

DATE: 1st July 2020

SCREEN VOICE INC'S RESPONSE TO:

**“SUPPORTING AUSTRALIAN STORIES ON OUR SCREENS”
AN OPTIONS PAPER WRITTEN BY THE AUSTRALIAN COMMUNICATIONS AND MEDIA
AUTHORITY AND SCREEN AUSTRALIA, MARCH 2020.**

Who is Screen Voice?

Screen Voice is an association incorporated under the Associations Incorporation Act 2015 (WA). It provides a unified voice for Australian independent producers within the screen industry. We are a not-profit association with objectives to encourage and support Australian independent producers, provide comment on commercial and creative concerns of the screen industry and represent its membership in negotiations and industry consultations related to the screen industry.

Currently the association has ten company members who produced between them \$48.7m of screen content in the 2018/2019 financial year, across a range of genres, including: television drama, feature film and documentary.

Background

- At the Federal Government's request, Screen Australia and the Australian Communications and Media Authority (ACMA) have co-authored an Options Paper, entitled “Supporting Australian stories on our screens” which was released in March 2020.
- Feedback has been requested on the Models outlined below, with a focus on:
 - the extent of Australian content obligations on free-to-air television broadcasters (including drama and children's content);
 - whether there should be Australian content obligations on subscription video-on-demand services, and
 - whether, in order to support Australian screen content, other changes to the policy framework are required.

The Four Models

The Options Paper presents 4 models for reform:

	Summary	Objective
Model 1	Status Quo	To retain existing regulations and incentives to make and show Australian programs, which focus on traditional platforms. The status quo will prevail in circumstances where no future regulatory option can be implemented.
Model 2	Minimal change	To fine-tune and modernise existing regulatory and funding arrangements to better reflect the contemporary media landscape. This model seeks to engage subscription streaming

		services on a voluntary basis, potentially as a precursor to future regulation, if needed.
Model 3	Significant change	To establish platform-neutral, future facing obligations and incentives that take into account individual platform offerings and audience engagement.
Model 4	Deregulation	To remove all regulation and remove or revise incentives to make Australian programs, in order to support platform neutral deregulation.

Screen Voice's Recommendations

Screen Voice supports Model 3. In doing so, we request the following recommendations be considered:

1. There is no relaxation or variation to the definition of the types of programming which qualify as Australian content for the purposes of regulation.
2. FTA and Foxtel are obligated to continue commissioning Australian content at current levels.
3. Notwithstanding the above, the broadcasters should be allowed to screen first run commissioned Australian content on any of their services (rather than just their principal channels).
4. FTA and Australian Pay Cable services should be obligated to allocate a minimum of 10% of their gross program budget to original Australian independent productions [this approximates to their current spend], and international streaming companies should be required to allocate a minimum of 10% of their gross Australian subscription revenue to fund original Australian independent productions.
5. Broadcasters should be permitted to negotiate bespoke Australian content investment plans with ACMA. ACMA is tasked with auditing the broadcaster's compliance with these plans.
6. All levies from all platforms are placed in a separate auditable fund, managed by ACMA, and drawn down by the broadcasters as and when they require it to finance a qualifying production.
7. The funds which are drawn down from the fund should be treated as the Producer's equity.
8. If a broadcaster doesn't call on all of the funds which it is entitled to draw on for qualifying projects in any year the left-over funds are rolled over for a year. If the funds still haven't be spent at the end of the second year then they should be made available to other broadcasters for the production of Australian content.
9. The Producer Offset should be 40% for all eligible genres of Australian content (not just cinema feature films).

10. The PDV should be increased to 40% of qualifying expenditure.
11. The Location Offset should remain at 16.5%.
12. A development offset should be introduced to assist Australian producers develop qualifying projects.
13. There should be a children's content requirement for all FTA's. It should not just be the ABC's responsibility to provide for children's programming.
14. The loophole that allows New Zealand productions to qualify as Australian content should be closed.
15. The 65-hour cap on number of episodes of one production that can qualify for the Producers Offset should be scrapped for all qualifying genres, not just drama.
16. Producer Offset Minimum Spend Thresholds should be scrapped and all programs with qualifying content should be eligible for the rebate.
17. The inclusion of a Terms of Trade, developed in close consultation with key stake holders, which lays out the basic rights and expectations of all parties across all commissioning decisions.

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