$10 million in 2017/18 to \$185 million in 2018-19. Combining this with PDV Offset linked investment (which also increased from \$98 million to \$111 million) overall expenditure by foreign titles in Australia rose 274 per cent in just one year. Projects included high-budget titles *Dora and the Lost City of Gold*, *Monster Problems*, *Godzilla vs Kong*, *Preacher* (TV) and *Reef Break*

²⁰ Olsberg SPI, *Impact of Film and TV incentives in Australia*, March 2018, <http://anzsa.film/downloads/Impact-of-Film-and-Television-Incentives-in-Australia_180507.pdf>

²¹ *Screen Australia, Drama Report, Production of feature films, TV and online drama in Australia in 2018/19*, Screen Australia, <<https://www.screenaustralia.gov.au/getmedia/08d8518b-867b-4f61-8c2e-ebd10f0dc3a4/Drama-Report-2018-2019.pdf>>

(TV). AusFilm estimates that this led to the creation of over 3,700 jobs and involved work for approximately 3,000 small businesses.

- 22 The 30 per cent equivalent of the combined Location Incentive and the Location Offset has already attracted \$900 million in in-bound investment, providing a strong economic base which will benefit the Australian screen industry. Successive Ministers of Communications and the Arts have highlighted the benefits these foreign investments are bringing to the Australian economy:
- a. On the announcement of Marvel Studios' *Shang-Chi and the Legend of the Ten Rings*²²: "We are very excited to have Marvel return to Australia following the incredible success of *Thor: Ragnarok*. Securing this latest production will bring over \$150 million of new international investment, create 4,700 new Australian jobs and use the services of around 1,200 local businesses,"
 - b. On the announcement of Marvel Studios' *Thor: Love and Thunder*²³: "The film is expected to invest over \$178 million in our economy, create up to 2,500 jobs and use the services of around 1,650 businesses."
 - c. On the announcement of Paramount Television's *Shantaram*²⁴: "The production is expected to attract more than \$55 million in investment, employ around 330 cast and crew and use the services of more than 500 local businesses."
 - d. On the announcement of Netflix's *Clickbait*²⁵: "Securing this production will bring more than \$36 million of new international investment to our shores, engage around 540 cast, crew and extras, and use the services of around 290 local businesses,"
 - e. On the announcement of Dick Cook Studios' *Ranger's Apprentice* and *The Alchemyst*²⁶: "The Australian Government is proud to support the production of these films, which are expected to provide a \$280 million boost to both Victoria and Australia's economy and employ around 4,500 cast and crew. Each film will use the services of around 800 local businesses."
- 23 The Location Incentive has powerfully demonstrated how much economic activity can be triggered with this foreign investment, but unfortunately, only \$18 million of the \$140 million Location Incentive remains unallocated. Without urgent action, we anticipate that foreign investment will dry up, and now is the time to put in place a competitive and predictable incentive policy.

²² Media Release, April 5, 2019, <<https://www.minister.communications.gov.au/minister/mitch-fifield/news/major-marvel-feature-set-film-sydney>>

²³ Media Release, 27 July 2019, <<https://www.paulfletcher.com.au/media-releases/joint-media-release-marvel-studios-to-film-thor-love-and-thunder-in-australia>>

²⁴ Media Release, 15 August 2019, <<https://www.arts.gov.au/departamental-news/epic-bestseller-shantaram-film-victoria>>

²⁵ Media Release, 26 August 2019, <<https://www.paulfletcher.com.au/media-releases/joint-media-release-netflix-partners-with-victorian-creators-to-bring-clickbait-to>>

²⁶ Media Release, 19 October 2019, <<https://www.paulfletcher.com.au/media-releases/joint-media-release-adventurefantasy-blockbusters-to-boost-australian-film-industry>>

- 24 A stable, competitive and predictable rate of 30 per cent would enable Australia to truly capitalise on Australia’s creative talents and the increasing global demand for quality screen content. It would also provide predictability for those seeking to invest in screen infrastructure and training. In fact, this process has already started with State Governments responding to the opportunity that a competitive Federal screen production incentive provides by investing in additional screen production facilities. Screen Queensland studios came online in 2018 with \$12 million support of the Queensland Government. In October 2019, the Victorian Government also announced it will invest \$46 million in the construction of a 2600 square meter sound stage at Docklands. These facilities would be under-utilised without a globally competitive incentive.
- 25 We also understand Austrade has been fielding enquiries from international investors exploring the potential to invest in studio infrastructure investment opportunities in Australia. This is entirely consistent with the findings in the recently released AFCI Best Practice in Screen Sector Development report.²⁷ The report explains:
- Increases in the volume of global production, and in the size and technical requirements of high-end productions, means that there is currently an undersupply of physical production space in many markets worldwide. At the same time, the elevated importance of post-production and visual effects in modern filmmaking has created a huge demand for studio infrastructure of this kind – making an adequate supply of it invaluable to hubs like the UK, Vancouver and Australia.*
- 26 The recent announcement that Disney’s Industrial Light and Magic will set up a new special effects studio in Sydney, which will create 500 new jobs supported by a stable and competitive PDV Offset, demonstrates the benefit that a certain and competitive incentive regime can bring to Australia. Industrial Light and Magic will also co-invest with the NSW Government to establish a ‘Jedi Masters’ training program to provide local workers with specialised PDV skills.²⁸
- 27 The Australian screen production services companies have demonstrated they can operate successfully on the world stage, provided they are not financially disadvantaged relative to their competitors in other developed countries. The Government has the opportunity to remove that obstacle and allow our screen production services companies to compete on a level playing field. We believe that such a move would be consistent with the Government’s stated objective as expressed in DFAT and Austrade’s Services Export Action Plan.²⁹

²⁷ Association of Film Commissioners International, *Best Practice in Screen Sector Development*, 13 September 2019, <<https://afci.org/research-best-practices/>>

²⁸ AusFilm, *Industrial, Light & Magic sets up a new studio in Sydney*, 24 July 2019, <<https://www.ausfilm.com.au/news/industrial-light-magic-sets-up-a-new-studio-in-sydney/>>

²⁹ Department of Foreign Affairs and Trade, *Services Export Action Plan*, <<https://dfat.gov.au/trade/services-and-digital-trade/Pages/services-export-action-plan.aspx>>

The opportunity to harmonise the Offsets.

- 28 In Part 6, we make a recommendation to harmonise the production incentives at a flat rate. This follows the UK experience and better allows the market to determine audience demand. Indeed, the current offset system contains a series of issues that create perverse incentives, which skew decision-making and do not provide scope for efficient allocation of resources.
- 29 For example, the gap between the Producer Offset TV (20 per cent) and the Producer Offset Film (40 per cent) provides a powerful incentive to develop that story as a feature film, arguably the hardest distribution mechanism to attract audiences to, given the cost per view and the requirement to leave the house. This has resulted in a situation where the bottom 80 per cent of Australian features released in 2019 averaged just over \$54,000 in Box Office takings or an estimated 3,700 admissions.³⁰
- 30 Harmonising all Offsets at a minimum of 30 per cent also offers benefits to currently challenged sectors such as Adult Drama TV and Children's Live Action TV. These genres currently attract a 20 per cent Producer Offset TV rebate. An increase of funding for these categories would certainly assist an increased market-based investment in these sub-categories.

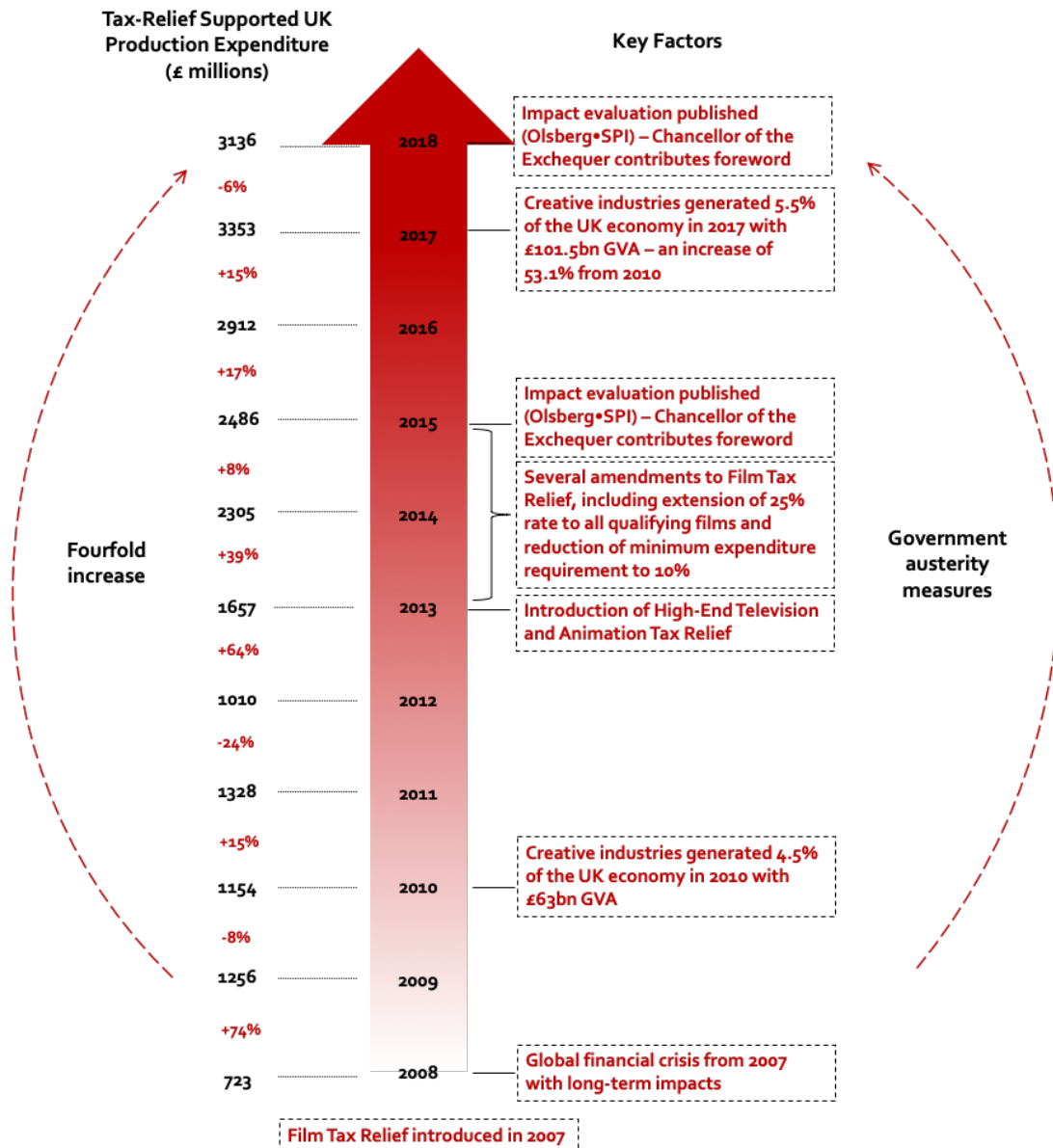
The UK case study – the efficacy of carrot over stick.

