



Fox Studios Australia's submission to the Australian Government Department of Communications and the Arts Australian and Children's Screen Content Review

Overview

20th Century Fox appreciates the opportunity to comment to the Consultation by the Australian Government Department of Communications and the Arts, regarding the Australian and Children's Screen Content Review.

Whilst Film and TV production is a global business, 20th Century Fox is extremely proud to be a vital member of the Australian creative industries and arts community. We strongly agree with the opening remarks of the Consultation that production and distribution of Australian content delivers an essential "cultural and economic dividend." Moreover, it has proven to be an excellent business for us to further align and integrate ourselves, with all of the talent and creativity that is bursting out of Australia.

We are extremely proud of our presence in Australia and our contributions to make Sydney and Australia a true global center of excellence for the creative industries and presenting significant and ongoing cultural and economic benefits to the sector through training opportunities, skills development and ongoing employment for our creative and technical practitioners, allowing skills to be honed and creating the opportunity to attract producers and their productions to Australia.

The Fox Studios Lot not only provides the critical infrastructure for major local and international productions, these productions are also attracted to the world class ecosystem on the Fox campus of cutting edge businesses across the creative, digital and knowledge sectors, which employs over 2,500 people directly and which has become a global center of excellence. Animal Logic situated on the Fox campus is a great example of this.

The Studio has attracted over \$2B historically in production from the US and UK and increasingly from China and India since 1999 and helped establish Australia and NSW as the creative/digital industries hub. Economically Deloitte' estimates the sector contributes \$3B in GDP contribution and over 22,000 jobs.

Again, we greatly appreciate the opportunity to respond to the eight questions formulated by this consultation and look forward to greater engagement and dialogue on this important issue.

1. Are the policy objectives and design principles articulated in the discussion paper appropriate? Why do you say that?

Below are specific comments and suggestions on the three policy objectives outlined in the review:

- i. **securing quality content that promotes Australian identity and culture**—implement measures that encourage the creation, delivery and export of diverse and high quality Australian content
- ii. **securing quality Australian content for children**—ensure content is developed for Australian children to help them understand the world around them and Australian values and culture
- iii. **driving more sustainable Australian content industries**—develop the right policy settings to enable Australia's creative sector and talent to thrive, locally and internationally.

- i. **securing quality content that promotes Australian identity and culture**—implement measures that encourage the creation, delivery and export of diverse and high quality Australian content

We believe this is an excellent objective of the review, and Fox has been and will continue to be committed to promoting and supporting local Australian stories and Australian talent. This includes the production of “Australia” and hosting films such as George Miller’s family favorite’s, *Babe: Pig in The City* and *Happy Feet I and II* along with his multiple Academy Award winning *Mad Max: Fury Road* and Baz Luhrmann epics such as *Moulin Rouge* and *The Great Gatsby*.

Fox Studios Australia has recently hosted local drama’s including *Top of the Lake: China Girl*, *Love Child*, *The Code*, *The Easybeats* and *The Secret Daughter* and local comedy drama series *Here Come the Habibs*.

Fox Studios Australia is home to over 85 screen production support businesses who actively create, deliver and export diverse and high quality Australian content. Companies and credits include:

Animal Logic: *Australia*, *Crocodile Dreaming*, *Garage Days*, *The Crocodile Hunter: Collision Course*, *Rabbit Proof Fence*, *Chopper* and *Blackrock*.

Sonar Sound: *In My Own Words*, *Australia Day*, *Love Child*, *The Wrong Girl*, *House Husbands*, *Redfern Now*, *Mabo*, *First Contact*, *First Footprints* and *Life at 7*.

Playmaker Media: *Love Child*, *The Wrong Girl* and *House Husbands*.

Blue Post: *The Wrong Girl*, *Love Child*, *Brock*, *Peter Allen: Not the Boy Next Door*, *House Husbands*, *Catching Milat*, *Carlotta*, *Power Games: The Packer-Murdoch Story*, *Never Tear Us Apart – The INXS Story*, *Puberty Blues*, *Beaconsfield* and *Hawke*.

Spectrum Films: *Brock*, *Lion*, *Holding the Man*, *Storm Surfers*, *Newcastle*, *Crocodile Dreaming*, *Footy Legends*, *Rabbit Proof Fence*, *Reckless Kelly*, *The Year My Voice Broke*, *A Bush Christmas*, *Puberty Blues*, *Dawn*, *Brock*, *Peter Allen: Not the Boy Next Door*, *Deadline Gallipoli*, *Love Child*, *Sea Patrol*, *House Husbands*, *Packed to the Rafters*, *All Saints* and *First Australian*.

