



Drama Report

Production of feature films
and TV drama in Australia
2014/15

Highlights

\$837 million total production expenditure

On par with last year's record level

35 Australian features \$121 million

A strong core slate but no high-budget studio-financed titles this year

47 Australian TV dramas \$299 million

Scaled back from recent record highs

16 foreign projects \$418 million

Highest expenditure on record

Producer Offset total value \$77 million

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Screen Australia is grateful to all those who contributed data to the compilation of this report. The data provided has been drawn from a number of sources. While Screen Australia has undertaken all reasonable measures to ensure its accuracy, we cannot accept responsibility for inaccuracies and omissions.

Cover image: *Peter Allen: Not the Boy Next Door*.

Back cover image: *The Principal*.



Australian Government





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ABOUT THE REPORT

The Drama Report covers the production of feature films and TV drama programs (mini-series, telemovies and series/serials) by financial year.

It reports on the operation of the Producer Offset tax rebate for domestic Australian projects and official co-productions, incorporating data gathered through surveys and publicly available sources to give a comprehensive view of drama production activity in Australia and the Offset's contribution to the annual slate. Data is presented for the past five years, 2010/11 to 2014/15. Foreign titles are included if they are shot (or substantially shot) in Australia, or have post, digital or visual effects (PDV) work carried out in Australia without shooting here.

See page 4 for definitions of 'Australian', 'domestic', 'co-production' and 'foreign'.

Feature films and TV dramas represent about 30 per cent of all audiovisual production in Australia. Other areas of activity include documentaries, light entertainment, commercials, music videos, corporate videos and TV productions such as sport, news and current affairs. See the statistics section of the Screen Australia website for details: www.screenaustralia.gov.au/research/prod_industry.aspx, and the relevant archives for pre-2010/11 data.



The Daughter

KEY TERMS

Analysis of **'total budgets'** includes all projects that started shooting during the financial year, with the full budget allocated to the date principal photography started; budgets are not apportioned across the duration of the project. Total budgets are not reported for foreign PDV-only productions as the Australian work may represent only a small proportion of the overall budget.

As a subset of 'total budgets', the **'amount spent in Australia'** is also analysed; this is particularly relevant for co-productions and foreign productions. Again, all expenditure is allocated to the date principal photography or PDV work in Australia began rather than to the actual date of spending. Note: this is not the same as 'qualifying Australian production expenditure' (QAPE) for the purpose of the Producer Offset. Some expenditure in Australia is not QAPE, and QAPE can include some expenditure on Australian elements outside of Australia. QAPE is not reported here.

'Offset projects' are projects which have accessed the Producer Offset or, if not completed, will access it once completed. (They have generally been issued with a Provisional Certificate.)

An Offset project may be either an eligible domestic production or an official co-production. See definition below.

'Non-Offset projects' are domestic productions which for reasons such as format, level of production expenditure or use of previous tax incentives are not eligible for the Producer Offset. This also includes those projects accessing the PDV Offset.

'Domestic productions' include:

- Offset projects other than co-productions
- non-Offset projects under Australian creative control (ie where the key elements are predominantly Australian and the project was originated and developed by Australians). This includes projects under Australian creative control that are 100 per cent foreign financed.

'Co-productions' are official co-productions (ie projects made pursuant to an agreement between the Australian Government and the government of another country).

Because official co-productions don't have to pass the **'significant Australian content'** test for

eligibility for the Producer Offset, and may be classified as 'Australian' for the purposes of Australian content regulations applying to broadcasters, the report mainly focusses on domestic and co-production projects as a combined 'Australian' slate.

'Foreign productions' are defined as those under foreign creative control, originated and developed by non-Australians. This includes foreign projects with an Australian production company operating in a service capacity.

'In-house productions' are projects by Australian TV networks, where no independent production company is credited as producer or co-producer.

'PDV' (post, digital and visual effects) refers to those activities that create audio and visual elements for film or TV drama other than by principal photography, pick ups or physical elements such as sets and props, and includes animation. It also refers to the manipulation of those elements and includes sound and visual editing, digital effects, creation of computer-generated images (CGI), film laboratory work and duplication services. As such, it includes a variety of activities that not only take place

after the shoot but also during the earlier stages of a project's overall production.

'Location Offset' is a 16.5 per cent rebate which supports the production of large-budget film and television projects shot in Australia.

'PDV Offset' is a 30 per cent rebate which supports work on post, digital and visual effects production (PDV) in Australia, regardless of where a project is shot.

'Producer Offset' is a 40 per cent rebate on the qualifying spend of qualifying Australian films and a 20 per cent rebate for other qualifying media

Please note: This report has been compiled by Screen Australia's Producer Offset & Co-production Unit, incorporating data gathered from administration of the Offset as well as data gathered by Screen Australia's Strategy & Research Unit through contact with production companies or from publicly available sources. PDV data is gathered through surveying PDV companies.

See also **Methodology** on page 27.



Overview

The annual slate of feature films and TV drama productions consists of Australian titles (including official co-productions) and foreign titles that start production or post, digital and visual effects (PDV) during a given year.

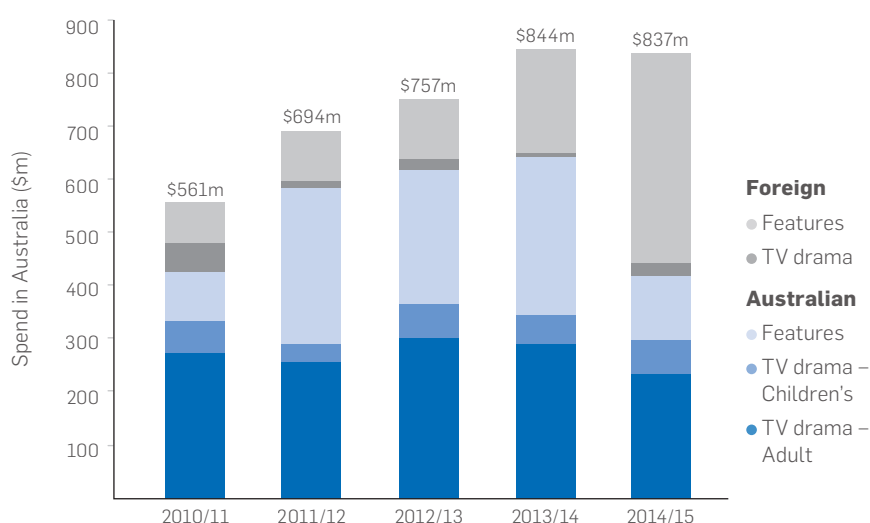
DRAMA EXPENDITURE IN AUSTRALIA

- **Total expenditure** in Australia by the 2014/15 drama slate was \$837 million, down by just one per cent on last year.
- **Foreign activity** accounted for expenditure in Australia of \$418 million in 2014/15, a record high, predominantly due to location shooting for the latest *Pirates of the Caribbean* movie and PDV activity on two movies in the *LEGO®* franchise. Five foreign features and one foreign TV drama started shooting in Australia during the year, and ten foreign projects (including one TV drama) undertook PDV in Australia without shooting here.
- **Australian TV drama expenditure** decreased by 13 per cent on last year with drama for adults dropping back from recent record levels. Expenditure by the children's TV drama titles – both domestic and co-production – increased.
- **Australian feature production expenditure** totalled \$121 million on 35 films, down from last year's \$297 million on 35 films. No high-budget US studio-financed domestic films started shooting this year, but the core Australian slate remained steady.

EXPENDITURE BY LOCATION

- Of the total 2014/15 drama expenditure, 38 per cent occurred in NSW and 28 per cent each in Queensland and Victoria.

Foreign and Australian feature and TV drama expenditure





All drama production

Total expenditure in Australia by the 2014/15 drama slate was \$837 million, comprising \$420 million by Australian projects and \$418 million by foreign productions.

Five-year summary, 2010/11–2014/15

	Australian ¹															
Year	Offset ¹		Non-offset ¹		Domestic ¹		Co-production ¹		Total Australian		Foreign ²		Total			
	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m		
Annual feature slate																
2010/11	17	92	5	1	18	56	4	37	22	93	15	76	37	169		
2011/12	31	302	3	1	30	272	4	32	34	303	20	90	54	393		
2012/13	n.p.	n.p.	n.p.	n.p.	33	252	0	0	33	252	14	110	47	362		
2013/14	n.p.	n.p.	n.p.	n.p.	32	288	3	9	35	297	24	203	59	500		
2014/15	n.p.	n.p.	n.p.	n.p.	33	120	2	1	35	121	14	397	49	518		
5-yr av	29	213	3	1	29	197	3	16	32	213	17	175	49	389		
Annual TV drama slate (see page 10 for details of programs for adults vs children)																
2010/11	34	267	7	70	40	334	1	3	41	337	3	54	44	392		
2011/12	39	226	6	67	43	n.p.	2	n.p.	45	293	5	8	50	301		
2012/13	45	298	12	76	51	360	6	14	57	374	2	21	59	395		
2013/14	37	244	14	99	48	327	3	16	51	343	2	1	53	345		
2014/15	32	210	15	89	43	279	4	20	47	299	2	21	49	320		
5-yr av	37	249	11	80	45	317	3	12	48	329	3	21	51	350		
Total annual feature and TV drama slate ³																
2010/11	51	359	12	71	58	390	5	40	63	430	18	131	81	561		
2011/12	70	528	9	68	73	n.p.	6	n.p.	79	597	25	98	104	694		
2012/13	n.p.	n.p.	n.p.	n.p.	84	612	6	14	90	626	16	131	106	757		
2013/14	n.p.	n.p.	n.p.	n.p.	80	615	6	25	86	640	26	204	112	844		
2014/15	n.p.	n.p.	n.p.	n.p.	76	399	6	21	82	420	16	418	98	837		
5-yr av	66	462	14	81	74	514	6	28	80	543	20	196	100	739		

Notes: Figures may not total exactly due to rounding.

n.b. Not for publication due to confidentiality reasons.

