



SCREEN
PRODUCERS
AUSTRALIA

DOING BUSINESS WITH COMMISSIONING PLATFORMS

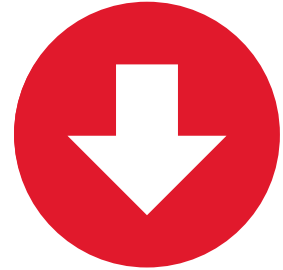
SCREEN PRODUCERS AUSTRALIA
RESEARCH SURVEY
DECEMBER 22 - JANUARY 23

PRODUCER PAIN POINTS

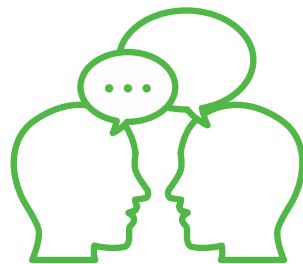
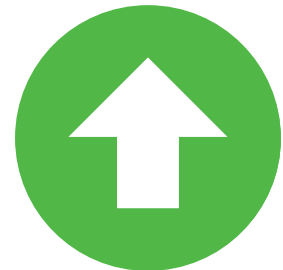
At an industry level, the three major concerns identified in the 2021 survey remained, with administrative complexities and lack of communication seeing improvement, but perceived fairness of deals has seen a stark decline in 2022/23:



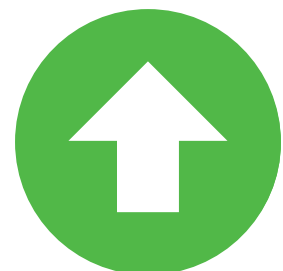
**PERCEIVED FAIRNESS
OF DEALS**



**ADMINISTRATIVE
COMPLEXITIES**



**LACK OF RESPONSIVENESS
AND COMMUNICATION**



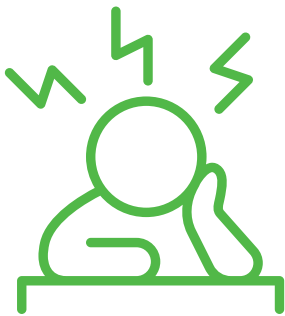
RESULTS SNAPSHOT



Perceived fairness of deals with streaming platforms saw a dramatic fall from 74% to 40%.



Streaming platforms came out worst across the industry for overall perceived fairness of deals.

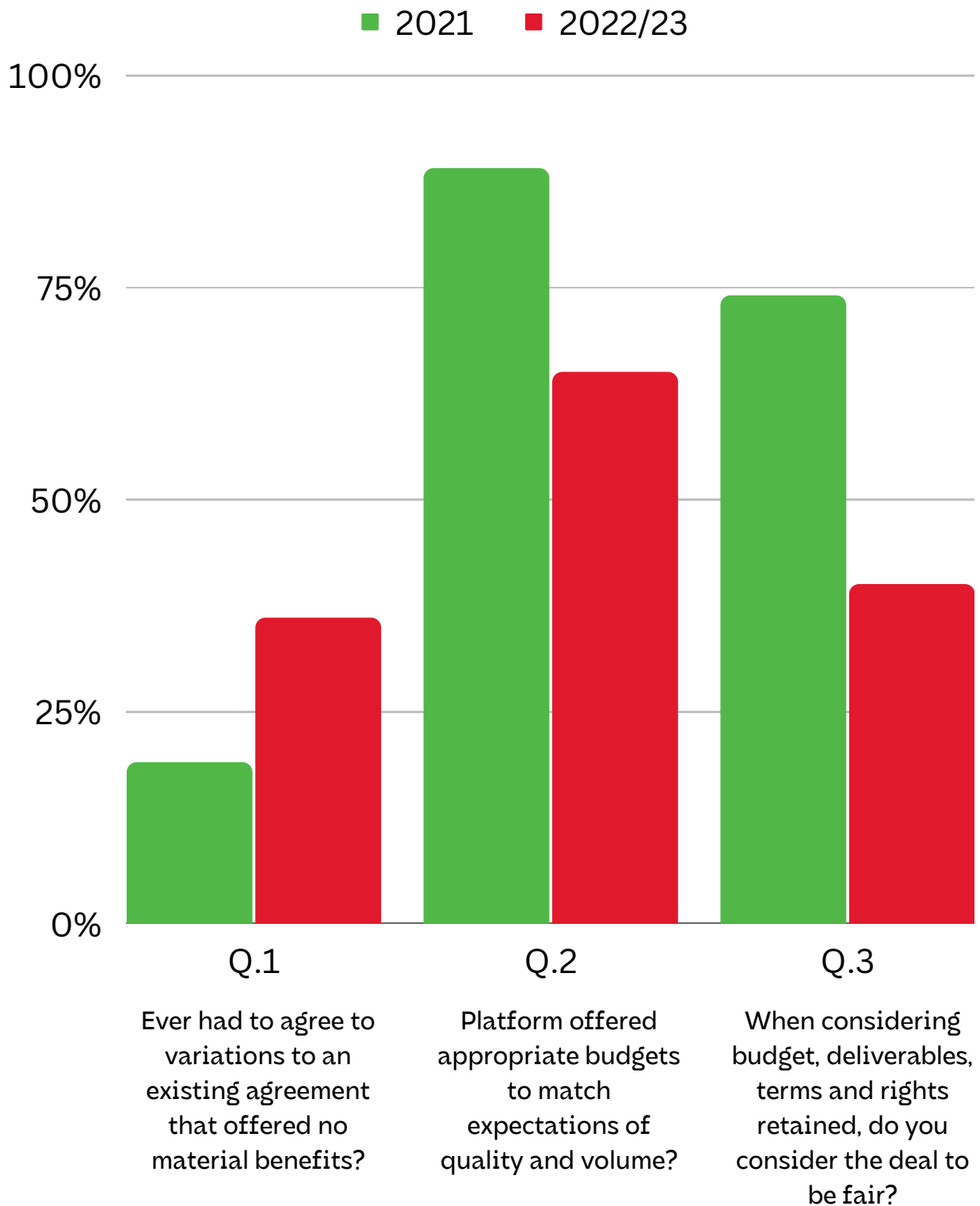


When asked about unfavourable variations to deals with no material benefits 36% of those surveyed said they encountered this with streaming platforms, a near-doubling increase from 19% in 2021.