GNWTV: *Good News Week* and *Melbourne International Comedy Festival*.

ITV Studios: *The Voice Australia*, *Keeping Australia Alive*, *Please Marry My Boy*, *Australian Princess*, *The Trophy Room*, *Battle of the Choirs*, *Dancing with the Stars Australia*, *Talkin’ ‘bout Your Generation*, *Big Girls Blouse*, *Seachange*, *Royal Flying Doctor Service of Australia*, *Kangaroo Palace*,

Shadow Productions: *Spirit of Rugby League, Spirit of Australian Horse Racing, That's Rugby League, That's Boxing, That's Racing, That's Surfing, The Train – Granville Rail Disaster and Tulloch.*

Shark Island Productions: *Paul Kelly: Stories of Me, The Oasis, The Soldier, Alone Across Australia and Stories from the Inside.*

Trackdown: *Opera Australia, Sydney Symphony Orchestra, Lion, Life on the Reef, Peter Allen: Not the Boy Next Door, Holding the Man, The Voice Australia, The X Factor Australia, Carlotta, Life at 9, Australia's Got Talent, River Cottage Australia, Kath & Cinderella, Alex Lloyd Music Max Session, Making of Modern Australia, James Morrison Christmas Album, Australia, Newcastle, The Whitlams & ACO Music Max Session, Garage Days, The Magic Pudding, Blinky Bill, The Adventures of Priscilla Queen of the Desert, The Adventures of Blinky Bill and Blinky Bill: The Mischievous Koala*

Definition Sound: *Ruben Guthrie, Black Comedy, Spear, The Brett Whitely Documentary, Blue, Life on the Reef, Backyard Ashes, Art & Soul, David Stratton: A Cinematic Life, Kakadu, First Footprints, Drift and Mountain.*

To develop high quality content and support visionary storytellers and content creators, Australia needs to continue to develop and maintain an infrastructure that is truly world-class. In doing so, jobs and skills both creative and technical are maintained at the leading edge and at highest standards demanded by the industry. The industry leads the way creating jobs that are highly skilled, high value and highly mobile, fueling the services economy.

We believe that one of the best government measures to further facilitate and support this vibrant and growth sector is by establishing a consistent production incentive scheme that competes globally and encourages investment, both domestic and international, in Australian production capabilities.

We will discuss this in more detail in later sections.

- ii. **securing quality Australian content for children**—ensure content is developed for Australian children to help them understand the world around them and Australian values and culture.

Fox Studios Australia is home to over 85 screen production support businesses who actively develop and create quality Australian content for children to help them understand the world around them and Australian values and culture. Companies and credits include:

Animal Logic: *The Crocodile Hunter: Collision Course*

Sonar Sound: *Life at 7, Play School Art Maker App, Play School Play Time App, ABC Kids Play iPad APP*
Ambience: *Kitchen Whiz, Pyramid*

Spectrum Films: *Joey*

Trackdown: *Life at 9, The Magic Pudding, Blinky Bill, The Adventures of Blinky Bill, Blinky Bill: The Mischievous Koala.*

- iii. **driving more sustainable Australian content industries**—develop the right policy settings to enable Australia’s creative sector and talent to thrive, locally and internationally.

Unlocking the creativity of Australians is essential not only for growing the entertainment industry but also for Australians to thrive in the digital and services economy. In many ways, content creation is at the top of the value chain of the digital economy.

Previous research conducted by the Australian Bureau of Statistics shows that the creative industries have a higher net benefit than many traditional industries. Every job created in the film and television industry supports 3.57 jobs in other industries and every \$1 of turnover creates turnover of \$3.52 in other industries.

Another example of a country that has seen the value of promoting film and TV production and is offering tax credits to continue the growth of the industry is the U.K. In July 2017, the U.K. Office of National Statistics (ONS) reported that economic growth was driven by services and that film and TV production and distribution was the **second largest contributor to this growth**¹.