1. See page 4 for definitions.

2. Includes both productions that started principal photography during the year and foreign productions undertaking only PDV work in Australia.

3. The annual slate is defined as productions that started principal photography during the year.



Feature film production in Australia

Feature film production in Australia falls into three broad categories: Australian 'core' slate films; high-budget, predominantly foreign-financed Australian films; and foreign films shot or post-produced in Australia.

All films classified as **Australian** are originated and developed by Australians, and the key elements are predominantly Australian. This includes Treaty co-productions or other projects involving shared creative control. It also includes projects under Australian creative control that are 100 per cent foreign financed.

The 'core' slate of Australian films – which may draw upon foreign sources as part of their financing but are principally greenlit through domestic infrastructure – are characteristically distinct from Australian films that are largely financed from overseas, generally high-budget films with US studio backing.

Foreign films are originated, developed and produced under the creative control of non-Australians. This includes films that are shot in Australia as well as films coming here to undertake post, digital and visual effects (PDV). It may also include projects with an Australian company acting in a service capacity.

TRENDS OVER TIME

Annual fluctuations in feature film production are mainly due to the impact of a small number of high-budget foreign films, and/or Australian films that are fully or majority financed from overseas. Over the last ten years these have included foreign films such as *The Chronicles of Narnia: The Voyage of the Dawn Treader* (2009/10) and this year's *Pirates of the Caribbean: Dead Men Tell No Tales*, and Australian films such as *Legend of the Guardians: The Owls of Ga'Hoole* (2008/09), *The Great Gatsby* (2011/12) and *Gods of Egypt* (2013/14).

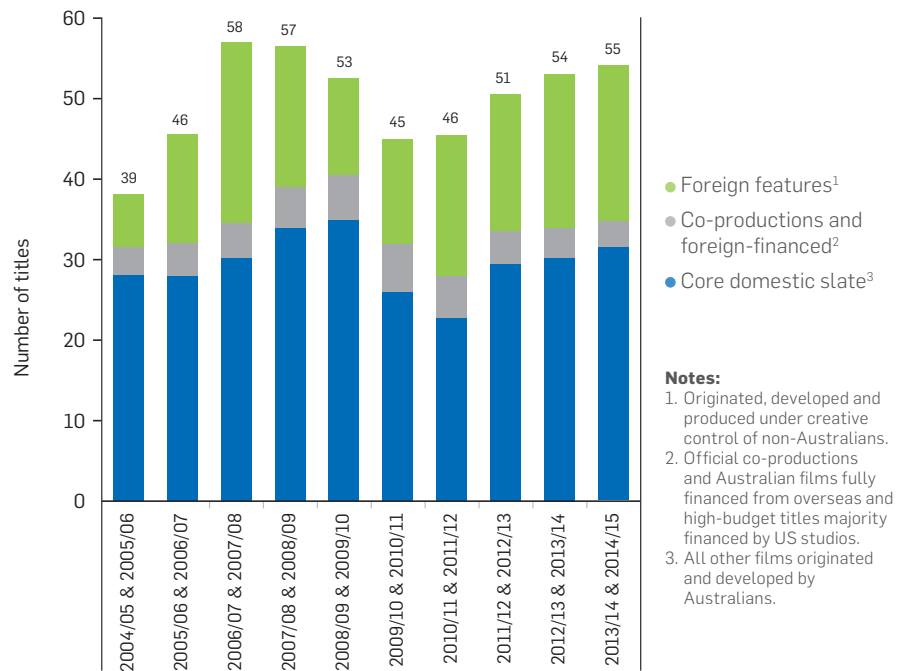
Across the last ten years, annual expenditure on 'core' slate films has averaged \$103 million. They accounted for \$121 million per year over the last two years. (To clarify the trends, whilst maintaining confidentiality around the expenditure of single projects, two-year rolling averages are used.)

Expenditure on non-'core' slate Australian films has averaged \$119 million over the decade, compared to \$88 million most recently. And foreign films show a ten-year average of \$126 million expenditure in Australia, compared to the recent high of \$300 million.

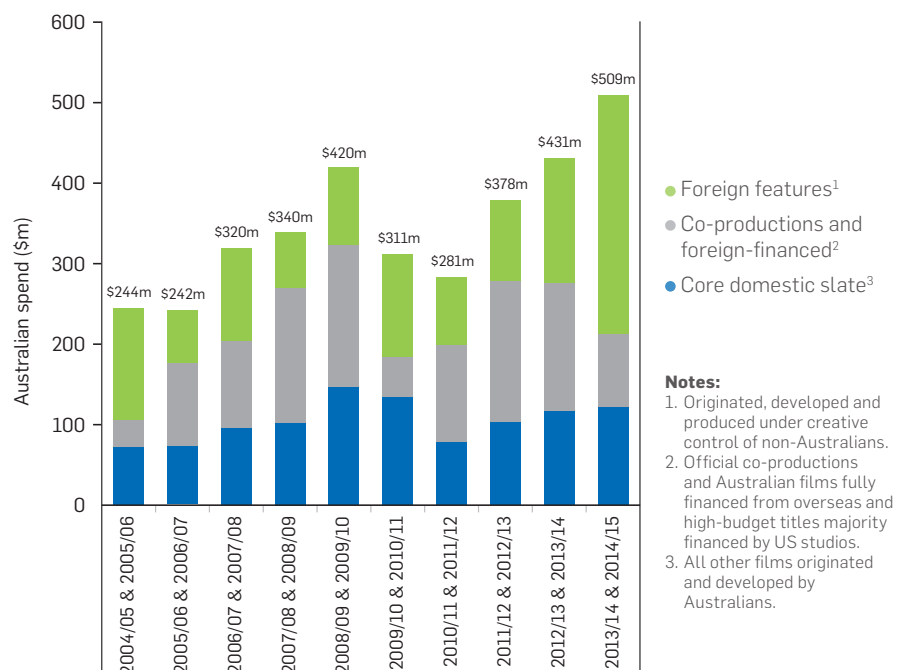
For more information on the 'core' slate see: www.screenaustralia.gov.au/research/statistics/dramafeaturestrends.aspx

Trends over time – 2-year rolling averages

Number of titles



Australian spend (\$m)



Foreign PDV-only included since 2006/07.



Australian feature slate

The 2014/15 Australian feature slate comprised 35 titles, accounting for expenditure in Australia of \$121 million¹. The number of films remained consistent with the previous three years, but with no high-budget studio-financed films starting production, total expenditure was significantly lower. Previous year's results were boosted by films such as *Gods of Egypt* (2013/14), *Mad Max: Fury Road* (2012/13) and *The Great Gatsby* (2011/12).

This year's slate included two co-productions, *Early Winter* (with Canada) and *The Space Between* – Australia's first co-production feature with Italy since the treaty was enforced in 1996.

Local feature film activity scaled back to the 'core slate' with no high-budget, studio financed films starting production in 2014/15

All Australian features

	Domestic features ¹			Co-production features ¹			Total		
	No. titles	Total budgets \$m	Spend \$m	No. titles	Total budgets \$m	Spend \$m	No. titles	Total budgets \$m	Spend \$m
2010/11	18	59	56	4	67	37	22	125	93
2011/12	30	328	272	4	44	32	34	372	303
2012/13	33	302	252	0	0	0	33	302	252
2013/14	32	323	288	3	35	9	35	359	297
2014/15	33	126	120	2	4	1	35	129	121
5-yr av	29	228	197	3	30	16	32	257	213

FEATURE BUDGET RANGES

More than half of this year's domestic features had budgets in the \$1–3 million range (18 titles, 55 per cent of the total slate), compared to the 5-year average of around a third of the slate (10 titles, 34 per cent) in this range. Overall, 86 per cent of this year's

feature films were made for less than \$6 million, compared to the five year average of 75 per cent.

Co-productions tend to be in the higher budget ranges. However, the budgets for this year's co-productions were also in the \$1–3 million range.