Streaming platforms continue to disappoint as only 65% agreed that they were offered appropriate budgets to match quality and volume expectations, compared to 89% in 2021.

THREE AREAS STREAMING PLATFORMS HAVE DECLINED BY GREATER THAN 10% YEAR-ON-YEAR



KEY FINDINGS

Streaming platforms are increasingly offering unrealistic budgets and unfair commissioning deals to Australian screen producers and have ranked lowest in overall deal fairness across the entire screen industry, according to Screen Producers Australia's 2022/23 Commissioner Survey findings.

Last year's survey identified fairness of deals, administrative complexities and a lack of communication from commissioners as three main pain points for local producers.

In 2022 at an aggregate industry level, two of these three pain points look to be improving, but the perceived fairness of deals has declined year on year.

Of the 16 commissioning platforms, grouped as public broadcasters, commercial free-to-air networks, subscription TV broadcasters / providers and streaming services, the streamers ranked lowest when it came to perceived fairness of deals.

Survey participants agreeing that deals were fair fell drastically from 74% in 2021 to 40% in 2022 when considering overall budgets, deliverables, terms of trade, and rights retained.

One international streamer was recognised by just 10% of producers who have been commissioned by them over the last three years as offering fair deals.

The Streamers results in 7 of the 9 categories surveyed are below the industry average and they have gone backwards year-on-year in 6 of the categories.

Despite some improvements in the reported practices and behaviours across the industry, there are still a number of results that are cause for concern, including:

- Free-to-air networks remain the platforms that producers feel offer the least appropriate budgets to match their delivery expectations, but streamers have declined sharply on this metric (65% down from 89% last year).
- Nearly a quarter (24%) of producers have reported that they have been encouraged to commence production without an official green light in the last 12 months.
- Over a quarter (26%) reported being pressured into variations (additional deliverables, or additional rights) without any material benefits.
- 36% reported they had to agree to unfavourable variations to an existing deal with a streamer, that offered no material benefits. This is a worrying increase from 19% in 2021 where streamers were industry leaders.

ABOUT THE SURVEY

RESEARCH OBJECTIVE

The objective of this research survey was to understand the challenges Australian production businesses (which are mainly small and medium enterprises) face in striking deals with and working with commissioning platforms (which are generally much larger, sometimes global entities) year-on-year.

RESEARCH METHODOLOGY

Australian production businesses were invited to take part in a survey from December 2022 to January 2023.

The survey asked a range of questions which were dynamically generated depending on the level of experience the producer has had with each platform.

PERCEPTION based questions were asked of all respondents, regardless of whether they had specific experiences with that platform, to measure the industry's overall impression of each platform.

If the respondent indicated they had engaged in any formal commissioning processes (e.g. submitted materials for assessment, formal meetings, pitching, etc) in the past three years, they were asked a range of EXPERIENCE based questions relating to those processes.

If the respondent indicated they had proceeded to a formal commission with a platform in the past three years, they were then asked a further series of EXPERIENCE based questions related to contracting with, and delivering the project to that platform.

Where there were insufficient responses for a particular platform, it was excluded from the analysis to ensure a balanced and representative data source.

The 2022/23 survey collected responses from 110 producers that have worked with streaming services between 2020 and 2022.

COMMISSIONING PLATFORMS

The following platforms were captured in the survey data:

- Public Broadcasters: Australian Broadcasting Corporation (ABC) and Special Broadcasting Service (SBS), including National Indigenous Television (NITV).
- Commercial Free-to-Air Networks: Seven, Nine and Ten.
- Subscription TV & Providers: BBC, Discovery, Foxtel and Viacom CBS. "Providers" refers to commissioning brands that provide channels and content for a Subscription TV service.
- Streaming Platforms: Amazon Prime Video, *Apple TV, *BINGE, Disney+, Netflix, paramount+, Stan. (* indicates streaming platform new to 2022/23 survey).

SURVEY QUESTIONS

- Have you engaged in a commissioning process with the [commissioner] in the past 3 years (e.g. submitted materials for assessment, formal meetings, pitching, etc)?
- Please rank the [commissioner] from very poor - very good on the following:
 - Frankness, honesty and constructiveness of feedback
 - Responsiveness of communication
 - Ease of administrative process.
- Have you been commissioned by [commissioner] between 2020 - 2022?
- Do you feel [commissioner] offered appropriate budgets to match their expectations of quality and volume?
 - Yes
 - No
 - Other
- Have you been encouraged to commence production without an official greenlight in the last 12 months?
 - Yes
 - No
 - Comment
- Are drawdowns and deliverables structured in a fair way to avoid liquidity issues for the production?
 - Yes
 - No
 - Comment

SURVEY QUESTIONS CONT.

- Have you ever had to agree to variations to an existing agreement that offered no material benefits to yourself?
 - Yes
 - No
 - Comment

- Do you feel good work or goodwill on your part will lead to better terms in future deals?
 - Yes
 - No
 - Comment

- Overall when considering budget, deliverables, terms and rights retained, do you consider the deal to be fair?
 - Yes
 - No