

AUSTRALIAN SCREEN INDUSTRY GROUP

SUBMISSION TO THE AUSTRALIAN CHILDREN'S AND
SCREEN CONTENT REVIEW
September 2017



ABOUT THE AUSTRALIAN SCREEN INDUSTRY GROUP (ASIG)

The Australian Screen Industry Group is made up of all the screen industry guilds and associations who represent over 450 businesses employing 25,000 screen industry workers including directors, writers, producers, cinematographers, animators, actors, designers, composers, editors, gaffers, grips, technicians, artists, visual effects supervisors, costume designers and all the other crew that are involved in the making of screen content.

ASIG was formed two years ago to highlight the work of the people who make our screen content and to ensure that their voice is heard in any debate about the future of the industry. It is an informal forum for those that make screen content.

Participants and contributors to the ASIG are the Australian Directors' Guild (ADG), Australian Writers' Guild (AWG), Australian Cinematographers Society (ACS), Australian Production Designers Guild (APDG), Australian Screen Editors (ASE), Australian Screen Sound Guild (ASSG), Australian Guild of Screen Composers (AGSC), Media Entertainment and Arts Alliance (MEAA), Screen Producers Australia (SPA), Visual Effects Society (VES) and the Women in Film and Television (WIFT).

The views expressed in this submission reflect a consensus amongst the participants of ASIG and are meant to complement the individual submissions of each organisation.

The convenor of ASIG is the Australian Cinematographers Society. All correspondence to do with this submission should be directed to the Convenor:

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EXECUTIVE SUMMARY & RECOMMENDATIONS

The ASIG believes that the government needs to be in partnership with the Australian Screen Industry to ensure the continued production of Australian content. The Australian screen content market is too small to compete internationally with behemoths like the United States and United Kingdom and this market failure means ongoing government support is vital.

ASIG believes the following areas are essential to ensure a vibrant and progressive screen content industry that all Australians should have access to.

- Introduce legislative refinements to enhance the Australian Producer Offset scheme, to better align it with changes in the distribution landscape since the legislation was introduced in July 2007;
- Ensure secure, sufficient and transparent funding for Screen Australia dedicated to support the production of Australian originated and controlled content;
- Ensure secure, sufficient and transparent resources for the ABC and SBS dedicated to funding the production of a diverse slate of Australian originated and controlled screen content;
- Maintain and develop relevant legislative settings including content quotas for screen content production in all forms of television production including free-to-air, pay, streaming services and online;
- A commitment from government to the production and maintenance of children's television across all platforms for the benefit of Australian children;
- A commitment from government that Australian creators will not be deprived of their legal right to benefit from the IP in their work;
- That the government commit to a "cultural carve out" when negotiating free trade agreements to support the maintenance of a unique Australian culture;
- To support the role of the location and PDV offset in attracting international production activity to Australia and the appropriate settings for its implementation;
- In an increasingly digital world, support mechanisms must be technologically neutral;

- The recognition of the games sector as creators of screen content, and therefore the need for policies to support this sector including access to the Australian Producer Offset;

PUBLIC BROADCASTERS

The ABC and SBS as our dedicated public broadcasters are essential for the health and wellbeing of our screen industry, not only for the makers of screen content but also for the Australian audiences who consume it.

The ABC has had a huge impact on drama that generates cultural outputs, creative capability, businesses with attendant economic outcomes and product with international visibility.

Some background to the current state of the ABC is important. As outlined in Kim Dalton's recent publication "Missing in Action: The ABC and Australia's Screen Culture".

From Missing in Action: The ABC and Australia's Screen Culture

The ABC received budget increases in its triennial budgets of 2006 (Howard) and 2009 (Rudd). In 2006, \$10 million per annum for drama, documentary and children's content. In 2009 a staged increase in funding across the triennium would by the third year total \$67 million per annum—\$40 million for drama programs and \$27 million for the establishment of a dedicated children's channel with a commitment to deliver 50 per cent Australian programs. All of this funding, \$77 million in total, was to be ongoing beyond the triennium in which it was provided. It went into base funding and was subject to the ABC's annual indexation. The new funding represented an almost 30 per cent increase to ABC TV's budget and the impact was significant in terms of cultural and creative outcomes, industry activity and development, and the quality and quantity of Australian programs delivered to audiences.

From a base in 2006 of five hours of drama, no prime-time Indigenous content, limited Australian children's content and a limited documentary offering, within seven years ABC TV was offering Australian drama at levels approaching that of the commercial networks, a dedicated children's channel with 50 per cent of its content Australian and across all genres, and a diverse slate of Australian documentaries. For the first time on Australian television Indigenous producers, writers, directors and actors were making drama and documentary programs for prime-time slots, launching with the popular and critically acclaimed Redfern Now mini-series.

What is important in the context of this paper is that these outcomes were not solely the result of additional funding. Additional resources were essential; however they were provided to the ABC in support of a clearly articulated policy-based proposal and a three-pronged strategy I had developed as Director of TV, which had broad industry and public support. Firstly, the ABC committed to increased levels of Australian drama, documentary, children's and Indigenous content. Secondly, it committed to working productively and in partnership with Australia's independent production sector. Thirdly, the ABC committed to engaging strategically with federal and state funding agencies to finance its expanded slate of Australian content, including ensuring an increase in production outside Sydney and Melbourne.