All Australian features (domestic and co-production)

	Domestic					Co-production					Total				
	10/11	11/12	12/13	13/14	14/15	10/11	11/12	12/13	13/14	14/15	10/11	11/12	12/13	13/14	14/15
< \$1m	5	7	10	5	4	0	0	0	0	0	5	7	10	5	4
\$1–3m	7	9	8	8	18	0	0	0	0	2	7	9	8	8	20
\$3–6m	2	7	7	10	6	1	1	0	1	0	3	8	7	11	6
\$6–10m	3	2	3	6	1	1	1	0	0	0	4	3	3	6	1
\$10m+	1	5	4	3	4	2	2	0	2	2	3	7	4	5	4
TOTAL	18	30	32	32	33	4	4	0	3	2	22	34	32	35	35
% < \$1m	28%	23%	31%	16%	12%	0%	0%	0%	0%	0%	23%	21%	31%	14%	11%
% < \$3m	67%	53%	56%	41%	67%	0%	0%	0%	0%	100%	55%	47%	56%	37%	69%
% < \$6m	78%	77%	78%	72%	85%	25%	25%	0%	33%	100%	68%	71%	78%	69%	86%
% \$6m+	22%	23%	22%	28%	15%	75%	75%	0%	67%	0%	32%	29%	22%	31%	14%
% \$10m+	6%	17%	13%	9%	12%	50%	50%	0%	67%	0%	14%	21%	13%	14%	11%

Notes:

1. Features with budgets of less than \$500,000 are included in the report only if they have had a cinema release or major festival screening. Figures may therefore be revised upwards in future if releases are achieved for additional low-budget films that went into production in 2014/15. See page 27, Methodology.

SOURCES OF FINANCE FOR AUSTRALIAN FEATURES

The Producer Offset, cashflowed by producers in various ways, contributed the highest proportion of finance to this year's feature slate, providing \$39 million or 30 per cent of total finance. Most of this year's Offset cashflow came from a specific industry fund, followed by private sources and bank loans. (see 'Snapshot 2014/15' below).

Direct government sources accounted for 20 per cent of total finance for the slate, providing \$25 million to 26 features, down from last year's \$30 million for 25 films. The majority came from Screen Australia, investing \$18 million in 20 of the features that started production during the year, compared to last year's \$22 million for 17 features. With this year's films generally falling into the lower budget ranges, just over half of Screen Australia's contribution related to films with budgets in the \$1-3 million range (compared to the average proportion of 29 per cent in the previous 4 years). The state agencies contributed \$6 million to 21 features, compared to \$7 million for 23 features last year. Financial contributions from each of the state agencies fluctuate year-to-year, in line with production schedules in each state. This year, around 70 per cent of total state agency finance came from Film Victoria, Screen NSW and ScreenWest. The Melbourne International Film Festival and the Adelaide Film Festival contributed to three titles each.

Foreign investors provided \$25 million to 12 titles, accounting for 19 per cent of total finance. This was significantly lower than the previous three years due to the absence of any high-budget foreign financed films in this year's slate.

The Australian film/TV industry (mainly distribution and production companies) contributed \$25 million to 33 Australian features.

Australian private investment remained similar to last year, adding \$15 million to the total finance.

Contributions to the annual Australian feature slate (domestic and co-production), 2010/11–2014/15

	Contribution \$m	% of total finance	No. films invested in
Direct government sources¹			
2010/11	18.3	15%	11
2011/12	37.2	10%	25
2012/13	35.2	12%	24
2013/14	29.7	8%	25
2014/15	25.3	20%	26
5-yr av	29.2	11%	22

Australian private investors

2010/11	19.6	16%	16
2011/12	10.5	3%	17
2012/13	7.1	2%	21
2013/14	15.5	4%	20
2014/15	14.8	11%	25
5-yr av	13.5	5%	20

Producer Offset

2010/11	32.8	26%	17
2011/12	106.0	28%	31
2012/13	89.0	29%	n.p.
2013/14	93.5	26%	n.p.
2014/15	39.4	30%	n.p.
5-yr av	72.1	28%	29

Australian film/TV industry²

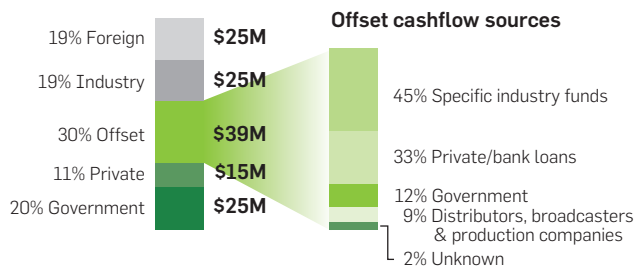
2010/11	9.7	8%	11
2011/12	26.9	7%	28
2012/13	79.5	26%	26
2013/14	35.9	10%	31
2014/15	25.0	19%	33
5-yr av	35.4	14%	26

Foreign investors

2010/11	44.9	36%	9
2011/12	191.4	51%	16
2012/13	91.5	30%	17
2013/14	184.0	51%	17
2014/15	24.8	19%	12
5-yr av	107.3	42%	14

Snapshot 2014/15

Finance sources



Notes: Figures may not total exactly due to rounding.

n.p. Not for publication due to confidentiality reasons.

- Includes direct funding from Australian state and federal agencies and funding bodies (see page 27). Equity investments only – distribution guarantees, loans and underwriting are not included.
- Finance provided by Australian-based producers and production companies, distribution companies, free-to-air broadcasters (commercial and public) and subscription TV channels. The Producer Offset, cashflowed in various ways, is listed separately.



Australian TV drama slate

Overall, the 2014/15 Australian TV drama slate comprised 517 hours of programs (47 titles), accounting for expenditure in Australia of \$299 million. The results were down on last year as the adult TV drama slate fell back from recent record expenditure levels. Expenditure on children's TV drama increased, although hours decreased.

Co-production activity increased on last year and the 5-year averages. This was the fourth consecutive year with at least one adult TV drama co-production title in the slate, *Cleverman* (Australia/New Zealand), in addition to three children's co-productions, all with Canada.

There were 32 Offset titles, accounting for 70 per cent of expenditure and 38 per cent of hours. Not all TV drama projects are eligible to apply for the Offset. Only the first 65 hours of a title (across all seasons) are eligible, and the QAPE per hour must reach minimum thresholds in order to qualify.

After four years of increased investment, expenditure on adult TV drama scaled back from recent record highs.

All Australian TV drama programs

	Offset TV drama ¹				Non-offset TV drama ¹				Total			
	No. titles	Hours ²	Total budgets \$m	Spend \$m	No. titles	Hours ²	Total budgets \$m	Spend \$m	No. titles	Hours ²	Total budgets \$m	Spend \$m
Programs for adults												
2010/11	28	230	218	218	4	259	58	58	32	489	277	276
2011/12	35	213	221	203	3	257	61	61	38	470	282	264
2012/13	36	257	259	250	4	245	55	55	40	502	314	305
2013/14	33	200	234	223	7	272	68	68	40	472	302	291
2014/15	26	145	178	176	8	256	59	59	34	401	238	235
5-yr av	32	209	222	214	5	258	60	60	37	467	282	274
Programs for children												
2010/11	6	65	52	49	3	29	13	12	9	94	65	61
2011/12	4	47	41	23	3	33	12	6	7	79	53	30
2012/13	9	88	63	48	8	71	31	21	17	159	94	69
2013/14	4	40	33	21	7	91	53	31	11	131	86	53
2014/15	6	54	49	34	7	62	46	29	13	116	95	64
5-yr av	6	59	48	35	6	57	31	20	11	116	78	55
Total TV drama slate³												
2010/11	34	295	270	267	7	288	72	70	41	583	341	337
2011/12	39	260	262	226	6	290	73	67	45	549	335	293
2012/13	45	345	322	298	12	316	85	76	57	661	407	374
2013/14	37	240	267	244	14	363	121	99	51	603	388	343
2014/15	32	199	227	210	15	318	105	89	47	517	332	299
5-yr av	37	268	270	249	11	315	91	80	48	583	361	329

Notes: Figures may not total exactly due to rounding.

n.p. Not for publication due to confidentiality reasons.

1. See page 4 for definitions.

2. Commercial broadcast hours rather than actual running time. Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).

3. The annual slate is defined as productions that started principal photography during the year.

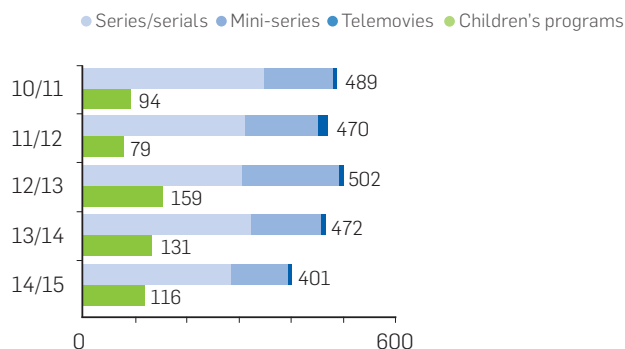
All Australian TV drama programs (by domestic/co-production)