- 31 The UK Government's screen production policy interventions clearly demonstrate what can be achieved when a competitive, stable and predictable incentive is established. The UK Government introduced a 25 per cent Film Tax Relief in 2007, and based on the success of this measure, expanded it to High-End Television Tax Relief (HETR) – 2013, Animation Programme Tax Relief (ATR) - 2013, Video Games Tax Relief (VGTR) - 2014 and Children's Television Tax Relief (CTR) – 2015. The 25 per cent headline rate of the UK's tax relief has remained constant and consistently competitive since it was introduced in 2007.
- 32 The five screen sectors attracted over £2 billion of inward investment from the US, EU and other markets in 2016, comprising 66 per cent of the total screen production spend that year.³¹ The tax relief-supported screen sectors delivered a higher than average £75,600 GVA per employee than the UK economy £62,144 average. The film sector has been the key driver of the UK's screen production sector, with screen production investment rising from £850.9 million in 2007 to a new high of just under £1.72 billion in 2016. Inward investment represented £1,376 million of that, or 80 per cent. This investment has not just benefited international features; the resulting vibrant sector has also seen the share of the UK Box Office taken by UK films increase from 16.7 per cent in 2009 to 36.9 per cent today.

³⁰ Analysis of Motion Picture Distributors Association of Australia box office data. To note, it does also highlight the effectiveness of incentives relative to content obligations. An attractive Australian film incentive delivered \$299m in 2018/19 investment without any content production obligations, whereas \$334m was invested for TV (Screen Australia Drama Report 2018/2019) with a lower incentive but with an obligation to produce Australian drama content. We estimate the revenue base of the film ecosystem to be a third of the TV ecosystem, so that represents a significant overperformance of an unregulated but well incentivised segment (see Appendix 3).

³¹ *Screen Business, How screen sector tax reliefs power economic growth across the UK, October 2018, A report commissioned by BFI from Olsberg SPI with Nordicity*, <<https://www.o-spi.co.uk/wp-content/uploads/2018/10/Screen-Business-Full-Report.pdf>>. A detailed methodology explanation can be found here: <<https://www.o-spi.co.uk/wp-content/uploads/2018/10/Screen-Business-Appendices-4-and-5.pdf>> See figure 9 in this report for box office data.

Figure 1. United Kingdom's investment in tax-relief supported UK production



Source: Olsberg•SPI analysis

- 33 Thanks to the certainty afforded by open-ended tax credits, investor confidence to build and develop UK infrastructure and innovation has been high, leading to over £850 million of publicly identified spend on studios and facilities. In fact, demand for studio space is now so high that companies like Disney³² and Netflix³³ have made multi-year commitments to book out studio space, providing a certain and predictable return for the owners of these facilities.

³² Louise Tutt, 9 September 2019, *The Walt Disney Co signs long-term lease for entire Pinewood Studios site in the UK*, Screen Daily, <<https://www.screendaily.com/news/the-walt-disney-co-signs-long-term-lease-for-entire-pinewood-studios-site-in-the-uk/5142713.article>>

³³ Mark Sweney, 3 July 2019, *Netflix strikes production deal with Shepperton Studios*, The Guardian, <<https://www.theguardian.com/media/2019/jul/03/netflix-strikes-production-deal-with-shepperton-studios>>

- 34 The film sector is now a significant source of export revenues for the UK economy; a major part of the core UK film sector is directly linked to the receipt of royalty revenue from the exploitation of UK IP overseas, as well as the sale of UK-based production services to foreign investors. In 2016, the UK film sector generated over £1.71 billion in exports for the UK economy and contributed to a trade surplus of £784 million. This makes the export-to-GVA ratio for the film sector the highest of all of the UK's services industries at 0.38, with the next best sector – information and communication – at 0.27.
- 35 The study also found that all screen sectors supported by tax relief showed a net positive economic benefit (with GVA generated exceeding expenditure) with film – due to its scale – showing the best GVA returns which have grown from £6.81 per £1 invested in 2009 to £7.69 in 2016. Film also shows the best employment generation at 150 FTE for every £1 invested in tax relief. This UK GVA ratio clearly exceeds Australia's³⁴ – this clearly shows the accumulating benefits that accrue with a long-term, consistent commitment to the sector, where certainty leads to investment, scale and efficiencies.
- 36 Recent reports suggest that the continued strength of the screen production sector is one of the key drivers in the UK's stronger than expected economy. *The Guardian* reports that films, TV and music provided the largest contribution to GDP growth over the period, as one of the strongest performing sectors over the last year, expanding at a faster rate than the services sector as a whole.³⁵

³⁴ See paragraph 18 for GVA ROI in Australia.

³⁵ Richard Partington, 11 October 2019, *UK on track to avoid recession despite Brexit chaos*, The Guardian, <<https://www.theguardian.com/business/2019/oct/10/uk-looks-likely-to-avoid-recession-despite-brexit-chaos>>

Part 4 – How distribution via the internet has benefited consumers and producers

37 It is somewhat of an understatement to say the internet has had a transformative role in the distribution of content globally. The marginal cost of reproduction and distribution is almost zero, and capacity constraints (cinema locations and sessions available, linear hours programmed) are essentially removed. It is now easier, cheaper and quicker to disseminate content than ever before. This brings value to Australian consumers as they can access more and better-quality content for less than at any other time in history.³⁶

