

"Supporting Australian Stories on Our Screens" Options Paper SUBMISSION LETTER

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To Whom It May Concern:

I have been working as screen composer in the Australian Screen Industry since 2003, and have written the music for over 80 productions including *Kriv Stender's Danger Close: The Battle of Long Tan*, *David Stratton's Stories of Australian Cinema, The Pacific in The Wake of Captain Cook with Sam Neill*, and *The House with Annabel Crabb*. I have won multiple awards in this Industry including five APRA AGSC Screen Music Awards and been nominated for four AACTA AFI awards.

This Industry is my livelihood, my career, my job, and my passion. I am a creator, a consumer, a follower and a fan of Australian Film and TV. I grew up quoting *The Castle* and *Crocodile Dundee* around the dinner table, and it was *My Brilliant Career* that initially inspired me to become a composer.

It is on these Australian screens, where we tell our stories, reflect upon who we are, foster our culture and our sense of national pride, and grow our identity as a nation of diverse, dynamic and vibrant people, unique to our landscape, our place and our experiences.

With the rapid uptake of streaming services such as Netflix, Stan and Prime, in Australia, viewers have more immediate and 'on demand' access to screen content. This has irrevocably disrupted the ecosystem and economy of the current Australian Screen Industry, and I have noticed a steep decline in the number of Australian film and TV productions being made and watched in Australia over the last five years.

I am deeply concerned with the current status quo that Streaming Services are not obligated to produce any screen content in Australia, despite their

domination in the market, and the multiple millions of dollars they receive in subscription fees every year. If this continues, our film and TV industry will likely shrink, and become unsustainable, and our general public will have no access to our stories.

However, I believe, we are on the precipice of potential economic and cultural opportunity right now, if we act quickly. If the government legislated for streaming services operating in our country to be obligated to make Australian screen content, there will be a gold rush of film and TV made in Australia. A boom for our industry, a boom for our economy, and a boom for our culture. Legislating for a platform neutral approach to obligate the production, promotion and exhibition of local content would not only benefit the economic growth of our Screen Industry, but also benefit our cultural identity, sense of national pride and deepen our understanding of Australia.

The more Australian stories we create for our screens, the larger the export value for our Industry. Australian narrative screen content drives at least \$252 million in export earnings each year. Screen content returns revenue to the economy through these exports. This revenue is returned not only directly to our screen industry, but also promotes and stimulates our tourism market exponentially. It is estimated that 230,000 tourists visit or extend their stay in Australia each year as a result of viewing Australian film and TV content, generating around \$725 million in spending. When our stories are seen on screens internationally, the world experiences our magnificent backyard, and they want to visit.

Now, more than ever, it is imperative that the government makes the necessary changes in legislation to foster a sustainable and expanding screen industry in Australia. There must be a priority to support new Australian scripted content, including feature film, TV drama, documentary and children's content.

I wish to make the following recommendation in response to the Options Paper "Supporting Australian Stories":

I strongly advocate for the adoption of **Model 3 - Significant**: to allow for a more even playing field amongst the Free to Air Networks and Streaming Services. This model supports regulation that would obligate subscription services to pay a percentage of their revenue to make, promote and screen locally produced content. The other models presented in the paper do not offer sustainable or viable solutions to the current issues our industry faces.

The modelling should support a system that ensures a level of production that

 Screen Australia article - TOURISM AND EXPORTS: THE SCREEN INDUSTRY IS A MAJOR CONTRIBUTOR, JANUARY 2017, DON GROVES.

 $\frac{https://www.screenaustralia.gov.au/sa/screen-news/2017/01-18-tourism-exports-and-the-screen-industry}{}$

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¹ Screen Currency Valuing our Screen – Screen Australia 2016

moves past the status quo and allows for substantial growth in the amount of Australian content made and available to audiences, both locally and internationally. New modelling must not result in a decline in production, and should ultimately result in an increase in local production and exhibition.

Beyond the above recommendation, I strongly advocate for;

- Streaming Services Contribution to Local Content Streaming Service
 providers should contribute 10% of their subscription services revenue
 derived in Australia to make, promote and broadcast Australian made
 content.
- 2. Big Tech contribution to the Australian Production Fund (APF) Giant technology companies such as Google/Youtube and Facebook should contribute 1% of their advertising revenue generated in Australia to be pooled into an Australian Production Fund (APF). This system could be based on the proposed code that the ACCC is preparing in order to compensate media companies for news services
- 3. Reinstatement of Quotas for Free to Air TV with regulation and allocated funding for National Broadcasters Until such time that new regulations are implemented, I call for the immediate revocation of any current suspension on quota obligations for Free to Air broadcasters. It is imperative that broadcasters continue to be required to produce and broadcast Australian drama, documentary and children's content.
- 4. Harmonisation of Producer Offsets All offsets should have a flat rate of 30%. These offsets include Production Offset for both Film and TV as well as the Post-Production (PDV) Offset. An additional 10% "cultural uplift" offset should be applied for productions that use key Australian crew including Australian composers, bringing the total offset to 40%, in line with New Zealand.
- 5.The Post Production Spend Threshold The Post Production Offset (PDV) threshold (that is currently \$500,000) to be reduced or abolished. This would allow overseas productions to more readily employ Australian screen composers and post production services without only being applicable to large budget films. Furthermore, the Post Production Offset (PDV) should have a weighted or points based system to further define post into the categories of visual effects, editing, sound and music. This would attract international as well as local productions to use Australian based talent across the Post Production sector rather than simply utilizing large Digital and Visual Post Production Houses.
- 6. **Reinvestment Deals** Reduce or abolish the current trend towards unsustainable reinvestment practices, where composers are being asked to reinvest up to 70% of their fee back into the film, with little to

no likelihood of seeing a return on their investment. This practice has enabled production companies to attract a government rebate, whilst predominantly resulting in composers not receiving their full fee but being taxed on the full amount up front.

7. Incentives for Film Distributers Film distributers and cinemas be allocated a form of rebate or offset to screen Australian made films in order to help attract audiences to watch Australian films at the box office.

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

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

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

Yours sincerely,

Carl

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