	Domestic ¹				Co-production ¹				Total			
	No. titles	Hours ²	Total budgets \$m	Spend \$m	No. titles	Hours ²	Total budgets \$m	Spend \$m	No. titles	Hours ²	Total budgets \$m	Spend \$m
Programs for adults												
2010/11	32	489	277	276	0	0	0	0	32	489	277	276
2011/12	37	465	273	n.p.	1	5	9	n.p.	38	470	282	264
2012/13	38	490	301	300	2	12	12	5	40	502	314	305
2013/14	39	465	284	283	1	7	17	8	40	472	302	291
2014/15	33	395	225	225	1	6	12	10	34	401	238	235
5-yr av	36	461	272	269	1	6	10	5	37	467	282	274
Programs for children												
2010/11	8	81	59	57	1	13	6	3	9	94	65	61
2011/12	6	60	36	24	1	20	17	5	7	79	53	30
2012/13	13	117	71	60	4	43	23	9	17	159	94	69
2013/14	9	99	63	44	2	33	24	8	11	131	86	53
2014/15	10	80	65	54	3	36	30	10	13	116	95	64
5-yr av	9	87	59	48	2	29	20	7	11	116	78	55
Total TV drama slate³												
2010/11	40	570	336	334	1	13	6	3	41	583	341	337
2011/12	43	525	309	n.p.	2	25	26	n.p.	45	549	335	293
2012/13	51	606	372	360	6	55	35	14	57	661	407	374
2013/14	48	564	347	327	3	40	41	16	51	603	388	343
2014/15	43	475	290	279	4	42	42	20	47	517	332	299
5-yr av	45	548	331	317	3	35	30	12	48	583	361	329

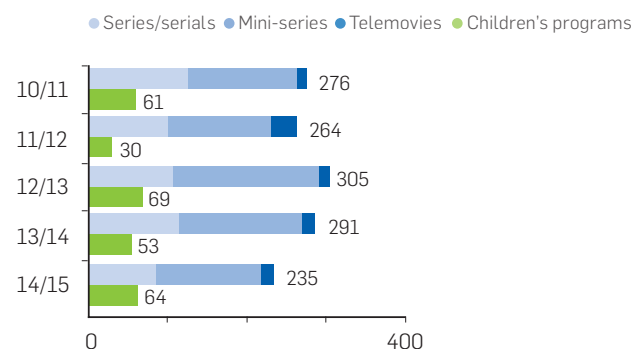
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- See page 4 for definitions.
- Commercial broadcast hours rather than actual running time. Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).
- The annual slate is defined as productions that started principal photography during the year.

Hours produced



Spend (\$m)



PROGRAMS FOR ADULTS

The adult TV drama slate comprised 34 titles (401 hours) with budgets totalling \$238 million and expenditure in Australia of \$235 million. All measures were down on last year and the five-year averages.

The sector has seen a gradual decline in total hours combined with four years of increased investment in TV drama for adults by all broadcasters. With the contraction of production across all measures this year, the number of hours produced dipped to the lowest since 2005/06. Total budgets and expenditure were similar to 2009/10, prior to the elevated results of recent years.

Production trends in recent years have seen a move away from longer-run series and serials toward shorter-form series and mini-series.

Production of mini-series generally entails 'quality' programs with up to 13 one-hour episodes. The 2014/15 mini-series slate

comprised mostly programs of total duration below ten hours. This resulted in a drop in hours, budgets and expenditure, and an increase in cost per hour. 2014/15 mini-series included returning seasons as well as new titles, *Cleverman*, *The Beautiful Lie* and *The Secret River* (all ABC), *Winter* (Seven), *House of Hancock* (Nine), *The Principal* (SBS) and *The Kettering Incident* (Foxtel). See page 21 for the full list.

The series/serials category encompasses long-form programs (more than 13 hours total duration), as well as multi-part programs with episodes shorter than one commercial broadcast hour. In 2014/15, there were 284 hours of this format produced, down from 332 last year and the five-year average of 317. The majority of series had half-hour episodes and total durations below six hours. While the two long-running Australian serials – *Home and Away* (Seven Network) and *Neighbours*

(Network Ten) – continued production, there were no long series to boost overall hours, budgets and expenditure. In any given year there are usually at least two of this nature, each typically accounting for 22 hours or more. Recent past examples include, *Wonderland* (Ten), *Packed to the Rafters* and *Winners & Losers* (Seven). The latter was reduced to 13 hours in 2014/15, placing it in the mini-series category.

This year's slate featured four series made for broadcaster catch-up or Subscription Video On Demand (SVOD) services – *Fresh Blood Pilot Season* (ABC iView), *SBS Comedy Runway* (SBS ON DEMAND), *No Activity* and *Plonk series 2* (both made for Stan). See page 15 for more information on drama made for online delivery.

Other series titles included returning seasons of *Please Like Me*, *Utopia* (both ABC) and *KINNE* (Seven's 7mate) as well as new titles, *Stories I Want to Tell You in Person*, *Sammy J & Randy in Ricketts Lane*, *The Ex-PM* (all ABC), *The Family Law* (SBS) and *Open Slather* (Foxtel).

Telemovie production levels were similar to last year, with the same number of titles and hours produced, but slight decreases in total budgets and expenditure. This year's slate included a telemovie from the *Redfern Now* franchise – *Promise Me* (ABC) and two two-part telemovies each portraying the stories of prominent personalities from Australian popular culture, *Molly* and *Peter Allen: Not the Boy Next Door* (both Seven).

Overall, the Seven and Ten networks continued to account for the lion's share of adult TV drama hours produced, principally due to their flagship serials, *Home and Away* and *Neighbours*. Production for the ABC continued to be strong this year, increasing even further after three years of solid production levels, following a boost to finance available for drama as part of the public broadcaster's 2009–12 triennial funding agreement. As a result the ABC has accounted for the largest share of total budgets of any single broadcaster since 2011/12.

Subscription television had a very strong year with *The Kettering Incident*, *Open Slather* and a third season of *A Place to Call Home* (licensed from the Seven Network last year). The Seven Network remained the highest financial contributor to the adult slate from a single broadcaster, followed by the ABC and Foxtel.

Australian TV drama (by format)

	No.	Hours ¹	Total budgets (\$m)	Total spend (\$m)	Av. cost/hr (\$m)
Series/serials (in-house productions in brackets)					
2010/11	13 (3)	348	126	126	0.362
2011/12	12 (3)	313	100	100	0.318
2012/13	13 (2)	308	106	105	0.344
2013/14	20 (3)	332	117	117	0.352
2014/15	14 (2)	284	85	85	0.299
5-yr av	14 (3)	317	107	106	0.336
Mini-series (in-house productions in brackets)					
2010/11	13	132	138	138	1.046
2011/12	16	139	150	132	1.080
2012/13	22 (2)	186	194	187	1.043
2013/14	15 (1)	132	169	158	1.281
2014/15	15 (2)	109	137	135	1.258
5-yr av	16 (1)	140	158	150	1.129
Telemovies (in-house productions in brackets)					
2010/11	6	9	13	13	1.450
2011/12	10	18	33	33	1.794
2012/13	5	8	14	14	1.805
2013/14	5 (1)	8	16	16	2.037
2014/15	5	8	15	15	2.066
5-yr av	6 (<1)	10	18	18	1.812

Notes: Figures may not total exactly due to rounding.

1. Commercial broadcast hours rather than actual running time. Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).

Expenditure on children's TV drama increased on last year and the five-year average, while hours decreased.



PROGRAMS FOR CHILDREN

The 2014/15 Australian children's drama slate comprised 116 hours of programs with total budgets of \$95 million and Australian expenditure of \$64 million. Total budgets and expenditure increased on last year. The number of hours produced declined, but remained on par with the 5-year average.

Domestic production activity recorded increases in total budgets and expenditure on last year, however hours continued to decline.

Co-production activity was strong, with all indicators rising above last year and the 5-year averages. Total budgets were the highest since 2008/09. The three co-production titles were all with Canada, *The Day My Butt Went Psycho* series 2, *The Deep* and *Winston Steinburger & Sir Dudley Ding Dong*.

In 2014/15, children's TV drama programs made for the ABC accounted for the largest share of both hours and budgets. It was attached to six titles as primary broadcaster, including returning series of *Guess How Much I Love You*, *The New Adventures of Figaro Pho*, *Nowhere Boys* and new titles, *Little Lunch*,

Ready for This and co-production, *Winston Steinburger & Sir Dudley Ding Dong*.

Children's TV drama production tends to fluctuate from year to year, while the broadcasting compliance regulations for the commercial free-to-air networks ensure a balance over time.

Within the 260 hours of Children's (C) programming, commercial television licensees must broadcast at least 25 hours of first-release Australian children's drama programs each year and at least 96 hours over a three-year period. In the last financial year, the Seven Network provided production finance to 26 hours (two titles), consistent with last year and similar to its activity in previous years. The Nine Network financed 12 hours (two titles), a drop from 59 hours last year, when it recorded the largest share of children's drama production activity from a single broadcaster. Network Ten financed 34 hours (three titles) a significant increase from last year's low of 13 hours.

Children's TV drama (by domestic/co-production)

	No.	Hours ¹	Total budgets (\$m)	Total spend (\$m)	Av. cost/hr (\$m)
Domestic					
2010/11	8	81	59	57	0.724
2011/12	6	60	36	24	0.599
2012/13	13	117	71	60	0.606
2013/14	9	99	63	44	0.637
2014/15	10	80	65	54	0.809
5-yr av	9	87	59	48	0.671
Co-production					
2010/11	1	13	6	3	0.452
2011/12	1	20	17	5	0.865
2012/13	4	43	23	9	0.543
2013/14	2	33	24	8	0.730
2014/15	3	36	30	10	0.827
5-yr av	2	29	20	7	0.692
Total					
2010/11	9	94	65	61	0.687
2011/12	7	79	53	30	0.665
2012/13	17	159	94	69	0.589
2013/14	11	131	86	53	0.660
2014/15	13	116	95	64	0.815
5-yr av	11	116	78	55	0.677

Notes: Figures may not total exactly due to rounding.

