

Australian screen producers' reform roadmap: Audiences, growth, employment

Screen Producers Australia has provided its submission to the *Supporting Australian stories on our screens* Options Paper.

This is a crucial moment for Australian screen content.

This reform process is a unique opportunity for the Government to deliver an ambitious and forward-looking vision for screen content in Australia.

SPA is asking the Government to adopt a firm growth target – **to double the production of Australian content, to double employment in the sector and to double the Australian production industry in five years from implementation.**

Achieving this target will lead to cascading benefits in terms of rapid jobs growth, increased economic output, expanded export opportunities and, most importantly, a rich return to Australians in terms of an increase in quality and quantity of culturally relevant content

SPA's reform proposal is the roadmap to achieve this, covering both regulation and incentives set out on the reverse side of this info-sheet.

SPA proposes a model broadly in alignment with model 3b of the options paper – a system underpinned by a platform-agnostic expenditure requirement that is tailored to individual providers' businesses and operating models.

This would deliver an evolution and expansion of the current regulatory and support environment for content, which has fallen behind rapid changes in consumer behaviour, technology and the market.

The incorporation of new streaming platforms into the regulatory mix is the key to unlocking the growth potential of the production industry and ensuring Australians continue to have access to cultural content on the platforms they are using.

Government support must also recognise that the engine room of Australia's screen content ecosystem is the independent production sector, and that a competitive and sustainable independent production sector is the most effective way to ensure the future of Australian screen content.

We have a unique and time-critical opportunity to repurpose our regulatory and support mechanisms to position Australia to exploit the global boom in content creation, for the benefit of employment, investment, economic activity and the delivery of culturally valuable content to Australians.

If we are to continue to have a diverse and vibrant screen culture, that delivers culturally relevant and popular content, and which stimulates widespread economic activity and employment, we must take this opportunity to create a forward looking, fit-for-purpose and resilient model of Government intervention.

SPA REFORM ROADMAP

Regulating for audiences, industry and the economy

| Proposal | Detail |
|---|---|
| A platform-agnostic expenditure requirement that is tailored to individual providers' differing business and operating models | <ul style="list-style-type: none"> • A new revenue-based expenditure obligation across all platforms to commission new Australian content • Overall framework in legislation, with key minimum requirements and protection of vulnerable genres (scripted drama, comedy, children's and documentary). • Each provider's specific obligations to be agreed with the regulator, following industry consultation, to be reported annually and reviewed and updated periodically. • Promotion and discoverability requirements. • Transparency and reporting requirements. • Close New Zealand loophole. |
| Obligations to extend to public broadcasters, with funding quarantined for vulnerable genres | <ul style="list-style-type: none"> • Specific obligations to deliver Australian content across genres, including scripted drama and comedy, documentary and children's content (specifically, C and P content). • Supported by protection of funding for these genres. |
| Measures to enhance retention of IP | <ul style="list-style-type: none"> • Fair and equitable terms in deal-making with commissioning platforms underpins the sustainability of independent screen businesses, and in turn, the creation of Australian content. • There is a market failure in this regard, due to the small number of buyers (broadcasters) and the large number of sellers (production businesses). • There is a role for Government to intervene and require equitable terms. |
| A new paradigm for children's content | <ul style="list-style-type: none"> • Replace C and P requirements on commercial FTA TV with an Australian youth (0-16) requirement. • Children's content requirements on streaming platforms that screen international children's content. • A proportion of the ABC's triennial funding must be tied to children's content, and the ABC should be required to deliver minimum levels of C and P content. • Additional funding for SBS/NITV to create indigenous and multicultural children's content (including P, C and youth), the output of which is agreed with the regulator. • A children's content fund. |

Incentives, support and business development

| Proposal | Detail |
|---|---|
| Refresh and modernise the existing offsets scheme to further stimulate the creation of compelling Australian content. | <ul style="list-style-type: none"> • SPA supports a consistent Producer Offset at 40% for significantly Australian content in scripted drama and comedy, documentary, features/oneoffs and children's content, along with a revised points test. A 30% Producer Offset should be available to light entertainment and the Location and PDV Offsets should be set at 30%. |
| Ensure financing support and care for vulnerable genres, including children's, documentary, scripted drama (feature films, television drama and comedy) | <ul style="list-style-type: none"> • It is critical that existing levels of direct funding support continue and that, as part of its response to this review, the Government commits to a long-term future for investment and grants. |
| Measures to enhance screen exports | <ul style="list-style-type: none"> • Australia's screen export potential is currently under-utilised and there is opportunity in the current reform process to address inhibitors, including, the need for Government leadership and strategy, competitive tax incentives, expansion and modernisation of co-production treaties and a single umbrella branding. |