

4 October 2017

**BY ONLINE SUBMISSION**

Dear Sir/Madam,

**AUSTRALIAN AND CHILDREN'S SCREEN CONTENT REVIEW**

Viacom International Media Networks Australia (**VIMN**) is pleased to have the opportunity to participate in this Australian and Children's Screen Content Review (**Review**), as a stakeholder in the outcome of this inquiry.

**ABOUT VIMN**

VIMN, a unit of Viacom Inc. (NASDAQ: VIAB, VIA), is comprised of many of the world's most popular multimedia entertainment brands, including MTV, Nickelodeon, Comedy Central, BET, Paramount Network, VH1, VIVA, Channel 5, COLORS, Game One and Tr3s: MTV, Música y Más. Viacom brands are seen globally in more than 700 million households in approximately 170 territories and 37 languages via more than 200 locally programmed and operated television channels and over 550 digital media and mobile television properties. In Australia, VIMN operates eight channels across key linear subscription television services (being Foxtel and Fetch TV), along with websites and digital applications.

**FUNDING, INCENTIVES AND QUOTAS**

VIMN considers that direct access to Australian content funding and incentives should be expanded to include broadcasters, commissioning platforms and operators of content services. The Australian Government provided the federal screen agency, Screen Australia, with a significant \$84.4 million in base funding for 2016-2017<sup>1</sup>, however this was not accessible to local distributors such as VIMN.

On the Australian Screen Production Incentive (ASPI), VIMN advocates the following:

- The Producer Offset be elevated from 20% to 40% for television programming;
- The Location Offset and Post Digital & Visual Effects (PDV) Offset be increased to enhance Australia's global competitiveness, consistent with incentives and regimes in other territories such as the United States<sup>2</sup> and United Kingdom<sup>3</sup>; and
- The three offsets constituted in the ASPI should co-exist and be debundled i.e. qualification for one offset should not disqualify accessibility to others.

<sup>1</sup> <https://www.communications.gov.au/file/29361/download?token=OLWrD8E6>

<sup>2</sup> In the US state of Georgia, introducing a production industry tax credit has resulted in annual production spending increasing 400%, and has had significant economic benefits across supplier growth, infrastructure development and training opportunities. Economic Contributions of the Georgia Film and Television Industry – Myers Norris Penny, 28 February 2011

<sup>3</sup> The UK has invested heavily in its incentive, i.e. one pound of tax relief delivers twelve pounds of economic activity. <http://www.abc.net.au/radio/programs/worldtoday/queensland-government-wants-more-tax-incentives/8510580>

To support a thriving, profitable and vibrant production sector across funding and offsets, eligible formats should be extended to reality television and music programming, and minimum spend thresholds should be removed or substantially reduced.

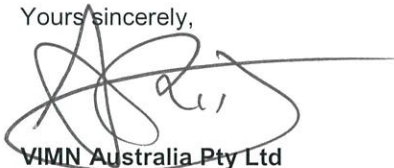
VIMN advocates for the removal of the New Eligible Drama Expenditure (NEDE) subscription television drama service quota, and proposes self-regulatory and co-regulatory measures be adopted in the current dynamic media landscape for subscription services.

In the event a subscription service quota is retained, access to funding and incentives should only be available and accessible to those services (including subscription video on demand (SVOD) and streaming platforms) that are subject to such subscription quotas, which should be genre neutral and not drama specific. Netflix, for example, has asserted it needs local funding support due to significant investment in Australian content.<sup>4</sup> It seems reasonable for such support to be counterbalanced by quota obligations.

VIMN supports investment in local Australian children's content production across a variety of genres, with Nickelodeon currently the #1 channel in the kids and family marketplace<sup>5</sup>. At this time, VIMN does not see any rationale to amend the existing requirement for children's programming quotas on Australian free-to-air television, provided these requirements continue to serve a valid local, cultural and economic purpose in allowing children to see their identity resonated on screens.

VIMN is available for further consultation to assist the Government formulate its response to the Review.

Yours sincerely,



VIMN Australia Pty Ltd

<sup>4</sup> <http://www.theaustralian.com.au/business/media/netflix-urges-radical-content-funding-overhaul/news-story/8e9f9bb15bcfda48e7adb0ca2b40a20c>

<sup>5</sup> Source: OzTAM NatSTV Panel, Live and Overnight Data, 06:00-19:59. As at 2 October, 2017