1. Commercial broadcast hours rather than actual running time. Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).

SOURCES OF FINANCE FOR AUSTRALIAN TV DRAMA

The Australian film/TV industry provided the majority of finance for this year's Australian TV drama slate (60 per cent), contributing \$201 million to 47 titles. The largest proportion (and the largest from any sector) came from the commercial free-to-air networks (\$93 million to 21 titles across the three commercial networks). After increased investment by the commercial free-to-air networks in recent years, this year marked the group's lowest contribution to the total slate since 2005/06. The largest contribution from a single broadcaster came from the ABC, which provided finance to 23 titles. Subscription television financed four titles with its highest recorded contribution to the TV drama slate. SBS, distributors and production companies provided the rest of the finance.

The Producer Offset, cashflowed by producers in various ways, contributed 11 per cent of finance to the overall slate, providing \$37 million to 32 titles. The industry continued to be the dominant source of Offset cashflow, with the larger production companies tending to find the funds from their own resources (see 'Snapshot 2014/15' below).

The PDV Offset replicated last year's \$7 million contribution to seven Australian children's animated titles that utilised this incentive, rather than the Producer Offset.

Direct government sources contributed \$33 million to 33 programs in the 2014/15 TV drama slate, accounting for 10 per cent of total finance. This was up on last year's \$28 million (7 per cent), with increased contributions from both federal and state funding bodies. Screen Australia was the principal source of government finance, providing \$21 million to 22 titles, a rise from \$18 million for 19 titles last year. Screen Australia supported 47 per cent of the titles in this year's TV drama slate, compared to an average of 40 per cent over the previous four years. The state agencies contributed \$11 million to 30 titles, a slight increase from \$10 million provided to the same number of titles last year. The majority (72 per cent) came from Film Victoria and Screen NSW.

Foreign investors provided \$54 million to 21 titles, down on last year, but above the 5-year average. Last year's high contribution was boosted by a small number of titles with substantial amounts of foreign investment.

Private investment was consistent with its very low contribution to the overall TV drama finance each year.

Contributions to the annual Australian TV drama slate (domestic and co-production), 2010/11–2014/15

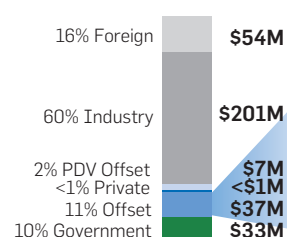
	Contribution \$m	% of total finance	No. programs invested in
Direct government sources¹			
2010/11	43.9	13%	30
2011/12	30.9	9%	33
2012/13	37.9	9%	33
2013/14	28.2	7%	33
2014/15	32.9	10%	33
5-yr av	34.8	10%	32
Australian private investors			
2010/11	<1	<1%	1
2011/12	<1	<1%	1
2012/13	<1	<1%	3
2013/14	<1	<1%	4
2014/15	<1	<1%	1
5-yr av	<1	<1%	2
Producer Offset			
2010/11	46.5	14%	34
2011/12	40.3	12%	39
2012/13	51.7	13%	45
2013/14	43.8	11%	37
2014/15	37.5	11%	32
5-yr av	44.0	12%	37
PDV offset			
2013/14	6.5	2%	7
2014/15	7.4	2%	7
Australian film/TV industry²			
2010/11	217.2	63%	40
2011/12	212.4	63%	43
2012/13	270.4	66%	57
2013/14	244.4	63%	48
2014/15	200.8	60%	47
5-yr av	229.0	63%	47
Foreign investment			
2010/11	34.5	10%	19
2011/12	50.8	15%	17
2012/13	47.2	12%	29
2013/14	65.4	17%	27
2014/15	53.6	16%	21
5-yr av	50.3	14%	23

Notes: Figures may not total exactly due to rounding.

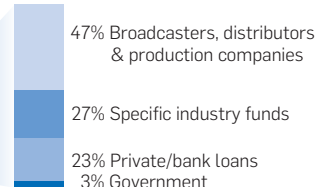
1. Includes direct funding from Australian state and federal agencies and funding bodies (see page 27). Equity investments only – distribution guarantees, loans and underwriting are not included.
2. Finance provided by Australian-based producers and production companies, distribution companies, free-to-air broadcasters (commercial and public) and subscription TV channels. The Producer Offset, cashflowed in various ways, is listed separately.

Snapshot 2014/15

Finance sources



Offset cashflow sources





Focus: TV drama online



There is a growing volume of professionally-produced drama content being made for release online.

With the introduction of video-on-demand (VOD) services, there is a growing volume of professionally-produced drama content being made for release online. Some of this is captured in the production statistics of this report – content of at least 60 minutes total duration released on Catch-up TV or subscription VOD services. This year's titles are *Fresh Blood Pilot Season* (ABC iview), *No Activity*, *Plonk series 2* (both Stan) and *SBS Comedy Runway* (SBS ON DEMAND).

However there's also an increasing amount of professionally-produced drama – not captured in these statistics – that's either below the 60 minute threshold or released on platforms other than Catch-up TV or subscription VOD.

For more information and a full list of Australian online drama projects go to:
www.screenaustralia.gov.au/research/statistics/drama.aspx



Foreign production

Total expenditure from foreign shoot and PDV-only titles reached a record high of \$418 million in 2014/15, more than double last year's result and the five year average.

FEATURES

Foreign feature spend in 2014/15 totalled \$397 million, a result of strong expenditure by both foreign shoot and PDV-only projects.

Five foreign features started shooting in Australia in 2014/15, with expenditure the highest in over a decade. Driving the result was *Pirates of the Caribbean: Dead Men Tell No Tales*, the largest international feature film ever to shoot in Australia. Other titles included *Truth* (starring Cate Blanchett and Robert Redford), *The Light Between Oceans* (based on the debut novel by Australian M.L. Stedman), *Journey Through Time* (China) and *Apprentice* (Singapore/France/Germany).

The recent announcement that both Ridley Scott's untitled *Alien* project and Marvel Studios' *Thor: Ragnarok* will be filmed in Australia, has ensured foreign feature expenditure is off to a great start in 2016.

Work undertaken on two large-scale foreign animation features from the *LEGO®* franchise, *The LEGO® Batman Movie* and *Ninjago* pushed foreign PDV-only spend to the highest recorded since Screen Australia analysis of foreign PDV-only activity began in 2006/07. Though the number of titles was down 40 per cent on last year (to nine), this was a solid

result for a sector continuing work on large projects that commenced PDV in 2013/14. This year's titles also included *The Age of Adaline*, *Allegiant: Part 1*, *Ant-Man*, *Gang Dao*, *Insurgent* and *Ted 2*.

After several years of change and consolidation in the sector, the fall in the Australian dollar to below US\$0.80 is likely to be assisting companies to more effectively leverage the 30 per cent PDV Offset to attract future foreign work.

Based on survey data, seven features in this year's slate would have met expenditure thresholds for the PDV Offset.

The latest films from the *Pirates of the Caribbean* and *LEGO®* franchises drove foreign spend to a record high in 2014/15.

TV DRAMA

Foreign TV drama activity accounted for a total of \$21 million in Australian expenditure in 2014/15, up significantly from \$1 million in 2013/14 and on par with the 5-year average. Titles included one foreign shoot title: the six-part US sci-fi series *Childhood's End* as well as the first PDV-only TV title since 2010/11: the US series *Powers*, Sony Pictures Television's first original series for the PlayStation Network.

Foreign TV drama

	No. ¹	Total budgets (\$m) ²	Spend in Aust. (\$m)
2010/11	2 (+1)	68	54 ³
2011/12	5 (+0)	13	8 (+0)
2012/13	2 (+0)	22	21 (+0)
2013/14	2 (+0)	8	1 (+0)
2014/15	1 (+1)	30	21 ³
5-yr av	2 (<1)	28	21 ³

Notes:

- Figures preceded by '+' are for foreign productions undertaking only PDV work in Australia.
- Total budgets include only foreign titles shot in Australia – total budgets for foreign PDV-only titles are not available.
- Figures combined for confidentiality reasons.

Foreign features

	No. ¹	Total budgets (\$m) ²	Spend in Aust. (\$m)
2010/11	2 (+13)	8	1 (+76)
2011/12	3 (+17)	23	3 (+87)
2012/13	6 (+8)	155	100 (+10)
2013/14	9 (+15)	278	159 (+44)
2014/15	5 (+9)	373	397 ³
5-yr av	5 (+12)	167	99 (+76)

Notes:

See page 4 for definition of 'foreign'.

- Figures preceded by '+' are for foreign productions undertaking only PDV work in Australia.
- Total budgets include only foreign titles shot in Australia – total budgets for foreign PDV-only titles are not available.
- Figures combined for confidentiality reasons.



Drama production by location

EXPENDITURE BY STATE

NSW accounted for the largest share of drama production activity in 2014/15 (38 per cent), with strong expenditure by foreign PDV-only titles, *The LEGO® Batman Movie* and *Ninjago*. Other major NSW-based productions included, US feature film *Truth*, domestic film *2:22*, and returning seasons of *A Place to Call Home*, *Love Child* and *Home and Away* as well as the TV drama co-production, *Cleverman*.