Consumer benefits

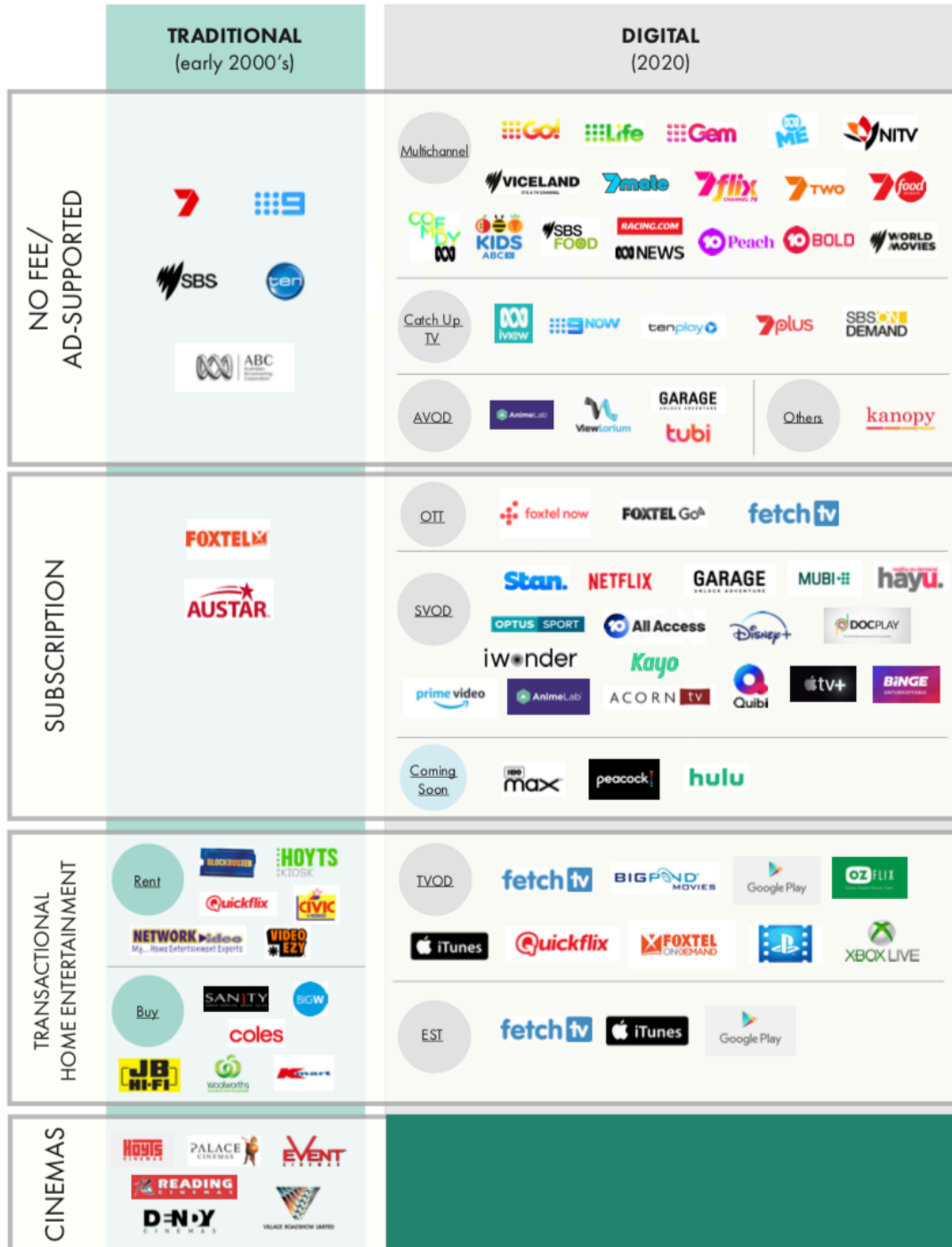
- 38 The internet allows content to connect to increasingly targeted audiences at a global scale with fewer and fewer friction points than offline distribution through cinema or television:
- a. The first cinema in Australia opened in Australia in 1894. Now, more than a century later, Australians still love to go to the cinema because it offers a unique experience. Cinemas have big screens, great sound and offer a communal viewing experience. However, in order to see a film at a cinema, you must be at the cinema at the right time it is screening. This is especially limiting for regional Australia and Australians with mobility concerns.
 - b. In 1956, Australians received their first television broadcast and now 9.85 million Australian households have a television. One of the key benefits of broadcast television is that it is available for free via a reliable and stable signal. However, shows are scheduled by the broadcaster at an appointed time. And because there is limited inventory in a scheduled programme structure, programs are typically chosen to appeal to a large audience.
 - c. The internet removes these friction points and allows consumers flexibility in how and when they consume content, whether on a screen or on mobile. Place and time limitations no longer apply, and consumers are benefiting. This applies equally to all online consumer models, from BVOD, to Download to Own to the various video-on-demand models.
- 39 As noted above, the marginal cost of reproduction and distribution via the internet is almost zero. Compare that to the supply chain of a DVD, where physical units have to be replicated and warehoused, and distributed across this vast Australian continent to thousands of retail stores, and it is clear that for every dollar spent by a consumer, more of that dollar can be used to finance the production of the content

³⁶ It is important to note that the internet presents both an opportunity and a threat to content owners. While this Part will focus on great opportunities for production and distribution of content, the internet offers great opportunities for piracy. We commend the Australian Government's world-leading efforts to enable content owners to address piracy.

itself, instead of on the replication or distribution of the carrier on which that content is copied. These changes have sharply improved value for consumers.

- 40 We have seen a re-ordering of our industry with a vast range of new market entrants and legacy players diversifying their offerings. Since Stan and Netflix launched in 2016, there has been a steady increase in choices available to Australian consumers.

Figure 2. Changes in premium media consumer landscape in past 20 years.



Producer benefits

- 41 SVOD services are acquiring a broad range of content for diverse audiences with new and innovative financing models. The benefits to producers are obvious - there are “more doors to knock on” when seeking investment. No longer is an Australian producer limited to commercial and public free-to-air broadcasters and new market entrants are (co-)investing heavily in Australian stories. Just as Australian consumers are offered choice, so too are Australian producers. This is a market reality that exists outside a regulatory framework.
- 42 The efficiencies triggered by online distribution have also benefited producers of screen content (see paragraph 39 above). More of every dollar spent by a consumer can now be used to finance new production, and that accrues benefits to consumers (more content made available for less dollars) or producers (more productions funded, and/or higher budgets to be able to better compete with international content).
- 43 The internet has also increased the likelihood that a global audience (and by extension global financing) can be found by Australian stories.
- a. In a world of limited capacity, it was very difficult for an Australian story to earn its place on a broadcast schedule as the opportunity cost of that slot incentivised the broadcaster to program something with broader appeal and higher production values. Because of that, Australian content was at a disadvantage; it was very difficult to be able to count on international income and, as such, content was financed based on the economic returns generated in Australia, and international sales were a bonus often enjoyed after the fact.
 - b. There is now clear evidence that that disadvantage is disappearing. Screen Australia’s drama report shows that total foreign investment in Australian content (features, TV and online) climbed to \$247 million out of a total of \$792 million in 2018/19, or 31 per cent of total investment, compared to just \$75 million out of \$463 million, or 16 per cent of total investment in 2014/15.³⁷
 - c. In the past, higher levels of foreign investment were often triggered by one or two major feature films in a given year. That could be Baz Luhrmann’s *Great Gatsby* or *Australia*, or more recently, Animal Logic’s *Peter Rabbit*. But the 2018/19 numbers tell a new story with \$138 million of foreign money invested in Australian TV series (coincidentally also 31 per cent of the total amount spent on Australian TV series). Whilst no detailed data is publicly available, we believe that international streaming services represent the majority of that amount (see also Appendix 5).
- 44 The combined effect of these two trends (more efficient supply chains and an increasing ability to attract foreign investment) can clearly be observed when looking at the headline numbers,³⁸

³⁷ ANZSA analysis of Screen Australia Drama Report 2018/2019 data.

³⁸ See table on next page and Appendix 3 information on data sources and methodology.

- a. We estimate that the entry of SVOD services has increased the total revenue base of content providers who rely on premium content by \$91 million (or 0.9 per cent) over the past five years, to a total of \$10.3 billion.
- b. During these five years, whilst the revenue base that supported Australian content was up by 0.9%, investment in Australian content increased by 80%, with an additional \$342 million in investment added.
- c. That means that investment in Australian content as a percentage of total revenue supporting that investment has increased from 4.2 per cent in 2014 to 7.5 per cent in 2019.

Table 3. Premium Content revenue base development from 2014 to 2019

| REVENUE COMPARISON | 2014 / 15 | | 2018 / 19 | | 2014/15 VS 2018/19 | |
|----------------------------------|-------------------------|---------------|-------------------------|---------------|------------------------|---------------|
| | REVENUE | SHARE | REVENUE | SHARE | REVENUE | CHANGE |
| Seven West Media | \$1,279,100,000 | 12.6% | \$1,259,000,000 | 12.3% | (\$20,100,000) | -1.6% |
| Nine Entertainment | \$1,221,200,000 | 12.0% | \$1,047,500,000 | 10.2% | (\$173,700,000) | -14.2% |
| Network 10 | \$630,700,000 | 6.2% | \$606,800,000 | 5.9% | (\$23,900,000) | -3.8% |
| ABC | \$1,218,570,000 | 12.0% | \$1,108,372,000 | 10.8% | (\$110,198,000) | -9.0% |
| SBS | \$384,356,000 | 3.8% | \$402,003,000 | 3.9% | \$17,647,000 | 4.6% |
| FTA TOTAL | \$4,733,926,000 | 46.5% | \$4,423,675,000 | 43% | (\$310,251,000) | -6.6% |
| Foxtel | \$3,124,800,000 | 30.7% | \$2,449,548,000 | 23.9% | (\$675,252,000) | -21.6% |
| Pay TV TOTAL | \$3,124,800,000 | 30.7% | \$2,449,548,000 | 24% | (\$675,252,000) | -21.6% |
| Theatrical Distribution | \$1,226,315,433 | 12.1% | \$1,228,741,000 | 12.0% | \$2,425,567 | 0.2% |
| Physical Distribution | \$904,000,000 | 8.9% | \$412,510,296 | 4.0% | (\$491,489,704) | -54.4% |
| Digital Distribution (EST & VOD) | \$187,000,000 | 1.8% | \$260,598,055 | 2.5% | \$73,598,055 | 39.4% |
| TRANSACTIONAL TOTAL | \$2,317,315,433 | 22.8% | \$1,901,849,351 | 18.5% | (\$415,466,082) | -17.9% |
| SVOD TOTAL | | | \$1,492,584,000 | 14.5% | \$1,492,584,000 | NA |
| TOTAL | \$10,176,041,433 | 100.0% | \$10,267,656,351 | 100.0% | \$91,614,918 | 0.9% |
| AUSTRALIAN CONTENT INVESTMENT | 2014 / 15 | | 2018 / 19 | | 2013/14 VS 2018/19 | |
| TV, Children's & Online | \$301,000,000 | 3.0% | \$469,000,000 | 4.6% | \$168,000,000 | 55.8% |
| Features | \$125,000,000 | 1.2% | \$299,000,000 | 2.9% | \$174,000,000 | 139.2% |
| TOTAL | \$426,000,000 | 4.2% | \$768,000,000 | 7.5% | \$342,000,000 | 80.3% |

45 This positive view of the market, which is confirmed by the Olsberg SPI study and Screen Australia's Drama Report, jars with the Options Paper, which states that "if current regulatory and funding arrangements remain unchanged, in our view, the ecosystem that supports Australian content will contract".³⁹ We see record levels of investment, record levels of foreign investment and new market

³⁹ Options Paper, page 8.

entrants investing significantly in Australian content. Screen Australia's Drama Report and the Options Paper do not present the true scale of the investment made by SVOD services due to the limitation of the 'first release' reporting basis which allocates all investment to the first release format.⁴⁰

- 46 The unifying character of all successful content is quality. We are witnessing a fast-moving, ever-developing global market for content and Australian producers and consumers are active participants. But if Australia is to take advantage of these global opportunities for production and increase the share of viewers and investment from foreign sources, there must be a focus on quality and audience. The Australian production sector has weathered the initial phase of digital disruption better than any other sub-sector in the Screen Industry, and with a globally competitive incentive framework, opportunity abounds for the production of Australian stories.