The introduction of tax credits for film and TV productions, making UK more attractive for production companies, was cited as a major factor for this growth². Also the government announced that employment in the creative industries is growing nearly four times the rate of the UK workforce and that representation of minorities has increased by 40% in the sector. The sector internationally is healthy, vibrant and growing strongly, as evidenced by the positive statistics and outcomes being experienced and enjoyed by many other jurisdictions that have a competitive incentive policy in place.

When examining the policy settings of Australia’s creative sector, we believe it is vital to focus on the economic impact. Quite simply, if the Australian content industry is not growing and thriving, it is less likely that talented individuals and creative organisations will be involved in creating high quality Australian content.

Establishing a consistent production incentive scheme that competes globally and encourages investment, both domestic and international, in Australian production capabilities will drive more sustainable Australian content industries, specifically:

- Increasing the location offset to 30%
- Decoupling of PDV and location offsets
- Clarifying that streaming services qualify for the offsets will drive

This will result in a consistent pipeline of productions and continuity of employment for content industry practitioners.

The film and television production industry simultaneously employs practitioners across multiple creative disciplines such as: cinematography, writing, art department, painting, sculpture, model making, plastering, carpentry, steel works, costume, prosthetics, graphic design, animation, VFX, music composition, in turn significantly enhancing cultural output.

¹ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/grossdomesticproductpreliminaryestimate/aprtojune2017>

² <https://www.screendaily.com/news/film-industry-plays-key-role-in-uk-economic-growth-says-ons/5120315.article>

The production of Australian content can also serve as a vital economic engine in the associated industries it supports such as: construction, carpentry, hardware, lighting and electrical, hairdressing and make up, hospitality, travel, tourism, catering, and real estate.

2. What Australian content types or formats is the market likely to deliver and/or fail to deliver in the absence of Government support?

Government support, specifically in the form of production incentives, will make Australia more likely to be used as the location for production and post-production work. High profile international productions invest heavily in the Australian creative industries, so by not supporting these productions, it is less likely that high quality local Australian content can be produced. Also, as previously stated, if the industry is not growing, it becomes much less attractive for talented Australian creators to either produce their unique stories, or to stay in Australia to tell these stories.

When Government support is not consistent, international productions will be less likely to produce in Australia. An example of this is the recent Fox film, *The Martian*, which was slated to film in Australia. Unfortunately, the film was not able to utilise the rebates and instead, the movie was shot in Budapest, Hungary.

It has been widely reported that the film's star, Matt Damon, commented on this fact, "we were going to shoot *The Martian* here (Australia) but we couldn't get the rebate. We were too late to get the deal so we shot in Budapest" and was even looking at houses at Bondi Beach³. This was no minor film, with a production budget well exceeding US\$100 million⁴. This serves as a stark example of an opportunity lost for Australia, its creative industries and its economy.

Also two of the films cited in the Consultation as injecting nearly \$600 million into Australia were Fox productions: *The Wolverine* and *Alien: Covenant*. We are extremely proud of these films and the fact that we were able to utilise the Australian production incentives and most importantly, Australian talent. These big budget films had production budgets of about US\$120 million and US\$100 million respectively⁵ and without Government support it is less likely that they would have been filmed in Australia.

A recent story by the Australian Broadcasting Corporation highlighted the role of Australian visual effects company Iloura, in the production of the hit global TV series, *Game of Thrones*. Iloura has transformed from a company of less than ten people to a staff of over 300 and has been responsible for some of the shows' most iconic visual effects⁶. Although *Game of Thrones* is not a Fox production, without Government support, it is less likely that Iloura would have transformed into a world class visual effects company that would have been commissioned to produce visual effects for *Game of Thrones*. Through Government support, Australia has become a global leader in visual effects, which will help local Australian content creators to utilise high quality visual effects and deploy innovative storytelling techniques.

³ <http://www.smh.com.au/entertainment/movies/jason-bourne-matt-damon-reveals-the-martian-was-almost-shot-in-australia-20160703-gpxpau.html>

⁴ <http://www.boxofficemojo.com/movies/?id=scott2016.htm>

⁵ Box Office Mojo

⁶ <http://www.abc.net.au/news/2017-09-14/game-of-thrones-iloura-visual-effects-company/8942652>

3. What types of Australian screen content should be supported by Australian Government incentives and/or regulation?

Currently, online streaming content is not eligible for Government incentives. **We strongly believe this should be changed, and streaming services should be eligible for production incentives.**

When the offset rules were established streaming services did not exist. Today Netflix, Amazon and their like, are some of the most prolific producers of content. Netflix alone are spending in excess of \$6 billion per annum to make content. The spend for a TV series can be \$10 million per episode across 10-13 episodes per season with the potential to run for a number of years. The current legislation in Australia around streaming services prohibits Location and Post Digital & Visual Effects Offset eligibility for Netflix and Amazon original productions to be produced in Australia. This is a significant sector whose growth is exploding exponentially and the local industry missing out on millions in export dollars and jobs and training opportunities and handing an advantage to our competitors because of a historic anomaly.

