

**AUSTRALIAN SCREEN INDUSTRY GUILDS AND ASSOCIATIONS
RESPONSE TO THE OPTIONS PAPER:
SUPPORTING AUSTRALIAN STORIES ON OUR SCREENS 2020**



Australian Screen Industry Guilds and Organisations Options Paper Submission 24 June 2020

Australian screen industry guilds and associations support Australian stories on our screens, told by us, for us and about us, and present a collective, forward-looking vision for the screen industry.

By telling diverse Australian stories we help Australians see themselves and each other. Our shared stories promote a sense of identity, pride and social cohesion. And our stories help to build our reputation in the world, drawing visitors to our shores and giving Australian businesses an extra boost as they build relationships abroad.

As an industry, screen brings together thousands of workers and businesses, whose crafts and skillsets run the gamut of creative endeavours, technical mastery and logistical problem-solving.

Because of Australia's relatively small size, regulation is fundamental to the strength of our screen industry and its capacity to deliver cultural and economic outcomes through significant private investment. Without the support of smart regulation and incentives to drive that investment, our capacity to deliver diverse Australian stories will be diminished and will result in a greater call on public funds and risk a massive drop in employment.

It's essential that Australians continue to have access to new, diverse programming to choose from, available on the platforms we use. While free-to-air TV (FTA) still enjoys near universal reach, streaming platforms are now estimated to be accessed by 71% of Australians¹.

Lack of regulation has resulted in less than 10% of the total content on streaming platforms being Australian, with as little as 2% on one platform, a level that is culturally unsustainable for audiences and economically unsustainable for our industry². As streamers' revenue from Australia grows year after the year, it is well past time that they should start contributing significantly to making new Australian stories for Australian audiences.

The final key driver of new Australian stories is our national broadcasters, ABC and SBS. In particular the broad remit of the ABC coupled with a series of budget cuts to both organisations threatens one of the most important avenues for new and innovative Australian stories to make it to our screens. Without the contribution of these broadcasters, we will see much less diversity of stories being told, including those from regional and rural Australia and stories representing a diversity of ages, races, sexualities, abilities and economic and cultural backgrounds.

The Australian screen industry guilds and associations believe in a platform-neutral approach, where all platforms that derive benefit from the Australian market should equitably contribute to the creation of new Australian content. This should include access to a broad range of content across both free and paid platforms and services. Service providers include but are not limited to commercial FTA broadcasters (Seven, Nine, Ten and their regional affiliates), national broadcasters (ABC, SBS), subscription television (Foxtel), and streaming services (including Netflix, Stan, Disney+, Apple TV+, Amazon Prime, Facebook Watch, YouTube Premium)

Of key importance is the support for Australian scripted content, defined as new drama, documentary and children's content. We know that commercial FTA sub-quotas ensure that these kinds of stories have become a mainstay of Australian entertainment in a world where cheaper (as distinct from more popular) imported content would otherwise have filled our airwaves. It is critical that any new or modified scheme of content regulation mandates the making and accessibility of these kinds of stories in particular in order to carefully address market failures in its creation, delivery and export. By doing so we not only secure a critical cultural foundation, but we also grow local production business that can create our own local intellectual property.

Therefore, the Australian screen guilds and associations recommend the adoption of **Model 3: Significant** with the following requirements:

- All service providers must be required to put a minimum percentage of Australian-derived revenue back into new Australian scripted content on their platform annually. A minimum requirement of total Australian content on all platforms and catalogues should also be considered.
- All service providers must be required to have specific sub-quotas for new Australian scripted content, defined as new drama, documentary and children's programs, as appropriate to their platform, annually. These sub-quotas are designed to secure Australians' access to these genres and underpin our capacity to sustain a production base for scripted stories. A minimum requirement such as a number of hours will be set for each service provider, taking into account the type of programming relevant to each platform and the time of day the program will best reach its audience. For example, a platform that shows international drama must also make and show a proportionate amount of Australian drama. Due to their dominant and privileged position, FTA broadcasters must maintain a minimum hours requirement for new drama, documentary and youth content.

¹ Supporting Australian Stories on our Screens – Options Paper, p. 8.

² Supporting Australian Stories on our Screens – Options Paper, p. 20.

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- Given broadcasters' overall failure to serve the children, pre-school and children's content should move to national broadcasters and streamers (on the basis outlined above, i.e. that platforms offering international children's content must have an obligation to support Australian children's content) with a minimum hours requirement.
- Each service provider will be regulated by the ACMA according to their business model. The ACMA should have powers to set annual revenue and sub-quota obligations underpinned by transparent guidelines and legislated minimum so, along with the additional government support needed to negotiate and administer the scheme. The creation of such a scheme would require a stage two process for government to model out the specific regulations for each service provider before a final implementation decision is taken. The modelling must support decision-making that ensures a level of production that allows for substantial growth in the amount of diverse Australian content available to audiences. The modelling must demonstrate that changed regulations will not result in a drop in production.
- All service providers must be required to meet new reporting and transparency requirements to the ACMA that include their annual revenue, promotion and discoverability of new Australian scripted content and the number of hours provided. National broadcasters will also be required to report annually to Parliament on expenditure on new Australian scripted content and the number of hours provided.
- The Producer Offset for Australian drama, documentary and children's programs should be harmonised at 40%, with the Location and PDV Offsets set at 30%. Offsets should apply to all platforms and across one-off and series content.
- National broadcasters must receive additional funding specifically for Indigenous and children's content in order to compensate for the loss of this content on the FTAs.
- Access to and administration of tax incentives must be streamlined. This should encompass a broad range of measures, including a review of the effectiveness of the current Significant Australian Content (SAC) test, a revised assessment process which is less subjective, revised threshold requirements, stricter budget requirements that prevent exploitative re-investments or working arrangements, improved payment systems, prioritising new Australian content, removing the 65-episode cap, and introducing a sector-agreed Terms of Trade to ensure there is ongoing support for Australian key creatives and heads of department and the retention of IP.
- Training and support for SMEs who are creating their own IP that will export internationally.
- Expanding the number of co-production treaties that will significantly increase export potential as well as modernising existing guidelines to ensure specific cultural exemptions.
- A further contribution from Internet Service Providers and other digital platforms towards Australian content should also be considered in the scope of the regulatory framework.
- Additional funding to government screen agencies in order to support the development of new Australian scripted content and screen businesses in meeting the additional demand across all platforms, as well as a more streamlined process for direct production investment across state and federal agencies.
- Content categories to be defined accurately and clearly in line with current industry standards in order to provide certainty around funding eligibility.

We note the current suspension of FTA sub-quotas due to the coronavirus pandemic. The screen industry and the overall arts and entertainment sector has been hit extremely hard by the pandemic. Despite this, the screen industry has worked hard to ensure that production can resume safely. As such, we oppose any proposal to extend the current suspension of sub-quotas into 2021.

SIGNED BY:

APRA AMCOS
Association of Drama Agents - NSW
Australian Casting Guild
Australian Cinematographers Society
Australian Directors' Guild
Australian Drama Agents' Association
Australian Guild of Screen Composers
Australian Screen Directors Authorship Collecting Society
Australian Production Design Guild

Australian Screen Editors
Australian Screen Sound Guild
Australian Writers' Guild
Australian Writers' Guild Authorship Collecting Society
Media Entertainment and Arts Alliance
Screen Producers Australia
Screenworks
Visual Effects Society
Women in Film and Television Australia