

10 October 2014

Screen Producers Australia's response to Screen Australia's round two draft documentary guidelines

Screen Producers Australia was formed by the screen industry to represent small-to-medium enterprises across a diverse production slate of feature film, television and interactive content.

As an employers association, we consult with a membership of more than 350 production businesses in the preparation of our submissions. This consultation is augmented by ongoing discussions with our elected Council and appointed Policy Working Group representatives. Our members employ hundreds of producers, thousands of related practitioners and drive more than \$1.7 billion worth of annual production activity from the independent sector.

On behalf of these businesses we are focused on delivering a healthy commercial environment through ongoing engagement with elements of the labour force, including directors, writers, actors and crew, as well as with broadcasters, distributors and government in all its various forms. This coordinated dialogue ensures that our industry is successful, employment levels are strong and the community's expectation of access to high quality Australian content can be met.

Further to our submissions dated 4 April and 17 July 2014¹, Screen Producers Australia is pleased that our recommendation to extent the consultation process was accepted by Screen Australia. We are also pleased, that as a result, the round two guidelines² address a number of critical concerns. However, whilst the guidelines now strike a better balance, there remain several substantive issues that require further consideration across the following areas:

- 1. Using the Producer Program to stimulate an emerging market**
- 2. Adjusting levels of quarantined funds for international projects**
- 3. Providing flexibility in application materials**
- 4. Balancing the feature film production slate**

Contact details

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¹ See: <http://screenproducersaustralia.org.au/advocacy/submission/>

² See: http://www.screenaustralia.gov.au/about_us/new_directions/Documentary-funding/documentary_funding.aspx

1. Using the Producer Program to stimulate an emerging market

In our April submission we stated that Screen Producers Australia did not support an increase in the amount of funding that Screen Australia provides to projects without marketplace attachment. This is prudent in the face of a falling budget allocation. We did, however, acknowledge that a broadening of the marketplace requirement to emerging platforms at lower licence fee levels would be likely to encourage new commissioning platforms to invest in original content.

When compared to the existing Signature Fund and Multiplatform Fund, the notional allocation of \$5-6 million to the Producer Program marks a very generous increase for projects that do not require market commitment. Alternative pathways to financing and distribution are welcomed and it is clear through the language that Screen Australia is using in the new guidelines that it is anticipated that this program will still be closely aligned with market interests.

To ensure that the Producer Program delivers on the intention to reflect an 'evolving media and distribution landscape and the commercial realities of increasingly fragmented sources of finance', the stage one assessment criteria should be tweaked to also consider the applicants likely sources and levels of market finance before shortlisting. Furthermore, despite being a 'first in' fund, the Producer Program should not disadvantage applicants in such cases where they have some market attachments in place, particularly in relation to international finance.

2. Adjusting levels of quarantined funds for international projects

In our April submission we also stated that the existing International Documentary Program is widely considered to be a success. There is a high probability that domestic broadcasters will lose interest in international productions if the amount of quarantined funds is reduced. This could have a devastating effect on not only those producers who are looking to the international market as a sustainability strategy, but also the export potential of these projects to grow the pie and deliver diversity.

Screen Producers Australia acknowledges that a new approach to incentivising international production has been proposed across the Producer Program and Broadcaster Program. This holistic consideration is welcomed. However, a lower licence fee alone is not likely to encourage domestic broadcasters to invest in more complex international projects. The alternative of redirecting their full notional split into domestic projects may be more attractive.

To safeguard against this, the licence fee in the Broadcasting Program could be reduced further and the proportion of quarantined funds in the Producer Program should be tweaked, increased to around \$2-3 million for international projects. As these funds require marketplace by definition, and are fully contestable, the increase would provide ample opportunity for the fund to leverage domestic and international partnership opportunities between projects targeting emerging distribution platforms and broadcasters. To guarantee a level of market appetite Screen Australia could favour projects that have an arms length presale included as a component of international finance.

3. Providing flexibility in application materials

In many cases it is not clear what value a mandatory video pitch adds to the assessment process of an application. On the contrary, it may not be the best use of time, money and resources when increasingly creative teams are geographically spread. The assessment criteria should be tweaked to make the use of a video pitch discretionary, thus benefiting those producers who believe that their project will benefit from its use without penalising those who don't think it is right in their instance.

4. Balancing the feature film production slate

And lastly, in our April submission we also stated that Screen Producers Australia does not support the collapsing of different funding doors for theatrical and broadcast documentaries. This has both financial and creative impacts. Theatrical release is distinct market with particular audience tastes, the assessment and funding of these projects is best balance by maintaining comprehensive oversight of the features slate and investment through the Feature Film Production Investment Program.