

29 September 2008

Ms Lyn Maddock
Acting CEO
Screen Australia
Level 4, 150 William Street,
Woolloomooloo NSW 2011

By Email

Dear Lyn

DRAFT STATEMENT OF INTENT 2008/09

ASTRA writes to you with regard to the Draft Statement of Intent ('**SOI**') published by Screen Australia. ASTRA appreciates the opportunity to provide its comments.

ASTRA represents the interests of subscription television platforms and channel providers. A list of ASTRA's members can be found at www.astra.org.au/members.asp.

Background

ASTRA's members have a crucial role to play in the development of both film and television production. Subscription television:

- promotes and makes available to Australian audiences a diverse range of broadcasting services through a variety of genres;
- facilitates the development of the Australian broadcasting and production industry through its own investment and productions (both 'commissioned' and 'in-house'); and
- continues to develop and reflect the Australian identity, character and the broad diversity of Australian culture like no other medium through its targeted niche programming.

Subscription television exceeds in delivering key objectives of the Broadcasting Services Act 1992 (**BSA**) with regard to developing and reflecting a sense of Australian identity, character and cultural diversity and providing a diverse range of high quality and innovative services while remaining efficient, competitive and responsive to subscribers' needs who decide via their monthly subscriptions what they want and what they are willing to pay for.



ASTRA's members are responsible for a broad range of television production covering genres such as sports and news coverage, magazine style shows, reality programming, documentaries, films and dramas.

In particular subscription television has been responsible for:

- generating high end award winning television productions including dramas (*Love My Way, Stupid Stupid Man, Dangerous, Yakkity Yak, Chandon Pictures, Satisfaction*); telemovies (*The King*); and documentaries (*He's Coming South [The Attack on Sydney Harbour]; The Battle of Long Tan*).
- supporting investments in television series premiering on other mediums (*Changi, Crash Palace, Head Start, McLeod's Daughters, Secret Life of Us*); and
- making significant investments in Australian Films and exported dramatic works (*Two Hands, Looking for Alibrandi, The Castle, The Proposition, Japanese Story, Oscar & Lucinda, The Sound of One Hand Clapping, The Wiggles, Innocence, Babe 2: Pig in the City, Rabbit-Proof Fence, The Dish, The Man Who Sued God*).

It is widely acknowledged within the production industry and in the media that subscription television takes risks in developing new genres and Australian stories that are regularly overlooked in other more risk adverse environments. The edgy and highly applauded dramas *Love My Way* and *Satisfaction* would not have been produced save for the willingness of subscription television to invest.

As well as funding the original production of many films and television programs, subscription television also contributes to an Australian production's financial viability via license fees paid by channels screen the product to their audiences. Subscription television channels under the Showtime and Movie Network banners therefore offer Australians the opportunity to see Australian films that they may not have viewed in cinemas. In many cases the audience viewing the film on subscription television will far exceed the audience the film realizes through theatrical release. For Government investments made either directly or through offsets, the delivery of an audience to view that investment is significant.

Investments

ASTRA notes its members' substantial commitment to Australian content as evidenced in their investment in and production and transmission of a significant amount of Australian drama and non-drama content above and beyond any legislated requirement.

ASTRA's members invest hundreds of millions of dollars annually in the film and television production sector, creating all forms of Australian content.

The Independent Production Industry

The investment is extremely effective for the growth of employment opportunities and the earnings of the independent production industry. The independent production community has and will continue to have a crucial role to fulfill in supplying product to the subscription television industry – evidenced by historical and current levels of involvement and production.

From the most recent calculations, over 90% of television and film drama production expenditure that the subscription television industry makes is provided to independently produced productions. ASTRA acknowledges the very healthy relationship between ASTRA's members and the independent production sector.

General Comments

In general terms, ASTRA is supportive of the published SOI. Work done by Screen Australia to achieve a more self-sufficient, commercially motivated industry is very important. Screen Australia's role should be focused on key development programs with the goal of growing proven production businesses so they are better resourced and more independent from direct Government funding. Emphasis must be made on the commercialisation and marketing of content and developing projects that are tuned to clearly defined target audience demand.

ASTRA particularly supports efforts from Screen Australia to nurture all screen projects, particularly new media and content that appeals to cross media platforms. Subscription television's business is ultimately about delivering screen content on multiple platforms (television, internet, mobile phone, aircraft etc) and it is crucial that preferences and advantages provided to content delivered to (usually low audiences via) cinema screens cease and that other platforms for content delivery are treated with similar respect and emphasis.

It is in this area that traditional programs and priorities of former agencies should be carefully re-thought to allow Screen Australia to be modern, forward thinking and in step with current patterns of content consumption.

Producer Offset

ASTRA has been a consistent supporter of the Producer Offset. Offering producers greater control of television and film production via this approach provides opportunities to strengthen the quality of film and television production. In ASTRA's view this will encourage increased levels of Australian screen content. In response to the offset, production levels are already notably increased year on year. However, we have a number of concerns about the offset in its current form outlined below:

Television vs Film / The Offset Amount

It has remained unpalatable to ASTRA that a legislated large difference in the percentage offset offered to television productions exists when compared to theatrical film productions. In ASTRA's view a guiding principle should be that of a consistent offset to Australian content regardless of the format or distribution mechanism for delivering that content. The cultural objectives of having Australian stories produced and viewed are more readily realised via television content than through feature film so if anything a percentage offset should favour television. Past funding priority models from Government agencies suggest an historical imbalance with a bias against television content and it is concerning therefore that this is being perpetuated in the proposed Producer Offset scheme. It is important that programs by Screen Australia counter this traditional biased approach.

The 'Australian' Test

ASTRA notes that one of the key challenges for Screen Australia will be that of the 'Australian' content test in an environment where Government agencies have different eligibility tests to determine what is considered an 'Australian' program or production.

The Australian Content Standard is used by the Australian Communications and Media Authority ('ACMA') with regard to determining if content that is broadcast on television services is defined as 'Australian'. This therefore creates two different tests for television producers which can become impractical. It is already increasing the potential for problems created by productions needing to meet both (separate) tests and situations where eligibility may be met via one test but not the other.

ASTRA's view is that Screen Australia should actively work towards an outcome where the eligibility test for what is considered 'Australian' takes into account ACMA's Australian Content Standard, given that most Australian content that is made is also broadcast on Australian television services. Working with ACMA in this manner would be consistent with Screen Australia's stated principal, outlined in the SOI, of 'working co-operatively with other agencies'.

We look forward to discussing our thoughts with you and your staff and providing further information where possible.

Yours sincerely



Debra Richards
CEO

cc Minister for the Environment, Heritage and the Arts.