Netflix, who were keen to base production of *Marco Polo* in Australia, chose to base production in Malaysia, where a 30% incentive was offered. They spent \$180 million locally on the production.

The media landscape is rapidly changing and online viewing has proven incredibly popular with Australian viewers. This will also ensure that Government incentives are in line with the policy principles outlined in the consultation, specifically as it relates to being “platform agnostic” and making sure that current programs are “fit for purpose for the future.”

As an example, the Australian Broadcasting Corporation experienced tremendous growth in online viewing. According to ABC’s annual report, “in 2015-16, there were an average of 2.4 million visitors and 14.7 million visits per month to ABC iView’s website and apps. Compared with 2014-15, this represents a 36% increase in visitors and a 48% increase in visits. Program plays increased by 79% to 42 million per month in 2015-16⁷.”

As traditional business models are evolving, digital distribution is increasingly vital. The consultation also mentioned the idea of reducing the standard 120 day window for feature films. Fox continues to seriously explore this and recently, Lachlan Murdoch, the Executive Chairman of 21CF, stated that he believes the current windowing system “will change sooner rather than later,” echoing comments from 20th Century Fox Film CEO Stacey Snider that, “you’ll see these windows start to change within the next 12 months.”⁸

Making sure that online distribution receives Government support is essential and by failing to do so, Australia risks falling behind countries such as New Zealand, Canada, the UK, and the US, who have already made production incentives available to online platforms. Also, streaming services are heavily investing in production.

⁷ <http://www.abc.net.au/corp/annual-report/2016/c2-online.html>

⁸ <http://deadline.com/2017/09/lachlan-murdoch-pvod-sooner-rather-than-later-1202168852/>

Some high profile series appearing on streaming services

Title	Service	Location	Production Costs
Marco Polo	Netflix	Malaysia	\$9 million / episode
The Get Down	Netflix	New York	\$120 million / 10 episodes
Grand Tour	Amazon Prime	Various	\$4.5 million/episode
House of Cards	Netflix	Maryland	\$100 million / first 26 episodes

4. The current system of support for screen content involves quotas, minimum expenditure requirements, tax incentives and funding (see Attachment B). What are the strengths and weaknesses of the current system? What reforms would you suggest?

A competitive production incentive scheme is simply smart policy and produces a wide range of benefits, not just for production companies but for sowing the seeds of a vibrant creative class and most importantly, sustaining and creating high value jobs and substantial tax revenues for the Australian Tax office.

One of the main concerns of the current policy is its ad-hoc nature. It remains fairly unclear how and when productions will become eligible for a top up to the Location Offset, from 16.5% to effectively 30%. A high quality film or TV production requires a vast amount of planning and preparation. Making the 30% location offset a consistent and defined policy will allow, and strongly encourage, FOX to make Australia its desirable production location. Without a consistent policy, Australia will have a more difficult time competing.

Permanently increasing the Location Offset from 16.5% to 30% will help the policy become clear, simple and transparent and will produce benefits that outweigh the costs.

Fox would also like to outline three main recommendations

Recommendations to make Australian production incentive scheme more competitive

- 1. Increasing the location offset to 30%**
- 2. Decoupling of PDV and location offsets**
- 3. Clarifying that streaming services qualify for the offsets will drive**

5. What types and level of Australian Government support or regulation are appropriate for the different types of content and why?

One of the most significant data points is from a PriceWaterhouseCoopers study titled "Australia's Location and POV Offset Incentives Economic Impact Study". This study was prepared for Ausfilm and its findings showed just how important a competitive incentive scheme is.

The study was designed to analyse the strengths and weakness of Australian economic development policy relating to the film and television production industry. Also, most importantly, it was to develop alternative scenarios to the then existing Location Offset policy and identify 'other non-financial benefits of attracting overseas film production' to Australia.