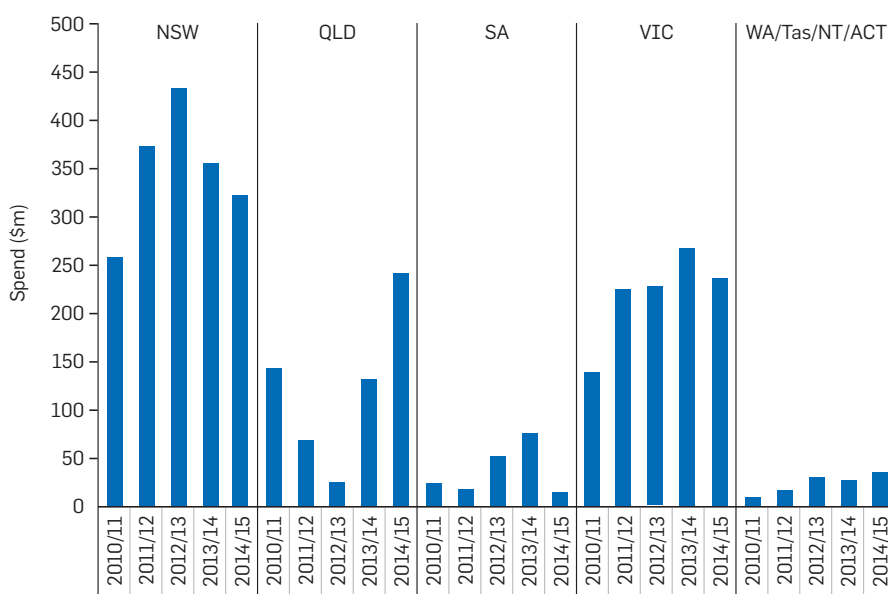
Victorian productions posted a share of 28 per cent. This was driven by PDV-only activity for US feature film *Ted 2*, along with both shoot and post for US TV drama *Childhood's End*. Victoria also hosted Australian films *The Dressmaker* and *Lion* as well as TV dramas *House Husbands*, *Neighbours* and *Open Slather*.

Feature film and TV drama production activity (\$m) by location of expenditure

	NSW	QLD	VIC	SA	WA	Tas/NT/ACT
\$m						
2010/11	257	140	136	20	(8 ¹)	
2011/12	373	66	223	17	15	1
2012/13	431	23	226	50	22	4
2013/14	353	129	265	74	14	9
2014/15	319	238	233	14	13	20
%						
2010/11	46%	25%	24%	3%	(1% ¹)	
2011/12	54%	10%	32%	2%	2%	<1%
2012/13	57%	3%	30%	7%	3%	1%
2013/14	42%	15%	31%	9%	2%	1%
2014/15	38%	28%	28%	2%	1%	2%

Notes:

1. Figures combined for confidentiality reasons.



Queensland's share increased for the second year running, boosted by strong foreign feature film expenditure on *Pirates of the Caribbean: Dead Men Tell No Tales* (US). Production on adult TV drama, *The Family Law* and the third series of children's TV drama, *Mako: Island of Secrets* as well as domestic features *Early Winter* and *Goldstone* also took place in Queensland.

After a couple of record years, production starts in South Australia scaled back in 2014/15, as work continued on projects from last year's slate such as the mini-series *Deadline Gallipoli*, and PDV for *Gods of Egypt* and *Pan*. The 2014/15 South Australian production slate included children's animations *1001 Nights*, *The New Adventures of Figaro Pho* and domestic features, *A Month of Sundays*, *Girl Asleep* and *The Pack*.

Expenditure in the State is anticipated to increase again next year with production already underway on three feature films and a major mini-series.

Western Australia was similar to last year with domestic features, *Red Dog: True Blue* and *Looking for Grace* among the titles shooting there.

Expenditure in the remaining states was at a record high (\$20 million, 2 per cent). Tasmania attracted local TV drama *The Kettering Incident* as well as Australian and foreign films, *Lion* and *The Light Between Oceans* respectively. The ACT also had a strong year with three features, *Blue World Order*, *Joe Cinque's Consolation* and *Salt Bridge* all shooting there along with an Anzac Day-themed episode of *Home and Away*.



LOCATION OF PRODUCTION COMPANY

As an indication of where production activity is being generated, the report also allocates the budget of each Australian feature and TV drama program to where the production company is based in Australia, rather than where the shoot takes place.

Feature film and TV drama activity generated by NSW-based companies continued to account for the highest proportion of production in 2014/15 (55 per cent). Victorian companies increased their share to 37 per cent, with projects such as Film Art Media's *The Dressmaker* and 2:22 (Lightstream Pictures Pty Ltd and Basil 2:22 Productions Pty Ltd) contributing.

Total budgets for feature film and TV drama production (\$m) by location of Australian production company

	NSW	QLD	VIC	SA	WA	Tas/NT/ACT
\$m						
2010/11	306	67	90	(4 ¹)		0
2011/12	558	46	98	(5 ¹)		0
2012/13	574	20	94	4	(19 ¹)	
2013/14	608	17	97	11	(15 ¹)	
2014/15	254	7	172	6	15	8
%						
2010/11	65%	14%	19%	(1% ¹)		0%
2011/12	79%	6%	14%	(1% ¹)		0%
2012/13	81%	3%	13%	1%	(3% ¹)	
2013/14	81%	2%	13%	1%	(2% ¹)	
2014/15	55%	2%	37%	1%	3%	2%

1. Figures combined for confidentiality reasons.





Titles in the 2014/15 slate

AUSTRALIAN FEATURES

Domestic¹

2:22	Lightstream Pictures Pty Ltd, Basil 2:22 Productions Pty Ltd
Adventures of a Happy Homeless Man	Motion Arts
Alex and Eve	Alex & Eve Productions In Association With Conventry Films
Beast	Boulevard Film Pty Ltd
Blue World Order	Full Point Films Pty Ltd
The Body in the Yard	The Laker-Merewether Film Company Pty Ltd
Broke	Scope Red
Bullets for the Dead	Visionquest Entertainment International Pty Ltd
The Daughter	Fate Films Pty Ltd
Dead Sharks	Tired Frog Films
Deal	Stand Entertainment, Fantasm Productions
Down Under	Eddie Wong Films Pty Ltd
Downriver	Happening Films Pty Ltd
The Dressmaker	Film Art Media Pty Ltd, The Dressmaker Production Pty Ltd
Dumb Criminals	Rabbit Productions Pty Ltd, Antichocko Productions Pty Ltd
Girl Asleep	Soft Tread Enterprises Pty Ltd
Goldstone	Dark Matter Media Pty Ltd
Holding the Man	Goalpost Pictures Australia Pty Ltd, HTM Film Productions Pty Ltd
Innuendo	Innuendo Movie Pty Ltd
Joe Cinque's Consolation	Consolation Films Pty Ltd
The Legend of Ben Hall	The Legend Of Ben Hall Movie Pty Ltd, RLC Motion Picture Entertainment Pty Ltd, Emu Creek Pictures Pty Ltd, Two Tone Pictures, SunJive Pty Ltd
Lion	Arclight, See-Saw Productions Pty Ltd, Sunstar Entertainment Pty Ltd, Aquarius Films Pty Ltd
Looking for Grace	Looking For Grace Pty Ltd, Holding Grace Pty Ltd
Love is Now	Eponine Films Pty Ltd
Manny Lewis	Beyond Screen Production Pty Ltd

A Month of Sundays	Madman Production Company Pty Ltd
The Pack	Breakout Movies Pty Ltd
Pawno	Toothless Pictures Pty Ltd
Red Billabong	SparkeFilms Pty Ltd
Red Dog: True Blue	Good Dog Enterprises Pty Ltd
Red Sky: Candidate 5238	Venom Rat Productions
Riz	Curious Works
Ruben Guthrie	Scarlett Pictures Pty Limited
Sahara	Studio Raivision
Salt Bridge	Salt Bridge Movie Pty Ltd
Scare Campaign	Cyan Films Pty Ltd
Short Distance	Tired Frog Films
SPEAR	Arenamedia Pty Limited
The Subjects	The Subjects Movie Pty Ltd
Tanna	Contact Films Pty Limited
Target Fascination	Front Rank Films Pty Ltd
Teenage Kicks	Azure Productions Pty Ltd
unINDIAN	Unindian Productions Pty Ltd

Co-productions

Early Winter	Rest Home Productions Pty Ltd
The Space Between	Mondo Studio Films

FOREIGN FEATURES

Apprentice (Singapore/ Germany/France)	Zhao Wei Films, Peanut Pictures, Akanga Film Asia PTE LTD
Journey Through Time (China)	Beijing Enlight Pictures, Scout Production Services Pty Ltd
The Light Between Oceans (US)	DreamWorks SKG
Pirates of the Caribbean: Dead Men Tell No Tales (US)	Walt Disney Productions
Truth (US)	Mythology Entertainment

PDV-only

The Age of Adaline (US)	Lakeshore Entertainment, Sidney Kimmel Entertainment, Ratpac-Dune Entertainment
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1. Includes all Australian features that started principal photography in 2014/15. Features with budgets of less than \$500,000 are included in the report only if they have had a cinema release or major festival screening, see page 27, Methodology.