⁴⁰ See Appendix 2 for more detail.

Part 5 - The risks of unintended consequences of significant market interventions

COVID-19

- 47 An overriding and immediate risk for any significant market interventions is the ongoing COVID-19 pandemic. The impact of COVID-19 is multifaceted. On the one hand, we have seen large-scale shuttering of productions and closures of cinemas which have had a significant impact on large parts of our industry. This threatens any potential rebound for our industry and the 54,000 FTE workers it employs. On the other hand, we expect that streaming services will see an uptick in subscriptions and engagement as long as quarantine measures are in place. Indeed, during the course of this year, many new SVOD services such as Apple TV+, Disney+, Quibi and Foxtel's Binge have launched in Australia. More launches can be anticipated in future years, with HBO Max and Peacock launching in the US, and ViacomCBS also announcing the launch of their - as yet unnamed - 'House of Brands' SVOD service.
- 48 We expect the pandemic to continue to affect production for some time, which will have an effect on how the market can respond to any artificial demand-side interventions such as levies or quotas. The nature of screen industry work is largely project-based, and many workers move between projects as freelancers. The shuttering of productions in response to COVID-19 is a global phenomenon and it remains unclear what the long-term impacts may be, but an immediate concern is the number of screen industry workers that have left the industry.⁴¹ Reduced industry capacity must be considered and any measures introduced out of this review must provide flexibility and a long lead time for implementation.
- 49 We note the government has already taken steps to offer immediate relief for the Australian media sector. The Minister for Communications announced that he would suspend Australian drama, children's and documentary content obligations on free-to-air and subscription television for 2020. A decision will be made later this year on whether to extend that suspension for 2021. We note that in giving effect to the Minister's announcement, the ACMA will consider regulatory forbearance in discharging its enforcement role. In addition, the Minister announced a 12-month waiver of spectrum tax for commercial free-to-air television broadcasters. We note that the government has not yet announced any further measures to support the remainder of the industry, particularly the production and exhibition sectors.
- 50 In the current circumstances, which are causing significant uncertainty for business investment, the Government's focus should turn to providing certainty in the form of incentives and voluntary arrangements, rather than greater uncertainty in the form of regulatory obligations. Australia's relative success in restricting the spread of the virus, in fact, offers an opportunity to claim a larger share of global production expenditure, provided a competitive incentive structure is in place.

⁴¹ See Richard Keddie's comments on 16 April "Producer fears mass talent exodus from film and television due to COVID-19" <https://www.abc.net.au/radio/melbourne/programs/mornings/tv-and-film-talent-will-leave-industry-due-to-lack-of-support/12152968>

Competitive neutrality

51 We note that this review gives effect to a recommendation made by the ACCC and principles of competitive neutrality should guide any measures to “harmonise” media regulation. As noted above, this noble goal proves difficult in practice. The scope of the consultation paper is limited to broadcast and SVOD, and the biggest competitor for broadcasters, both for advertising and audience share – YouTube - is not considered. We note that the government is currently seeking views on a mandatory code for Google and Facebook for news content only but seeking to regulate one specific business model in one market (SVOD – audience) to harmonise regulation with another business model in another market (broadcast – advertising), does not give effect to principles of harmonisation.

Difficulties in implementation

52 There is great potential for unintended consequences and competitive harm in the measures outlined in Option 3. We note that Option 3 outlines an investment obligation for “commercial content service providers”. The conditions for this obligation would be that “commercial content service providers” which meet scale thresholds would be required to invest an approved percentage of their revenue (across all services) in new Australian scripted programming and report this investment to the ACMA. The difficulty in this approach is apportioning and quantifying revenue for SVOD services that are not the primary service and are sold as a part of a bundle of services. For example, an Amazon Prime subscription provides access to expedited shipping and a library of content and the purchase of certain Apple products comes with a complimentary Apple TV+ subscription. Additionally, any regulatory intervention that is based on revenue thresholds will have difficulty in enforcement due to lack of available data due to commercial confidentiality requirements.

53 A separate concern is the challenges in setting thresholds appropriately and giving consideration to the nature of the service. For example, Hayu is an on-demand service that provides reality and factual content, AnimeLab is dedicated solely to Japanese Anime. It would be a significant imposition on these businesses to require investment in certain Australian genres and arbitrary genre obligations would be inconsistent with consumer expectations. The proliferation of these niche services demonstrates the power of the internet to connect content with audiences.

The market is dynamic, yet nascent

54 While Australian consumers have embraced streaming, the market is yet to mature and new entrants are continuing to enter the market, as noted above. The benefits of this new market are accruing to Australian consumers and increasing opportunities are emerging for Australian producers. Any significant regulatory burdens on streaming services and producers is likely to impede the growth of the streaming sector in Australia and new services may delay or avoid launching in Australia. This result would be a less diverse screen industry which won't benefit Australian consumers. It would also result in fewer buyers for screen content, which would harm a producer's bargaining position. The beneficiaries will be unregulated services offered by piracy or those outside the scope of the Options Paper.

A flourishing eco-system needs a broad range of contributions to flourish

- 55 The Options Paper has a very narrow focus on the production of 'at risk content'. However, contributions that assist the industry can vary widely, and a more holistic view of what constitutes a contribution to the sector will deliver better outcomes.
- 56 ANZSA's members have long brought major screen productions to Australia. These films have provided skills development opportunities for those in front and behind the camera and have justified investment in facilities and services that benefit the local screen community and the growth of the industry.
- 57 These investments in Australia's screen industry ecosystem include:
- a. Disney's investment in opening Industrial Light & Magic's fourth global office in Sydney creates 500 new jobs and it's Jedi-training program grows capability to the benefit of the overall eco-system. This is a major investment in skills development and provides a pipeline of new talent for the industry to grow.
 - b. Disney's investment in Fox Studios Australia accrues benefits for the overall screen eco-system, both local and international production as well as post-production. The Australian screen industry has capacity issues and needs more facilities and services to be able to grow.
 - c. ANZSA member-owned Australian production companies, which has improved the ability of these companies to attract international finance, creating a flywheel increasing investment in Australian content to the benefit of Australian viewers.
 - d. Netflix's investment in dubbing has contributed to the access of Australian stories to global audiences.
- 58 All of these contributions are vital to the future success of Australia's screen production sector. The unintended consequence of Option 3 type regulation is that none of these contributions are valued and instead companies are forced to invest under the narrow criteria and definitions that such a model would entail. The net effect is a landscape where for consumers there is diversity – as everything is more alike – and for the sector overall there is no incentive to invest in capacity.

Part 6 – ANZSA recommended solution

59 In light of the above, and in order to meet the policy objective of supporting Australian stories on screens, we provide the following 4-point recommendation for the Government’s consideration.

Point 1 – A harmonised, competitive and predictable Incentive structure

60 We recommend one flat incentive for all content produced and post-produced in Australia, irrespective of whether it is TV or film. We leave it to local producers to provide input on the correct level for Australian TV and film content but note that a minimum 30 per cent incentive level is required for the successful attraction of footloose productions (see Part 3). We believe such a structure would ensure an optimal market-based allocation of investment, and:

- a. represent an increase for Australian non-feature drama and children’s live-action drama, which are two sub-categories identified as at-risk in the Options Paper,
- b. emulate the success of the United Kingdom model, which demonstrates investment in screen industry production as well as infrastructure that has a significant contribution to growth and employment, and
- c. represent a harmonisation of the Location Offset and the Location Offset at 30 per cent, which has been proven to be the correct level to increase competitiveness of Australia in attracting footloose investment.

61 Given that the Location Incentive funding is nearly exhausted, we recommend the Government urgently replenish this whilst the changes for the Offset structure are going through the legislative process. Given Australia’s decisive response to the Covid-19 pandemic there is a real opportunity to attract significant in-bound investment which will generate significant economic investment and employment.

62 We separately recommend the government consider a cultural uplift for critically endangered Australian content, such as feature films, indigenous stories and children’s drama.

Point 2 – Flexible, voluntary arrangements aimed to holistically support the overall screen eco-system

63 As stated in Part 4, we do not see that any interventions on SVOD services are necessary. In summary, this is because:

- a. the market is functioning well and SVOD services are engaging with local production and investing significantly,
- b. the risks of unintended consequences, adverse outcomes and perverse incentives are too great, and
- c. the effect of COVID-19 on the industry is pronounced and will be prolonged, and now is not the time for further business uncertainty.

64 However, we are not opposed to providing additional confidence to the broader screen industry via voluntary undertakings with the ACMA relating to investment in the Australian screen industry and screen content. These undertakings should take into account the entirety of business investment in Australia,

including but not limited to production, post-production, physical production, screen industry infrastructure such as sound stages and studio space, training and export support for Australian content. While not opposed to reporting against these undertakings, any reporting requirements would need to be consistent with other industry players and not require the sharing of confidential company data.