The main findings showed that the Location Offset is crucial to production planning and investment.

- **The current offset rate of 15% is too low to compete in the current market according to 100 percent of interviewees. (Note: this survey was conducted before the increase to 16.5%)**
- **All of the alternative incentive scenarios modeled result in a positive net impact on national income**
- **Increasing the Location Offset rate is THE factor which has the largest individual impact on the economic outcome**

Fox is involved in a number of TV and film productions every year. As stated throughout, Australia is an incredible place to produce this content but it cannot be overstated how much a clear and consistent production incentive policy is, to determining where to create this content.

Below are recent examples of Fox TV and film properties filmed in international locations:

Fox feature films and production location:

- *A Good Day to Die Hard* – Hungary. Released in February 2013
- *The Book Thief* – Germany. Released in November 2013
- *Secret Life of Walter Mitty* – Iceland. Released in December 2013
- *X-Men Days of Future Past* – Montreal, Canada. Released in May 2014
- *Dawn Planet of the Apes* – British Columbia, Canada. Released in July 2014
- *Night at the Museum 3* – British Columbia, Canada and the UK. Released in December 2014
- *Exodus* – Spain and the UK. Released in December 2014
- *Spy* – Hungary. Released in June 2015
- *Agent 47* – Germany / Singapore / Canada. Released in August 2015
- *Deadpool* – British Columbia, Canada. Released in February 2016
- *X-Men Apocalypse* – Montreal, Canada. Released in May 2016
- *Miss Peregrine's Home for Peculiar Children* – U.K., Belgium. Released September 2016
- *Logan - Georgia*. Released March 2017
- *War for the Planet of the Apes* – British Columbia, Canada. Set for release in July 2017

The aggregate production spend on these 14 Fox films is over US\$1.5 billion for an average of spend of roughly US\$100 million per film.

Fox major television shows and production location:

- *Bastard Executioner* –U.K. / Wales. 10 episodes aired September 2015
- *24 Live Another Day* – The UK. 24 episodes aired in 2014
- *X-Files*– British Columbia, Canada. 6 episodes for airing starting January 2016
- *Minority Report* – British Columbia, Canada. 10 episodes aired in 2015
- *Tyrant* – Hungary - 10 episodes season one (2104) and 12 episodes in season 2 (2015) 10 episodes season 3 (2016)
- *Legends* – Czech Republic / U.K. - 10 episodes season 1 (2014), 10 episodes season 2 (2015)
- *Clan of the Cave Bear* – South Africa. 10 episodes for airing in 2016
- *Homeland Season 4* – South Africa. 12 episodes aired in 2014
- *Homeland Season 5* – Germany. 12 episodes aired in 2015

The total number of episodes filmed in the locations for these 8 Fox shows is 136 at an average production cost of approximately US\$3 million per show. The total spend for these television productions shot in these overseas locations was roughly US \$400 million.

This list of Fox films and high television shows above, is not exhaustive but indicative and meant to give a feel for the extent to which our productions flow to jurisdictions, with incentive programs of 25% -32% qualified expenditures.

International production is essential to maintain a burgeoning and dynamic local production industry. It provides opportunities for training, upskilling and continuity of employment, research and development of new and innovative production techniques and technological advancements which positively impact the digital and knowledge economies and provides opportunities for the development of new and enhanced infrastructure, which has a positive benefits to the local production industry through the creation of quality Australian content and the permeation of our culture both domestically and abroad.

6. What factors constrain or encourage access by Australians and international audiences to Australian content? What evidence supports your answer?

As mentioned throughout the Consultation paper, discoverability is a real challenge for content in the often cluttered, digital landscape. One of the best ways to “break through,” is to not only create quality content that appeals to Australian viewers but content with high production values.

Netflix is extremely popular in Australia. Analysts estimate that anywhere from 2.8 to 5.8 million Australians subscribe to Netflix⁹. Netflix spends billions of dollars on acquiring and producing content that appeals to global audiences. In fact, their CEO, Reed Hastings has stated his goal for global content. He said, "It's also exciting to release content globally. We've always had the ambition to make some of the best content the world had ever seen and make it available simultaneously¹⁰." Investing in high quality content has helped Netflix break through and promote content however they choose.

Netflix, were keen to base production of *Marco Polo* in Australia, chose to base production in Malaysia, where a 30% incentive was offered. They spent \$180 million locally on the production.