Allegiant: Part 1 (US)	Red Wagon Entertainment, Summit Entertainment, Mandeville Films
Ant-Man (US)	Marvel Studios
Frog Kingdom (China/US)	Grindstone Entertainment Group, Simka Entertainment
Gang Dao (China)	Grape Music Korea (client/studio)
Insurgent (US)	Red Wagon Entertainment, Summit Entertainment, Mandeville Films
The LEGO® Batman Movie (US)	Animal Logic, Vertigo Entertainment, Warner Animation Group, Warner Bros
Ninjago (US)	Animal Logic, Lin Pictures, Vertigo Entertainment
Ted 2 (US)	Bluegrass Films, Fuzzy Door Productions, Media Rights Capital, Smart Entertainment

AUSTRALIAN TV DRAMA

Domestic

Series/serials

The Ex-PM	Cordell Jigsaw Zapruder
The Family Law	Matchbox Pictures Pty Ltd
Fresh Blood Pilot Season	Various
Home and Away series 28	Seven Network Operations Limited
KINNE series 2	Seven Network Operations Limited
Neighbours series 32	FremantleMedia Australia
No Activity	Jungleboys FTV Pty Limited, No Activity Pty Ltd
Open Slather	McWaters Productions
Please Like Me series 3	Pigeon Fancier Productions, John & Josh International
Plonk series 2	One Stone Pictures Pty Ltd
Sammy J & Randy in Ricketts Lane	Sticky Pictures Pty Ltd, SP Ricketts Pty Ltd
SBS Comedy Runway	Various
Stories I Want To Tell You In Person	Matchbox Productions Pty Ltd
Utopia series 2	Working Dog Pty Ltd

Mini-series

The Beautiful Lie	Endemol Australia Pty Ltd
The Doctor Blake Mysteries series 3	December Media Pty Ltd
Glitch	Matchbox Pictures Pty Ltd
Hiding	Playmaker Media Pty Ltd
House Husbands series 4	Playmaker Media Pty Ltd
House of Hancock	Cordell Jigsaw Productions Pty Ltd
The Kettering Incident	Porchlight Films Pty Ltd, Sweet Potato Films Pty Ltd
Love Child series 3	Playmaker Media Pty Ltd
Miss Fisher's Murder Mysteries series 3	Every Cloud Productions Pty Ltd
A Place to Call Home, A series 3	Seven Network Operations Limited
The Principal	Essential Media and Entertainment Pty Ltd
The Secret River	Ruby Entertainment Pty Ltd
Winners & Losers series 5	Seven Network Operations Limited
Winter	Seven Network Operations Limited

Telemovies

Molly part 1	M4 Entertainment Pty Ltd
Molly part 2	M4 Entertainment Pty Ltd
Peter Allen: Not the Boy Next Door part 1	Shine (Aust) Pty Ltd
Peter Allen: Not the Boy Next Door part 2	Shine (Aust) Pty Ltd
Redfern Now – Promise Me	Blackfella Films Pty Ltd

Children's

1001 Nights	1001 Nights Productions Pty Ltd, Chocolate Liberation Front
Botternikes and Gumbles	Cheeky Little Media Pty Limited, Mighty Nice
Dogstar – A Christmas in Space	Media World Pictures
Guess How Much I Love You series 2	SLR Productions Pty Ltd
KuuKuu Harajuku series 1	Moody Street Kids Pty Ltd, Vision Animation SDN BHD
Little Lunch	Gristmill Pty Ltd
Mako – Island of Secrets series 3	Jonathan M Shiff Productions Pty Ltd
The New Adventures of Figaro Pho	Chocolate Liberation Front, Vishus Productions, Luma Toons
Nowhere Boys series 2	Matchbox Pictures Pty Ltd
Ready for This	Big Chance Films Pty Ltd, Blackfella Films Pty Ltd, Werner Film Productions

Co-productions

Adult

Cleverman	Goalpost Pictures Australia Pty Ltd, Pukeko Pictures Limited Partnership
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Children's

The Day My Butt Went Psycho series 2	Brain Bender Pty Ltd, Studio Moshi
The Deep	The Deep Australia Productions Pty Ltd, A Stark Production Pty Ltd
Winston Steinburger & Sir Dudley Ding Dong	eOne, Sticky Pictures Pty Ltd

FOREIGN TV DRAMA

Childhood's End	Universal Cable Productions, NBC Universal Television
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PDV-only

Powers (US)	Sony Pictures Television, Circle of Confusion
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unINDIAN



PDV services – for features and TV drama production

This section incorporates data from a separate survey of companies providing post, digital and visual effects (PDV) services.

ALL PDV

The data focusses on income to companies in the PDV sector and is presented according to when income was earned. It is therefore not comparable with the data in the main body of the report. For example, the income to PDV companies shown here for 2014/15 came from

expenditure not only on projects which began PDV work in 2014/15 (the '2014/15 slate' referred to in the main body of the report) but also on projects continuing production from previous years.

Income from Australian PDV work on features and TV drama (\$m), 2010/11–2014/15

	Australian			Foreign		Total
	Domestic	Co-production	Total Australian	Shot in Australia	PDV only in Australia	
Features						
2010/11	94	2	95	<1	40	135
2011/12	43	2	45	0	59	104
2012/13	50	2	52	6	60	117
2013/14	60	1	60	5	40	105
2014/15	85	1	86	8	87	181
5-yr av	66	1	68	4	57	129
TV drama						
2010/11	40	1	41	0	1	42
2011/12	31	1	32	<1	0	32
2012/13	37	4	41	1	0	42
2013/14	48	2	49	<1	0	50
2014/15	28	3	32	<1	<1	33
5-yr av	37	2	39	<1	<1	40
TOTAL						
2010/11	134	2	136	<1	41	177
2011/12	75	2	77	<1	59	137
2012/13	87	6	93	7	60	159
2013/14	108	2	110	5	40	155
2014/15	113	5	118	9	87	214
5-yr av	103	4	107	4	57	168
% share	61%	2%	64%	2%	34%	100%

Note: Figures may not total exactly due to rounding.

Income from PDV work on Australian and foreign drama titles totalled \$214 million in 2014/15, up 38 per cent on last year's result and well above the five-year average of \$168 million. An increase in income earned from PDV-only foreign features in 2014/15 is responsible for the rise.

However, services to Australian productions accounted for just over half of all PDV work in 2014/15, with titles generating income during the year including *Gods of Egypt*, *The Water Diviner* and *The Dressmaker*.



INCOME BY STATE

A substantial proportion of PDV work in Australia was undertaken in NSW in the five years from 2010/11 to 2014/15, accounting for 60 per cent (\$102 million annually) of total spending on PDV. NSW companies provided PDV services for local and international features such as *The Great Gatsby*, *Walking with Dinosaurs 3D*, *Iron Man 3*, *The Hunger Games: Catching Fire*, *The LEGO® Movie*, *Mad Max: Fury Road*, *The LEGO® Batman Movie* and *Ninjago*.

The balance of PDV work over the period was spread between Victoria at 27 per cent (average \$46 million) of the total, followed by South Australia (9 per cent; \$15 million), Queensland (2 per cent; \$4 million) and the

remaining states and territories (1 per cent; \$2 million).

PDV projects undertaken in South Australia since 2010/11 include the features *X-Men: Days of Future Past*, *The Seventh Son*, *Gravity*, *Tarzan the Untamed*, *Pan* and *The Water Diviner*. Titles undertaking PDV in Victoria in the last five years included *Emperor*, *Ted*, *After Earth*, *The SpongeBob Movie: Sponge Out of Water*, *The Moon and the Sun*, *Ted 2* and *The Dressmaker*. Queensland projects included TV dramas *Lightning Point*, *Secrets and Lies* and US titles *The Age of Adaline* and mini-series *Powers*, the first foreign PDV-only spend for the state since Screen Australia analysis began.

Income from Australian PDV work on features and TV drama by state (\$m), 2010/11–2014/15

	NSW	VIC	QLD	SA	WA, ACT, NT, Tas	Total
\$m						
2010/11	106	46	3	20	2	177
2011/12	87	33	2	14	<1	136
2012/13	109	34	5	8	3	159
2013/14	86	52	4	9	3	155
2014/15	120	65	5	23	1	214
5-yr av	102	46	4	15	2	168
% share	60%	27%	2%	9%	1%	100%

Note: Figures may not total exactly due to rounding.

FOCUS ON FOREIGN PDV-ONLY INCOME

As previously mentioned in the Foreign production section, after several years of change and consolidation in the sector, the fall in the Australian dollar to below US\$0.80 is likely to be assisting companies to more effectively leverage the 30 per cent PDV Offset to attract future foreign work.

In May, Animal Logic announced the opening of an office in Vancouver, Canada. The facility has a three-picture deal with Warner Bros including two unannounced LEGO® titles. Rising Sun Pictures celebrated their 20th year with an Academy Award® nomination for their work on 2013/14's *X-Men: Days of Future Past*.