Point 3 – A consistent definition of Australian content

- 65 We note that one area that is ripe for deregulation and harmonisation is the definition of Australian content. Both Screen Australia and the ACMA Australian Content Standard have different definitions of Australian content. The ACMA definition is largely objective and industry-based (i.e. it looks at who makes it and where it is made), while the Screen Australia SAC Test contains a level of subjectivity in considering subject-matter and is open-ended.
- 66 Noting the success that the UK has had with its industry, it is worthwhile looking at the test the BFI undertakes in determining funding under the UK tax reliefs.⁴² As noted above, the UK's incentives are widely recognised as the most transparent, inclusive and reliable production incentives in the world. A key element of this transparency and reliability is provided by the cultural test for film, high-end and children's television. The tests are points-based, and the project will need to achieve 18 of a possible 35 points to pass. It comprises four sections: content (up to 18 points); contribution (up to 4 points); hubs (up to 5 points); practitioners (up to 8 points). Points are allotted on a transparent and objective "who and where" basis that provides the most points for use of British cast and crew.
- 67 Together with a flat rate at 30 per cent, adoption of a similar objective, transparent definitional model for the Australian incentives would provide producers with a level of certainty that would drive significant investment in Australian production.

Point 4 - Government initiatives to promote industry recovery and build capacity

- 68 There are a range of measures the Government might adopt to promote industry recovery and build capacity. Worth consideration is the initial iteration of Screen Australia's Enterprise Program, which was a demonstrated success in building screen industry business capacity for eligible production companies. Many of the beneficiaries of the initial rounds of funding have been successful in building sustainable business with diversifying revenue streams and have attracted foreign investment.

Conclusion

- 69 ANZSA thanks the Government for this opportunity to provide comments and we express interest in participating in any future consultations. We are adamant that there is a bright opportunity for the Australian screen industry if the correct light-touch, pro-business regulatory framework is put in place with internationally competitive incentives.

⁴² See the test for film: <https://www.bfi.org.uk/film-industry/british-certification-tax-relief/cultural-test-video-games/summary-points-cultural-test-film> and the test for high-end television: <https://www.bfi.org.uk/film-industry/british-certification-tax-relief/cultural-test-high-end-television/summary-points-cultural-test-high-end-television>

Appendix 1: About ANZSA

Australia New Zealand Screen Association (ANZSA) represents the film and television content and distribution industry in Australia and New Zealand. Its core mission is to advance the business and art of film making, increasing its enjoyment around the world and to support, protect and promote the safe and legal consumption of movie and TV content across all platforms. This is achieved through education, public awareness and research programs, to highlight to movie fans the importance and benefits of content protection. ANZSA has operated in Australia since 2005 (and was previously known as the Australian Federation Against Copyright Theft and the Australian Screen Association). ANZSA works on promoting and protecting the creative works of its members. Members include: Village Roadshow Limited; Motion Picture Association; Walt Disney Studios Motion Pictures; Netflix Inc.; Paramount Pictures; Sony Pictures Releasing International Corporation; Universal International Films, Inc.; and Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc., and Fetch TV.

Appendix 2: Limitations of data relied upon in the Options Paper

ANZSA acknowledges that it is challenging to accurately measure the overall sector that this Options Paper reviews. Measurement limitation and commercial confidentiality make it difficult to present a holistic perspective of the state of the industry. Nevertheless, by focusing on what can be measured today we believe an inaccurate picture is painted. To rely on that when determining policy settings increases the risk of unintended consequences.

No visibility on the overall revenue base supporting the production of Australian content

- 1 The Options Paper displays an availability bias and is disproportionately focused on commercial free-to-air data for the simple reason that it exists. We acknowledge that data availability is more limited from some of the new models due to commercial confidentiality. But no attempts are made to present a more holistic view. We have attempted to present such a view based on publicly available data (see Appendix 3 for details).
- 2 Had the Options Paper attempted such a 'sense-check', it may have prevented the conclusion in the Options Paper that 'if current arrangements are maintained without adjustment, it seems likely that the ecosystem that supports Australian content will continue to contract' (page 8, Options paper).

TV production spend is overstated at the expense of Online due to the 'first Australian release' reporting basis

- 3 Screen Australia's Drama Report classifies the full production budget to the party who provide the 'first release' in Australia. Take the common example where a SVOD service takes all global rights other than Australia and takes the second window in Australia following the initial broadcast in Australia. Even if that SVOD service were to pay more than half of the overall non-Government funding, the entire production budget would still be allocated towards the TV category. Appendix 5 lists the productions we have been able to identify where SVOD services contributed income to the production, yet most of these would not result in recognised Online sector investment in the Drama Report.
- 4 Given the relatively emerging status of the Streaming segment (we estimate that sector to be 3,5 times smaller than the combined FTA and Pay TV base – see Appendix 3) it is logical that today the broadcaster may be the primary commissioner of content. That balance may naturally shift over time, based on market forces resulting from consumer decisions.
- 5 Whilst we understand there are sound reasons for this decision (pertaining to confidentiality and identifiability of individual deals in earlier years), it is not appropriate to use the split between TV, Film and Online in the Drama Report as an appropriate basis for policy decisions. Figure 13 in the Options Paper is therefore misleading and should not be relied upon for policy making. Furthermore, no attempt is made to

then express the relative size of these investments proportionate to revenue generated by each of these segments.

Fragmented broadcast data prevents fact-based analysis on overall performance of at-risk genres

- 6 As the Options Paper correctly notes, there is currently no holistic broadcasting viewership metric, but one is expected to be available imminently.⁴³
- 7 By presenting the declines for the top Dramas in Linear Television in detail (Figure 4 in Options Paper for instance), but the strong Adult Drama performance in BVOD only in passing (it is the best performing sector on BVOD⁴⁴) the impression is left that audiences overall are falling sharply, even though the data is not available to draw that conclusion. It is equally likely that audiences are still healthy for drama, but that a disproportionate share of these views are in BVOD which are harder to monetise given the dominant position of the digital platforms. Hopefully, the new unified VOZ metric will help answer these questions.

Options Paper does not look at Australia's production capacity

- 8 Australia right now has a finite production capacity (facilities, crews, suppliers) and regulatory settings need to take that into account; you cannot require industry to produce more content than the industry is capable of producing.
- 9 A holistic view would look at the needs of the sector to accommodate future growth, and investments to deliver on these needs should be valued.

⁴³ Page 19 of the Options Paper mentions the upcoming VOZ audience measurement system which will address that.

⁴⁴ See Options Paper page 22 "Children's content is the second highest-rating genre on BVOD services (behind drama)".

Appendix 3: Revenue generation in Australia's premium screen content eco-system

| REVENUE COMPARISON | 2014 / 15 | | 2018 / 19 | | 2014/15 VS 2018/19 | |
|--|-------------------------|---------------|-------------------------|---------------|---------------------------|---------------|
| | REVENUE | SHARE | REVENUE | SHARE | REVENUE | CHANGE |
| Seven West Media ⁴⁵ | \$1,279,100,000 | 12.6% | \$1,259,000,000 | 12.3% | (\$20,100,000) | -1.6% |
| Nine Entertainment ⁴⁶ | \$1,221,200,000 | 12.0% | \$1,047,500,000 | 10.2% | (\$173,700,000) | -14.2% |
| Network 10 ⁴⁷ | \$630,700,000 | 6.2% | \$606,800,000 | 5.9% | (\$23,900,000) | -3.8% |
| ABC ⁴⁸ | \$1,218,570,000 | 12.0% | \$1,108,372,000 | 10.8% | (\$110,198,000) | -9.0% |
| SBS ⁴⁹ | \$384,356,000 | 3.8% | \$402,003,000 | 3.9% | \$17,647,000 | 4.6% |
| FTA TOTAL | \$4,733,926,000 | 46.5% | \$4,423,675,000 | 43.1% | (\$310,251,000) | -6.6% |
| Foxtel ^{50 51} | \$3,124,800,000 | 30.7% | \$2,449,548,000 | 23.9% | (\$675,252,000.00) | -21.6% |
| Pay TV TOTAL | \$3,124,800,000 | 30.7% | \$2,449,548,000 | 23.9% | (\$675,252,000.00) | -21.6% |
| Theatrical Distribution ⁵² | \$1,226,315,433 | 12.1% | \$1,228,741,000 | 12.0% | \$2,425,567.00 | 0.2% |
| Physical Distribution ⁵³ | \$904,000,000 | 8.9% | \$412,510,296 | 4.0% | (\$491,489,704.00) | -54.4% |
| Digital Distribution (EST & VOD) ⁵⁴ | \$187,000,000 | 1.8% | \$260,598,055 | 2.5% | \$73,598,055.00 | 39.4% |
| Transactional Subtotal | \$2,317,315,433 | 22.8% | \$1,901,849,351 | 18.5% | (\$415,466,082.00) | -17.9% |
| SVOD TOTAL ^{55 56} | | | \$1,492,584,000 | 14.5% | \$1,492,584,000.00 | NA |
| TOTAL | \$10,176,041,433 | 100.0% | \$10,267,656,351 | 100.0% | \$91,614,918 | 0.9% |
| AUSTRALIAN CONTENT INVESTMENT ⁵⁷ | 2014 / 15 | | 2018 / 19 | | 2014/15 VS 2018/19 | |
| TV, Children's & Online | \$301,000,000 | 3.0% | \$469,000,000 | 4.6% | \$168,000,000 | 55.8% |
| Features | \$125,000,000 | 1.2% | \$299,000,000 | 2.9% | \$174,000,000 | 139.2% |
| TOTAL | \$426,000,000 | 4.2% | \$768,000,000 | 7.5% | \$342,000,000 | 80.3% |

⁴⁵ Tom Miller, Against the stream: Competition from streaming video services has negatively affected revenue, IBISWorld Pty Ltd, 2019, p. 22.