⁹ <https://www.crikey.com.au/2017/03/02/netflix-expanding-in-australia-but-how-many-subscribers-does-it-have/>

¹⁰ <https://www.fool.com/investing/2017/02/28/netflix-ceo-reed-hastings-gives-the-global-view.aspx>

Fox is a global leader in producing high quality content, and typically, we find that the best performing film and TV content often have some of the highest production budgets. For Australian content to break through to local and international audiences production values must be of a high quality. Government support can play a significant role in incentivizing these high quality productions.

7. What would the Government need to consider in transitioning to new policy settings?

It is essential for Government to consider how many countries are competing for global productions. **Production incentives are viewed by many governments as a policy where the benefits outweigh the costs** and for Australia to compete, it must be aware of how many countries are aggressively offering production incentives that encourage their own local production and create a vibrant ecosystem of content creators.

It stands to reason that if production incentive schemes were poor policy, fewer countries and jurisdictions would implement them. However as we continue to see, the opposite is true. More countries are establishing production incentives as a way to bolster local creative industries, promote their tourism sector, and also as a smart catalyst for overall economic growth.

Countries/Jurisdictions that have recently introduced production incentives

Country/Jurisdiction	Year Incentive Announced	Tax credit/offset rate
UAE / Abu Dhabi ¹¹	2012	30%
Spain	2015	15%-35%
Morocco	2016	20%
Georgia	2016	25%
Romania	2016	25%
Serbia	2016	20%
Thailand	2016	15%-20%
Qingdao (China)	2016	40%
Ukraine	2016	25%
Finland	2016	25%
Poland	2017	25%

Not only that but countries and jurisdictions that have had productive incentives, continue to see the value and economic benefits have increased the rate.

¹¹ Attracted large productions such as *Fast and Furious 7*, *Star Wars: Force Awakens*, and *War Machine*

Countries/Jurisdictions that have increased their tax credit/location offset rates¹²

Country/Jurisdiction	Tax credit/offset rate		Delta (Δ%)
	2006	2016	
Australia	12.5%	16.5%	Increase 4%
New Zealand	12.5%	20%-25%	Increase 7.5%-12.5%
United Kingdom	16%	25%	Increase 9%
Ireland	20%	32%	Increase 12%
France ¹³	20%	30%	Increase 10%
Italy ¹⁴	25%	25%	Increase availability ¹⁵
Ontario (CA)	18%	21.5% (37% labour)	Increase 3.5% Plus labour
British Columbia (CA)	18%	43% (labour)	Increase labour 25%
Quebec (CA)	20%	20% (37% labour)	Increase labour %
Louisiana (USA)	10%-20%	30%	Increase 10%-20%
Georgia (USA)	9%-12%	30%	Increase 18%-21%

8. Is there anything else that you would like the Government to consider that has not been addressed in your responses already?

Australian Film and TV production is locally facing issues. The sector has become increasingly competitive and is highly prized by many other international jurisdictions (as outlined earlier) given the huge economic and cultural benefits it delivers. The risk is our infrastructure is being undermined with the potential loss of talent and jobs, of companies and losing our global leadership position to other territories and the huge export driver that it has been for Australia. If we lose it, it will be difficult to rebuild and get back. It will move on and anchor in the jurisdictions listed given the certainty they provide with regards to government policy and the competitiveness of their policies.

Jobs that are highly skilled, highly valuable and highly mobile and fueling the services economy reflect the nature of what the future employment landscape is evolving into given the technology and the jobs of the future. It's also a critical constituency for Government; entrepreneurs, small businesses, high skill high value individuals.

Whilst International productions can be considered as project work and perceived as transient, it's the pipeline of production that delivers the continuum of employment and industry activity that gives the sector vibrancy and fuels and nourishes our world leading ecosystem of industry we have in Australia.

The consequences we are seeing of Australia's uncompetitive policies is that industry is overlooking and bypassing Australia and our perception internationally is becoming negative. It's becoming a competitive problem. The productions will still go ahead and the talent and the companies will follow the work offshore.

¹² This chart is simplified to illustrate that countries continue to increase their schemes, and is not intended to comprehensively demonstrate the different characteristics of each program.

¹³ France introduced its program in 2009

¹⁴ Italy introduced its program in 2008

¹⁵ Italy's scheme has been expanded to include foreign productions, a greater QAPE, and TV productions.