



Ludo Studio

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We thank the Australian Communications and Media Authority (ACMA) and Screen Australia for their recent Options Paper regarding Supporting Australian Stories on Our Screens. Ludo Studio is glad to have the opportunity to respond to the options and issues raised within the paper.

Ludo Studio has also contributed to the response from the Producers of Australian Children's Content and supports the submission made by Screen Producers Australia.

Ludo is an independent three time Emmy®, Logie and AACTA Award winning studio and Screen Producers Australia, Business of the Year in 2019. Ludo creates and produces stories from script to screen under one roof in Brisbane, Australia. Ludo produces the most popular series in ABC TV Australia's history, *Bluey*, and employs over fifty creatives and producers on their original shows.

Over the past seven and half years Ludo Studio has been supported throughout by the Australian tax payer via the ABC, SBS, Screen Australia, Screen Queensland and by other state agencies through incentives such as program commissioning, direct investment, production grants, producer offsets, export and marketing grants and enterprise schemes. Ludo Studio has been built upon this support, hard work and the vibrant local industry within Australia allowing us to create shows locally that have achieved acclaim here and abroad.

The benefits of local content being available to Australian audiences are well stated in the options paper and will surely be presented thoroughly in many other submissions. The main topics Ludo Studio wishes to discuss are our desire for Model 3: Significant, the need to promote greater IP ownership for independent production companies, focus on the export opportunities due to companies owning IP, protection of the marketplace for children's TV in Australia and constructing incentives that allow new business models and upside for the industry. We also wish to better understand the government's objectives in relation to the industry and industry's output going forward so that we can work with them to achieve better outcomes.

Preferred Model

Ludo Studio's preference is for Model 3B and to ensure that obligations are applied to platforms on a neutral basis. We want to make sure local stories are available for Australian audiences where they are watching, which is increasingly via streaming platforms for

scripted content. As Ludo Studio continues to seek out partners that will allow our stories to find the widest possible audience we need the assurance that incentives are structured clearly and are relatively consistent across platforms. This consistency extends to the producer offset being raised to 30% and Ludo Studio would like to see an uplift of an extra 10% for culturally relevant content across all platforms.

IP Ownership and Export Opportunities

Bluey is now the most watched show on ABC iView ever, with over 300 million views across the 78 episodes currently available. It is now available on Disney Jr and Disney+ worldwide.

Bluey is financed through the support of Screen Australia, Screen Queensland, ABC, the PDV Offset and BBC Studios Distribution. The accumulation of the government support for the production has allowed Ludo Studio retain a majority of the copyright and equity in the IP. Ludo Studio worked with the ABC and agencies to ensure the benefits of the show aligned with their objectives. Screen Australia was also integral in Ludo securing the proper financial terms with BBCSD by ensuring the offset and other incentives were structured properly.

Thanks to this support Ludo Studio is now in a position to benefit from the success of the show and be deeply involved in marketing the brand throughout the world. For example, Ludo, BBC Studios and Penguin recently won Book of the Year at Australian Book Industry Awards. Ludo takes a great deal of care in the presentation of Australian culture in *Bluey*, making sure the accents remain in the show in other territories, and how we present our local locations to international audiences.

As a company we are able to build our potential export revenue through our continued involvement and IP ownership. When we own more we are able to be more involved in the IP and when we are more involved there is often greater success. We therefore recommend that adjustments to the producer offset take into consideration the equity distribution between partners and while IP ownership should not be a requirement it should be favoured.

Platform Agnostic

Our recent releases of online series' *Robbie Hood* and *Content*, both AACTA nominated, were commissioned by the broadcasters SBS and ABC respectively. The broadcast and online release of these shows allowed us to access a younger and wider audience than a traditional broadcast would allow. Accessing the producer offset for these shows was not a simple process due to the requirements regarding content length and release strategies.

Both of these series were essential career and IP development opportunities for Ludo Studio and our production partners. The support of the government in making new and innovative content is essential to our industry and therefore we ask for changes that allow for different release strategies to be supported equally.

Innovative Business Models

Ludo Studio is sympathetic to the commercial needs of broadcasters and platforms. We understand the pressures of increasing production costs and competition for audiences. To promote more innovation in this space we would like to see the implementation of something akin to the previous Commercial Television Production Fund or Screen Australia's previous Digital and Multiplatform funding. A fund designated for the creation of new innovative content or business models from content creators that attracts audiences in a meaningful way.

Ludo has often applied the strategy of creating innovative content for a mainstream audience. Doodles, which began as a pilot interstitial show for Instagram, funded through Screen Australia's Digital and Multiplatform funding, was then purchased by the ABC, commissioned for another 2 seasons, sold to Universal Kids in the US and commissioned as a spin off by Cartoon Network for two seasons. #7DaysLater, also funded through Screen Australia and ABC, was a new format for broadcast television which included user generated content and audience engagement throughout the creative process. Ludo was able to sell the format into Germany and both #7DaysLater and Doodles won an International Emmy®. These early successes in animation production led directly to Ludo winning its commission for Bluey, which is now showcasing Australia and Australian talent globally on Disney +.

The government support of these projects via the Screen Australia initiatives allowed Ludo to innovate strategically and build our IP and the company's recognition locally and internationally.

Children's Television

In the absence of government support the market for Children's television will surely deteriorate in Australia as per the deregulation in the UK in 2003 and the PWC report referenced in the options paper. Under the 2005 Australia-United States Free Trade Agreement, it is prohibited to reintroduce cultural content quotas once they have been removed. It is therefore imperative that any updates to the regulation system ensures the continued creation, production and distribution of original Australian children's screen content is implemented before repealing existing regulations. We also urge that when applying obligations to all broadcasters and platforms on a neutral basis that a portion is applied specifically to children's content.

As per the Screen Australia International TV Sales Snapshot for 2017, it was Mako Mermaids that fared better than not just the other 34 children's dramas, but also the 103 dramas that have been made with grownups in mind. These types of success stories need to be celebrated and a strong diverse children's television sector in Australia can clearly benefit the whole industry.

The potential establishment of an Australian Children's Content Fund (ACCF) is supported in principle by Ludo, however the details of how an ACCF would be operated and how it would

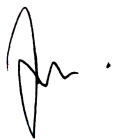

select programs requires careful consideration and safeguards. We want to ensure the market place remains competitive for children's content in Australia and not only relegated to ABC and SBS/NITV. Ludo Studio is also open to changes in the requirements for specific P & C classifications on Commercial FTAs as long as they retain a bespoke requirement for youth content.

Industry & Government Alignment

Ludo Studio will continue to create stories locally and endeavour to have those stories reach the widest possible audience. Aligning our goals with the objectives of the federal and state governments for the film and television industry is an essential element to our continued success. We hope through this process we are able to achieve a clear understanding of the government's expectations of the industry and aim for the industry's growth. A strong industry is one that is able to take creative risks and attract the best partners from around the world.

Ludo Studio has grown from a two person start up to a thriving business consistently employing more than fifty artists exporting Australian content globally and is a great example of what can be achieved through targeted government financial support for independent screen businesses. Now Ludo has benefited from this support, we want to continue working in tandem with industry and government to create future success for Australia. Thank you again for the opportunity to make this submission and we look forward to more discussion regarding the details of the future of the industry.

Kind regards,



Charlie & Daley
Company Directors
Ludo Studio