⁴⁶ Ibid, p.23

⁴⁷ Ibid, p.23

⁴⁸ ABC, 2014 Annual Report, p.140; 2019 Annual Report, p.160 <<https://about.abc.net.au/wp-content/uploads/2014/12/ABCAnnualReport2014Accessible.pdf>>, <<https://about.abc.net.au/wp-content/uploads/2019/10/ABC-Annual-Report-201819v2.pdf>>

⁴⁹ SBS, 2014 Annual Report, p.79; 2019 Annual Report, p.105 <http://media.sbs.com.au/home/upload_media/site_20_rand_88490456_sbs001_sbs_ar2014_webfinal.pdf>, <http://media.sbs.com.au/aboutus/upload_media/site_367_rand_108318840_sbs_2019_annual_report_digital.pdf>

⁵⁰ Foxtel revenue calculated by multiplying annual ARPU and total subscribers as reported in annual reports. Figures exclude advertising revenue.

⁵¹ News Corp, 2014 Annual Report, p 13; 2019 Annual Report, p 51; <http://www.annualreports.com/HostedData/AnnualReportArchive/n/NYSE_NWS_2014.pdf>, <<https://newscom.files.wordpress.com/2019/10/news-corp-2019-annual-report.pdf>>

⁵² MPDAA 2014 Market Share, 2018 Market Share

⁵³ AHEDA, 2014 Yearbook p11, p45; 2019 Retail Tracking Data, GFK

⁵⁴ Ibid

⁵⁵ Max Mason, 'Disney+ makes strong debut as streaming market continues to grow', Australian Financial Review, 9 March 2020, accessed 9 March 2020 <<https://www.afr.com/companies/media-and-marketing/disney-makes-strong-debut-as-streaming-market-continues-to-grow-20200306-p54715>>

⁵⁶ Total estimated annualised revenue of Top 5 SVOD services calculated by multiplying total homes numbers, as reported by AMPD Research, by average annual subscription cost advertised on the platform websites. Please note, for those SVOD services where service is offered as part of a bundle (for instance, Amazon Prime includes free shipping on Amazon webstore), all revenue has been allocated to the SVOD service only. For those where a free subscription with hardware purchase is offered, it is assumed that all revenue is allocated to the SVOD subscription only. In other words, the actually attributable revenue to the SVOD sector is likely smaller.

⁵⁷ Screen Australia, Drama Report 2018-19, p.6 <https://www.screenaustralia.gov.au/getmedia/08d8518b-867b-4f61-8c2e-ebd10f0dc3a4/Drama-Report-2018-2019.pdf>

Appendix 4: Notes on free-to-air sub-genre performance

1. *Documentaries*: There is no demonstrated market failure for documentary content. Commercial free-to-air networks regularly exceed requirements and new market entrants are investing in Australian documentaries (e.g. *The Test* on Amazon Prime). The flexible definition of “documentary” is a contributing factor to this level of investment in documentaries.
2. *Adult Drama*: ACMA program commercial television aggregated expenditure information shows that for the last reporting period (2017-18), commercial free-to-air broadcasters spent less than \$100 million on adult drama. Streamers are exceeding this number, with the production budgets of *Shantaram* (Apple TV+), *Clickbait* (Netflix) and *the Commons* (Stan) alone adding up to \$116 million, despite our estimate of the revenue base of Australian SVOD services being substantially smaller than FTA broadcasters. Please note some of these SVOD shows were able to qualify for the Location Offset and Location Incentive despite being either based on Australian source material or being developed in Australia, which, combined, exceed the current Producer Offset TV at 20 per cent. We support an increase in the Producer Offset TV to at least 30 per cent, which would further boost investment in TV drama content. The current setting would certainly make it harder for an Australian production company pitching to an international SVOD service to argue that the show should be set in Australia as that would effectively cause the production cost for that service to increase by 10 per cent (being the gap between the current incentive levels).
3. *Children’s content*: Australian children’s content is a special case and while both live-action drama and animation enjoys global success (e.g. *Nowhere Boys*, *Bluey* and *Beat Bugs*), specific policy interventions for children’s live-action drama are needed. The UK has a specific incentive for children’s live-action drama, which the Australian Government may wish to consider. Separately, the market for children’s content is discrete and we note the ABC remains the preferred destination for children’s content ACMA data shows that 68 per cent of children aged 0-14 watch children’s programs available on demand for free over the internet from sites such as YouTube, which remains outside the scope of this consultation.⁵⁸

⁵⁸ ACMA, ‘Children’s television viewing and multi-screen behaviour, Analysis of 2005–16 OzTAM audience data and 2017 survey of parents, carers and guardians’, August 2017, Figure 16, <<https://www.acma.gov.au/sites/default/files/2019-08/Childrens-television-viewing-and-multi-screen%20behaviour.pdf>>

Appendix 5: Overview of productions with investment from SVOD services

| Production Company | Title | Year | SVOD | Local Partner |
|---------------------------|---|------|---------|---------------|
| Nest Film Sleeping Otters | 7 Guardians of the Tomb ⁵⁹ | 2018 | Netflix | |
| Matchbox Pictures | Ali's Wedding ⁶⁰ | 2017 | Netflix | |
| Guesswork Television | Alice Fraser - Savage ⁶¹ | 2019 | Amazon | |
| Guesswork Television | Anne Edmond's - What's Wrong With You? ⁶² | 2019 | Amazon | |
| Guesswork Television | Australian Lockdown Comedy Festival ⁶³ | 2020 | Stan | |
| Beyond Entertainment | Beat Bugs ⁶⁴ | 2016 | Netflix | Seven |
| Entertainment One | Berlin Syndrome ⁶⁵ | 2017 | Netflix | Cinema |
| Playmaker Media | Bloom ⁶⁶ | 2018 | Stan | |
| Playmaker Media | Bloom Season 2 ⁶⁷ | 2020 | Stan | |
| Causeway Films | Cargo ⁶⁸ | 2018 | Netflix | |
| Guesswork Television | Celia Pacquola's - All Talk ⁶⁹ | 2019 | Amazon | |
| Playmaker Media | Chosen Season 1 ⁷⁰ | 2017 | Netflix | |
| Matchbox | Clickbait ⁷¹ | 2019 | Netflix | |
| Playmaker Media | Commons, The ⁷² | 2019 | Stan | |
| Guesswork Television | Dilruk Jayasinha - Live ⁷³ | 2019 | Amazon | |
| Guesswork Television | Douglas - Hannah Gadsby ⁷⁴ | 2020 | Netflix | |
| Wildman Films | Extreme Engagement ⁷⁵ | 2019 | Netflix | |
| Matthewswood Productions | EMO the Musical ⁷⁶ | 2018 | Netflix | |
| Matchbox | Glitch Season 1 ⁷⁷ | 2015 | Netflix | ABC |
| Matchbox | Glitch Season 2 ⁷⁸ | 2017 | Netflix | ABC |
| Matchbox | Glitch Season 3 ⁷⁹ | 2019 | Netflix | ABC |

⁵⁹ Screen Australia, *7 Guardians of the Tomb*, The Screen Guide, <<https://www.screenaustralia.gov.au/the-screen-guide/t/7-guardians-of-the-tomb-2018/34010?stxt=guardians>>

⁶⁰ Screen Australia, *Ali's Wedding*, The Screen Guide, <<https://www.screenaustralia.gov.au/the-screen-guide/t/alis-wedding-2017/29704?stxt=ali%27s%20wedding>>

⁶¹ Inside Film, *Amazon commissions stand-up specials from Tom Gleeson, Celia Pacquola and more*, 4 September 2019, accessed 27 May <<https://www.if.com.au/amazon-commissions-stand-up-specials-from-tom-gleeson-celia-pacquola-and-more/>>

⁶² *ibid*

⁶³ Inside Film, *Stan orders lockdown comedy special*, 9 April 2020, accessed 27 May 2020 <<https://www.if.com.au/stan-orders-lockdown-comedy-special/>>

⁶⁴ Beyond Distribution <https://www.beyonddistribution.com/programme/beat-bugs>

⁶⁵ Mike Fleming, *Vertical and Netflix acquire Sundance Pic 'Berlin Syndrome'*, Deadline, 13 January 2017, accessed 27 May 2020 <<https://deadline.com/2017/01/berlin-syndrome-sundance-film-festival-vertical-entertainment-netflix-1201885423/>>

⁶⁶ Don Groves, *Stan orders more 'Bloom' from Playmaker Media*, Inside Film, 1 July 2019, accessed 27 May 2020 <<https://variety.com/2018/tv/asia/jacki-weaver-cast-stan-original-series-bloom-1202909668/>>

⁶⁷ *ibid*

⁶⁸ Matt Grobar, *'Cargo's Martin Freeman talks baby-carrying zombies in Australia's first Netflix Original feature*, Deadline, 20 April 2018, accessed 27 May 2020 <<https://deadline.com/2018/04/cargo-martin-freeman-netflix-tribeca-video-interview-1202371135/>>

⁶⁹ Inside Film, *Amazon commissions stand-up specials from Tom Gleeson, Celia Pacquola and more*, 4 September 2019, accessed 27 May <<https://www.if.com.au/amazon-commissions-stand-up-specials-from-tom-gleeson-celia-pacquola-and-more/>>