In summary, the additional funding was provided in the context of, and in support of, Australia's national screen policy framework. Over time, the Australian public and ABC TV audiences experienced this additional funding in the form of a significant increase in the volume, diversity and quality of new Australian programs appearing on their screens. The impact of this additional funding and the outcomes that flowed from it can appropriately be described as policy outcomes and these are worth some more detailed consideration across drama, children's, documentary and Indigenous work.

It is very clear that increased support from the government enabled a revolution of content creation in this period. The ABC has kick started a number of new productions and opportunities for Australians that have continued with shows such as "Cleverman", "Glitch" which have not only become local hits but have used the new streaming services such as Netflix to expand their reach in a completely new way internationally.

It is essential to enable the ABC to be a leader in the field of content creation in drama, children's and documentary. We do however believe that there needs to be minimum content requirements to ensure this to occurs in the future, sufficient funding to meet these content requirements and transparent reporting of budget allocations against these requirements.

- **Secure and sufficient and transparent resources for the ABC and SBS dedicated to funding the production of a diverse slate of Australian originated and controlled screen content;**

CONTENT QUOTAS

It is time to rethink the way we regulate Australian content on our screens and it is time to rethink the whole eco-system that provides content for Australians. This includes Free-to-Air Television (FTA), Subscription Video on Demand (SVOD), Subscription Cable (Cable), Advertising Video on Demand (AVOD), Transactional Video on Demand (TVOD) and any other delivery system that delivers commercial content to audiences.

Ever since the inception of content quotas in the 1960's, both sides of politics have seen the need to support Australian content on our screens. The great Hector Crawford was a key leader in this fight when it was clear that overseas content (read US and UK) would dominate our screens if there was no requirement of broadcasters to make Australian content.

Without a content requirement on all broadcasters – whether they be free-to-air, cable, video on demand, streaming services or by whatever means they are distributed – there will be no guarantee for the Australian public of a significant level (at least 50%) of Australian content in drama, children's and documentary.

The suggestion that there does not need to be quotas for Australian programming and its various genres on the basis that Australian content is popular among Australian audiences and broadcasters and streaming businesses will commission it without market intervention has been demonstrably proven false following multiple reviews, analysis and market reports. The cost imbalance of purchasing English spoken content from foreign territories for a fraction of the price of locally produced content will continue to motivate businesses to reduce Australian content commissioning in the absence of quotas and obligations.

The ASIG believes that the government should have an Australian content guarantee to secure Australian content on our screens and that it should apply to all commercial players whatever the platform they use.

We would also point out that under the terms of our Free Trade Agreement with the United States, if we diminish or abolish our quotas on television they are not able to be reapplied. This also means that if they are reduced and trigger the demise of Australian content, as happened in New Zealand when all obligations were dismantled, the government will not be able to reinstate them. It is therefore critical for the government to plan a transition to any new system carefully.

- **Maintain and develop relevant legislative settings such as content quotas for screen content production in all forms of television production including free-to-air, pay, streaming services and online;**

- In an increasingly digital world, support mechanisms and regulation must be technologically neutral.

SCREEN AUSTRALIA

When the Australian Film Commission, Film Australia and the Film Finance Corporation were merged to create Screen Australia, the *raison d'être* for this merger was to be more efficient and enable more funds to flow into the production of Australian content.

During the last four years the agency has seen significant cuts to its allocation from government which are now starting to bite into funding for local content. Screen Australia has seen its budget allocation drop from \$100.8m (2013/14) to \$84m (2017/18). A 16% drop over the last four years.

To compound this, the sale of the Film Australia property in Sydney was supposed to supplement the income of the agency. Instead the sale has funded a "top up" to attract overseas productions as the relatively low 16.5% location offset combined with a high Australian dollar saw the offshore sector struggle..

The lack of clear policy with regards to funding the screen agency and the obfuscation of its responsibilities in providing effective incentive for offshore production has meant a diminishing of Screen Australia's ability to support local content.

ASIG believes that the government should inject an additional \$150m into the Screen Australia budget for the next three years.

- **Ensure secure, sufficient and transparent funding for Screen Australia dedicated to support the production of Australian originated and controlled content;**

OFFSETS

To ensure the continued growth and success of the screen industries, the evolution of the various offsets and consideration into how they can best work together is essential.

There has been much talk about the rates at which these offsets are to be set and the industry has formulated a clear and effective argument for the increase of offsets in different areas.

ASIG believes that there needs to be new settings for these offsets to ensure the growth of the industry and would suggest the following which we know our colleagues in both the broadcasting and production sector would support:

1. Producer Offset – That the offset for Feature Film be maintained; the TV offset be increased to match the feature film offset and the broadcasters cannot access the offset.
 2. Location Offset – That the location offset be set at a level to enable it to be internationally competitive.
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- Legislative refinements to enhance the Australian Producer Offset scheme, to better align it with changes in the distribution landscape since the legislation was introduced in July 2007;
 - To support the role of the location and PDV offset in attracting international production activity to Australia and the appropriate settings for its implementation.
 - The recognition of the games sector as creators of screen content, and therefore the need for policies to support this sector including access to the Australian Producer Offset;

CHILDREN'S TELEVISION

There has never been a more important time to support the creation of original Australian Children's television. In a world where the volume of content increases with every new online portal, our ability to maintain the voice of Australian children for Australian children is vital.

- **A commitment from government to the production and maintenance of children's television across all platforms for the benefit of Australian children;**