⁷⁰ Playmaker Media, *Chosen premieres on iQIYI to over 28 million viewers*, 9 January 2018, accessed 27 May <<https://www.playmakermedia.com.au/news/chosen-premiered-igiyi-over-29-million-viewers>>

⁷¹ Don Groves, *Tony Ayres, Christian White entice Netflix with 'Clickbait'*, Inside Film, 26 August 2019, accessed 27 May 2020 <<https://www.if.com.au/tony-ayres-christian-white-entice-netflix-with-clickbait/>>

⁷² Screen Australia, *Stan and Screen Australia announce new series The Commons*, 26 June 2019, accessed 26 May 2020 <<https://www.screenaustralia.gov.au/sa/media-centre/news/2019/06-26-stan-and-screen-australia-the-commons>>

⁷³ Inside Film, *Amazon commissions stand-up specials from Tom Gleeson, Celia Pacquola and more*, 4 September 2019, accessed 27 May <<https://www.if.com.au/amazon-commissions-stand-up-specials-from-tom-gleeson-celia-pacquola-and-more/>>

⁷⁴ Netflix, *Netflix orders Hannah Gadsby's new stand-up special Douglas*, 13 May 2019, accessed 27 May 2020 <<https://media.netflix.com/en/press-releases/netflix-orders-hannah-gadsbys-new-stand-up-special-douglas>>

⁷⁵ ZigZag Post, *'Extreme Engagement Documentary Series'* <<https://www.zigzagpost.com/extreme-engagement-netflix/>>

⁷⁶ Inside Film, *'EMO The Musical' snapped up by Netflix*, 30 January 2018, accessed 27 May 2020 <<https://www.if.com.au/emo-musical-snapped-netflix/>>

⁷⁷ Inside Film, *Shooting underway on second season of 'Glitch'*, 23 January 2017, accessed 27 May 2020 <<https://www.if.com.au/shooting-underway-on-second-season-of-ae%cb%9cqlitchae/>>

⁷⁸ *ibid*

⁷⁹ Kasey Moore, *'Glitch' season 3 final season coming to Netflix in September 2019*, 24 July 2019, accessed 27 May 2020 <<https://www.whats-on-netflix.com/news/glitch-season-3-final-season-netflix-september-2019/>>

| | | | | |
|-------------------------|---|------|---------|-------|
| Sweet Potato Films | Gloaming, The ⁸⁰ | 2019 | Stan | |
| Sweet Potato Films | Gloaming Season 2, The ⁸¹ | 2020 | Stan | |
| Hoodlum | Harrow ⁸² | 2018 | Hulu | ABC |
| Penguin Empire | I Am Mother ⁸³ | 2019 | Netflix | |
| Gristmill Productions | InBESTigators, The ⁸⁴ | 2018 | Netflix | ABC |
| Gristmill Productions | InBESTigators Season 2, The ⁸⁵ | 2019 | Netflix | ABC |
| Seven Studios | Instant Hotel, Season 2 ⁸⁶ | 2019 | Netflix | Seven |
| Guesswork Television | Judith Lucy - Judith Vs Men ⁸⁷ | 2019 | Amazon | |
| Cheeky Little Media | Kazoops Season 1 ⁸⁸ | 2016 | Netflix | ABC |
| Cheeky Little Media | Kazoops Season 2 ⁸⁹ | 2017 | Netflix | ABC |
| Cheeky Little Media | Kazoops Season 3 ⁹⁰ | 2017 | Netflix | ABC |
| Guesswork Television | Lano & Woodley - Fly ⁹¹ | 2019 | Amazon | |
| Giant Dwarf | Letdown Season 2, The ⁹² | 2019 | Netflix | ABC |
| Giant Dwarf | Letdown, The ⁹³ | 2018 | Netflix | ABC |
| Endemol Shine Australia | LOL: Last One Laughing ⁹⁴ | 2019 | Amazon | |
| Screen Queensland | Lunatics ⁹⁵ | 2019 | Netflix | |
| Grace | Motown Magic Season 1 ⁹⁶ | 2018 | Netflix | |
| Grace | Motown Magic Season 2 ⁹⁷ | 2019 | Netflix | |
| Guesswork Television | Nanette ⁹⁸ | 2018 | Netflix | |
| See Saw Films | New Legends of Monkey, The ⁹⁹ | 2018 | Netflix | ABC |
| See Saw Films | New Legends of Monkey, Season 2, The | 2020 | Netflix | |
| Jungle Entertainment | No Activity Season 1 ¹⁰⁰ | 2015 | Stan | |
| Jungle Entertainment | No Activity Season 2 ¹⁰¹ | 2016 | Stan | |
| Jungle Entertainment | No Activity Season 3: The Night Before Xmas ¹⁰² | 2018 | Stan | |

⁸⁰ Inside Film, *Screen Tasmania backs development of second season of 'The Gloaming'*, 11 May 2020, accessed 27 May 2020 <<https://www.if.com.au/screen-tasmania-backs-development-of-second-season-of-the-gloaming/>>

⁸¹ *ibid*

⁸² Don Groves, 'Hulu collars US rights to Hoodlum's 'Harrow'', Inside Film, 6 September 2018, accessed 27 May 2020 <<https://www.if.com.au/hulu-collars-us-rights-to-hoodlums-harrow/>>

⁸³ Karl Quinn, *I Am Mother is an Aussie success story, though you'd never know it*, Sydney Morning Herald, 20 June 2019, accessed 27 May 2020 <<https://www.smh.com.au/entertainment/tv-and-radio/i-am-mother-is-an-aussie-success-story-though-you-d-never-know-it-20190617-p51yhr.html>>

⁸⁴ Don Groves, *ABC greenlights 'The InBESTigators,' 'Hardball,' '100% Wolf,' more 'Mustangs FC'*, Inside Film, 29 June 2018, accessed 27 May 2020 <<https://meaww.com/the-inbestigators-season-2-netflix-release-date-trailer-news-cast-showrunner-abc-me>>

⁸⁵ Meaww, *'The Inbestigators' season 2: Release date, plot, cast, trailer, and all you need to know about the comedy-drama*, 7 January 2020 <<https://www.if.com.au/abc-greenlights-the-inbestigators-hardball-100-wolf-more-mustangs-fc/>>

⁸⁶ What's On Netflix, *'Instant Hotel' Season 2 Coming to Netflix on June 28th, 2019*, 5 June 2019, accessed 11 June 2020 <<https://www.whats-on-netflix.com/news/season-2-instant-hotel-netflix-release-date-june-2019/>>

⁸⁷ Inside Film, *Amazon commissions stand-up specials from Tom Gleeson, Celia Pacquola and more*, 4 September 2019, accessed 27 May <<https://www.if.com.au/amazon-commissions-stand-up-specials-from-tom-gleeson-celia-pacquola-and-more/>>

⁸⁸ Screen Australia, *Kazoops*, The Screen Guide, <<https://www.screenaustralia.gov.au/the-screen-guide/t/kazoops-2016/33104/>>

⁸⁹ *Ibid*

⁹⁰ *Ibid*

⁹¹ *Ibid*

⁹² TV Blackbox, *ABC Confirms return date for highly anticipated second season of The Letdown*, 2 May 2019, accessed 27 May 2020 <<https://tvblackbox.com.au/page/2019/05/02/2019-5-3-abc-confirms-return-date-for-highly-anticipated-second-season-of-the-letdown/>>

⁹³ *Ibid*

⁹⁴ Inside Film, *Amazon orders first Australian series, 'LOL: Last One Laughing'*, 21 August 2019, accessed 27 May 2020 <<https://www.if.com.au/amazon-orders-first-australian-series-lol-last-one-laughing/>>

⁹⁵ ABC News, *Lunatics is taking Chris Lilley global on Netflix, but is he still funny?*, 20 April 2019, accessed 27 May 2020 <<https://www.abc.net.au/news/2019-04-20/lunatics-is-taking-chris-lilleys-black-face-global-on-netflix/11030878>>

⁹⁶ Screen Australia, *Motown Magic*, The Screen Guide <<https://www.screenaustralia.gov.au/the-screen-guide/t/motown-magic-2018/36215?stxt=motown>>

⁹⁷ *Ibid*

⁹⁸ Natalie Apostolou, *Emmy wins for Hannah Gadsby, See-Saw Films*, 16 September, 2019, accessed 27 May 2020 <<https://www.if.com.au/emmy-wins-for-hannah-gadsby-see-saw-films/>>

⁹⁹ ABC, *The Legend of Monkey comes to life for ABC, TVNZ and Netflix*, 20 April 2017, accessed 27 May 2020 <<https://tv.press.abc.net.au/the-legend-of-monkey-comes-to-life-for-abc-tvzn-and-netflix/>>

¹⁰⁰ Inside Film, *Stan's No Activity scores first Logie nominations for SVOD platform*, 4 April 2016, accessed 27 May 2020 <<https://www.if.com.au/stans-no-activity-scores-first-logie-nominations-for-svod-platform/>>

¹⁰¹ Screen Australia, *No Activity Series Overview* <<https://www.screenaustralia.gov.au/the-screen-guide/t/no-activity-series/35055/>>

¹⁰² *Ibid*

| | | | | |
|-----------------------------|--|------|---------------|--------|
| Guesswork Television | One Night Stan ¹⁰³ | 2017 | Stan | |
| eOne | Other Guy, The ¹⁰⁴ | 2017 | Stan | |
| eOne | Other Guy Season 2, The ¹⁰⁵ | 2018 | Stan | |
| Seven Network | Packed to the Rafters ¹⁰⁶ | 2019 | Amazon | |
| FremantleMedia Australia | Picnic at Hanging Rock ¹⁰⁷ | 2017 | Amazon | Foxtel |
| Screentime | Pine Gap ¹⁰⁸ | 2018 | Netflix | ABC |
| One Stone Pictures | Plonk Season 2 ¹⁰⁹ | 2015 | Stan | |
| Playmaker Media | Reckoning ¹¹⁰ | 2020 | Netflix | |
| Roadshow Rough Diamond | Romper Stomper ¹¹¹ | 2017 | Stan | |
| Matchbox | Safe Harbour ¹¹² | 2018 | Hulu | SBS |
| Screen Queensland Originals | Second, The ¹¹³ | 2018 | Stan | Cinema |
| Matchbox Pictures | Secret City 1 ¹¹⁴ | 2016 | Netflix | Foxtel |
| Matchbox Pictures | Secret City 2: Under the Eagle ¹¹⁵ | 2018 | Netflix | Foxtel |
| Anonymous Content | Shantaram ¹¹⁶ | 2019 | Apple | |
| Shine | Sisters ¹¹⁷ | 2018 | Netflix | |
| Matchbox | Stateless ¹¹⁸ | 2020 | Netflix | ABC |
| Liz Doran Productions | The Tailings ¹¹⁹ | 2020 | SBS On Demand | |
| CA Films | The Test: A New Era for Australia's Team ¹²⁰ | 2019 | Amazon | |
| Hoodlum | Tidelands ¹²¹ | 2019 | Netflix | |
| Guesswork Television | Tom Gleeson - Joy ¹²² | 2019 | Amazon | |
| Guesswork Television | Tom Walker - Very Very ¹²³ | 2019 | Amazon | |
| Guesswork Television | Tommy Little - Self Diagnosed Genius ¹²⁴ | 2019 | Amazon | |
| Porchlight Films | True History of the Kelly Gang ¹²⁵ | 2019 | Stan | Cinema |
| Aquarius Films | Unlisted, The ¹²⁶ | 2019 | Netflix | ABC |

¹⁰³ Mediaweek, *Stan and Token Artists present One Night Stan*, 22 November 2016, accessed 27 May 2020 <<https://www.mediaweek.com.au/one-night-stan/>>

¹⁰⁴ Screen Australia, *Matt Okine's Stan Original comedy series The Other Guy renewed for second season*, 23 January 2019, accessed 27 May 2020 <<https://www.screenaustralia.gov.au/sa/media-centre/news/2019/01-23-the-other-guy-renewed-for-second-season>>

¹⁰⁵ *Ibid*

¹⁰⁶ Don Groves, *Amazon Prime commissions 'Packed to the Rafters' reboot*, 1 November 2019, accessed 27 May 2020 <<https://www.if.com.au/amazon-prime-commissions-packed-to-the-rafters-reboot/>>

¹⁰⁷ Jackie Keast, *Amazon US snaps up FremantleMedia's 'Picnic at Hanging Rock'*, 21 July 2017, accessed 27 May 2020 <<https://www.if.com.au/amazon-us-snaps-fremantlemedias-picnic-hanging-rock/>>

¹⁰⁸ Screen Australia, *Pine Gap Series Overview*, The Screen Guide <<https://www.screenaustralia.gov.au/the-screen-guide/t/pine-gap-2018/36487/>>

¹⁰⁹ David Knox, *Plonk moves to Stan*, TV Tonight, 10 March 2015, accessed 27 May 2020 <<https://tvtonight.com.au/2015/03/plonk-moves-to-stan.html>>

¹¹⁰ John Serba, *Reckoning on Netflix, Yet another series killer saga*, Decider, 5 May 2020, accessed 27 May 2020 <<https://decider.com/2020/05/05/reckoning-on-netflix-stream-it-or-skip-it/>>

¹¹¹ Stan, *Stan commissions its biggest original local production yet*, 31 July 2017, accessed 27 May 2020 <<https://www.screenaustralia.gov.au/getmedia/853dc30c-db71-42fb-bb47-fae56985b2e7/mr-170731-Stan-Romper-Stomper-starts-production.pdf>>

¹¹² Don Groves, *'Safe Harbour' finds a US home in Hulu*, Inside Film, 7 August 2018, accessed 27 May 2020 <<https://www.if.com.au/safe-harbour-finds-a-us-home-in-hulu/>>

¹¹³ Screen Queensland, *Landmark Queensland Original production The Second begins filming – will premiere in cinemas and on Stan in 2018*, 16 June 2017, accessed 27 May 2020 <<https://screenqueensland.com.au/sq-news/landmark-queensland-original-production-the-second-begins-filming-will-premier-in-cinemas-and-on-stan-in-2018/>>

¹¹⁴ Kasey Moore, *Secret City Season 2 Coming to Netflix in March 2019*, What's On Netflix, 6 February 2019, accessed 27 May 2020 <<https://www.whats-on-netflix.com/news/secret-city-season-2-coming-to-netflix-in-march-2019/>>

¹¹⁵ *Ibid*

¹¹⁶ Don Groves, *'Shantaram' to shoot in Victoria*, Inside Film, 16 August 2019, accessed 27 May 2020 <<https://www.if.com.au/shantaram-to-shoot-in-victoria/>>

¹¹⁷ Screen Australia, *Sisters*, The Screen Guide, <<https://www.screenaustralia.gov.au/the-screen-guide/t/sisters-2017/35593?stxt=sisters>>

¹¹⁸ Don Groves, *Netflix swoops on 'Stateless'*, Inside Film, 25 February 2020, accessed 25 May 2020 <<https://www.if.com.au/netflix-swoops-on-stateless/>>

¹¹⁹ Screen Australia, *Screen Australia and SBS announce new Tasmanian online drama series The Tailings*, 1 June 2020, accessed 11 June 2020 <<https://www.screenaustralia.gov.au/sa/media-centre/news/2020/06-01-new-tasmanian-online-drama-series-announced>>

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¹²¹ Zoe Samios, *First Australian Netflix original Tidelands commences production*, 26 March 2018, accessed 27 May 2020 <<https://mumbrella.com.au/first-australian-netflix-original-tidelands-commences-production-507033>>

¹²² Inside Film, *Amazon commissions stand-up specials from Tom Gleeson, Celia Pacquola and more*, 4 September 2019, accessed 27 May <<https://www.if.com.au/amazon-commissions-stand-up-specials-from-tom-gleeson-celia-pacquola-and-more/>>

¹²³ *Ibid*

¹²⁴ *Ibid*

¹²⁵ Don Groves, *Short theatrical window for 'True History of the Kelly Gang'*, Inside Film, 18 November 2019, accessed 27 May 2020 <<https://www.if.com.au/short-theatrical-window-for-true-history-of-the-kelly-gang/>>

¹²⁶ Don Groves, *Netflix boards ABC/Aquarius Films' kids series 'The Unlisted'*, Inside Film, 4 April 2019, accessed 27 May 2020 <<https://www.if.com.au/netflix-boards-abc-aquarius-films-kids-series-the-unlisted/>>

| | | | | |
|----------------------|--|------|---------|-------|
| Matchbox Pictures | Wanted ¹²⁷ | 2016 | Netflix | Seven |
| Matchbox Pictures | Wanted Season 2 ¹²⁸ | 2017 | Netflix | Seven |
| Matchbox Pictures | Wanted Season 3 ¹²⁹ | 2018 | Netflix | Seven |
| ScreenTime | Wolf Creek Season 1 ¹³⁰ | 2015 | Stan | |
| ScreenTime | Wolf Creek Season 2 ¹³¹ | 2017 | Stan | |
| Guesswork Television | Zoe Coombs Marr - Bossy Bottom ¹³² | 2019 | Amazon | |
| Seven Studios | Zumbo's Just Desserts Season 1 ¹³³ | 2017 | Netflix | Seven |
| Seven Studios | Zumbo's Just Desserts Season 2 ¹³⁴ | 2020 | Netflix | Seven |

¹²⁷ Mollie Mitchell, *Wanted Season 3 Netflix release date, cast, trailer, plot: When is Wanted released?*, 10 December 2018, accessed 27 May 2020 <<https://www.express.co.uk/showbiz/tv-radio/1057090/Wanted-season-3-Netflix-release-date-cast-trailer-plot-series>>

¹²⁸ *Ibid*

¹²⁹ *Ibid*

¹³⁰ Inside Film, *Cameras roll on second season of Stan's 'Wolf Creek'*, 4 July 2017, accessed 27 May 2020 <<https://www.if.com.au/cameras-roll-on-second-season-of-stans-wolf-creek/>>

¹³¹ *Ibid*

¹³² Inside Film, *Amazon commissions stand-up specials from Tom Gleeson, Celia Pacquola and more*, 4 September 2019, accessed 27 May 2020 <<https://www.if.com.au/amazon-commissions-stand-up-specials-from-tom-gleeson-celia-pacquola-and-more/>>

¹³³ Max Mason, *Seven West Media and Netflix ink co-production deal for Zumbo's Just Desserts*, 26 August 2018, accessed 11 June 2020, <<https://www.afr.com/companies/media-and-marketing/seven-west-media-and-netflix-ink-coproduction-deal-for-zumbos-just-desserts-20180826-h14ih2>>

¹³⁴ Megan O'Keefe, *'Zumbo's Just Desserts' Season 2 has finally come to Netflix*, News.com.au, 10 January 2020, accessed 11 June 2020 <<https://decider.com/2020/01/10/zumbos-just-desserts-season-2-netflix/>>