Income from foreign titles undertaking PDV without shooting here increased to \$87 million in 2014/15, more than double last year's \$40 million, well above the five-year average (\$57 million) and the highest recorded since Screen Australia analysis began in 2006/07. The high is a result of work undertaken on two large-scale foreign animated features from the LEGO® franchise, *The LEGO® Batman Movie* and *Ninjago*. Though the number of titles undertaking PDV-only service work in 2014/15 fell slightly to 19 (from 22), this was a solid result, with many companies continuing work on titles from 2013/14 including large-scale Australian features such as *Mad Max: Fury Road* and *Gods of Egypt*.

In 2014/15, Australian PDV companies had the opportunity to work on big-budget productions such as *The Age of Adaline*, *Allegiant: Part 1*, *Ant-Man*, *Insurgent*, *The LEGO® Batman Movie*, *Ninjago*, *Ted 2* and the US series *Powers*, as well as complete work on projects continuing from previous years, including *The Avengers: Age of Ultron*, *The SpongeBob Movie: A Sponge Out of Water*, *Monk Comes Down the Mountain*, *6 Miranda Drive*, *The Hunger Games: Mockingjay Part 1*, *Pan* and *Tarzan the Untamed*. Both *The LEGO® Batman Movie* and *Ninjago* will continue through 2015/16.

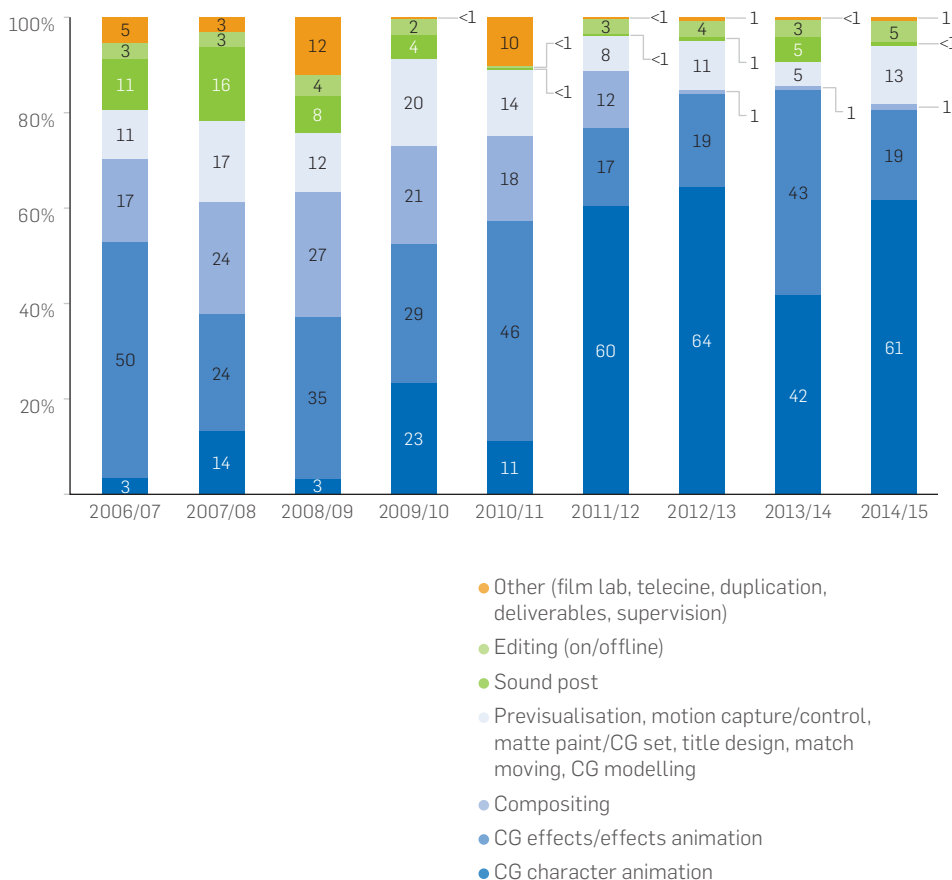
The wide range of PDV-only work on recent foreign features and TV dramas carried out by Australian companies included visual effects, sound mixing, foley and automated dialogue replacement (ADR), as well as traditional post-production activities such as editing. Visual effects made up more than 90 per cent of the value of PDV income earned on PDV-only foreign features and TV drama over the last eight years. The remaining 10 per cent was made up of digital and non-digital post production, including sound post-production and other digital post-production such as scanning and digital colour grading.

Foreign PDV-only activity income, 2006/07–2014/15

	Total income (\$m)	% of total
Computer-generated (CG) character animation	153	47
CG effects/effects animation	86	27
Compositing	25	8
Previsualisation, motion capture/control, matte paint/CG set, title design, match moving, CG modelling	36	11
Sound post	7	2
Editing (on/offline)	10	3
Other (film lab, telecine, duplication, deliverables, supervision)	7	2
Total	325	100%

Note: Figures may not total exactly due to rounding.

Foreign PDV-only activity income by year



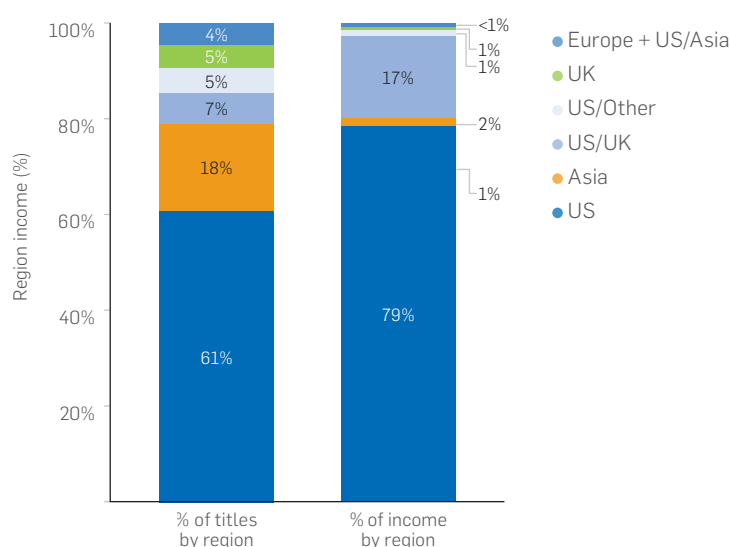
FOREIGN PDV-ONLY TITLES AND INCOME BY REGION

US productions represent the largest proportion of international PDV-only work undertaken by Australian businesses on feature film and TV drama projects, accounting for more than 60 per cent of titles and more than 79 per cent of income over the last nine years. PDV-only services to Asian productions represent 18 per cent of titles but only around 2 per cent of total income.

Foreign PDV-only titles and income by region, 2006/07–2014/15

	No. of titles	% of titles	% of income
Asia	20	18%	2%
Europe + US/Asia	4	4%	< 1%
UK	5	5%	1%
US	68	61%	79%
US/Other	6	5%	1%
US/UK	8	7%	17%
Total	111	100%	100%

Note: Figures may not total exactly due to rounding.



ABOUT THE PDV DATA

Companies identified by Screen Australia as providing PDV services for features and TV drama were surveyed, and this data was used to supplement the main report data. PDV is defined as a set of activities rather than a stage in the production process (see 'Key terms' on page 4).

To provide a sense of the ongoing business activity of PDV companies in a given financial year (rather than according to an annual slate of productions or titles), income has been assigned to the year it was earned rather than allocated to the start of the shoot or PDV work in Australia. As a result, the figures in this section may include projects that commenced shooting or PDV work in previous financial years and cannot be compared with figures in the main body of the report, which are based on principal photography or PDV start date.

Note that this data relates to the production of features and TV drama only and so does not cover all PDV activity in Australia. The most recent data from the Australian Bureau of Statistics indicates that Australian companies received income of \$349.7 million in 2011/12 from the provision of PDV services across all audiovisual production, with 46 per cent accounted for by feature films and TV drama. Other areas of PDV activity include commercials and other TV productions.



The Secret River

Methodology

Compiled by Screen Australia's Producer Offset & Co-production Unit, using data collected in the administration of the Producer Offset, and incorporating production data gathered by the Strategy & Research Unit through contact with production companies and from publicly available sources. PDV data is gathered through surveying PDV companies.

The following federal and state government funding agencies provided data on titles they have funded and, in the case of state agencies, titles shot and/or post-produced in their state: Screen Australia (including the former Film Finance Corporation Australia and the Australian Film Commission), Screen NSW, Film Victoria, South Australian Film Corporation, Screen Queensland, ScreenWest, Screen Tasmania and Screen Territory.

In some cases, estimates have been made where data was not available.

Foreign projects are included in the report when a substantial amount is shot in Australia or when PDV work is undertaken in Australia. For other projects where only one or two episodes of a foreign series are shot in Australia, or where the spend is less than 10 per cent of the total budget, only the budgets for the episodes shot in Australia are included in the total.

Features with budgets under \$500,000 are only included if they have had a cinema release or screening at a festival.

Spending in Australia may include some expenditure on foreign production elements – for example, fees for non-Australian actors or other individuals while working in Australia. Likewise, spending in a particular state may include fees for elements from outside the state such as foreign or interstate cast or crew.

Online TV dramas are included in the report when the total duration of a title is at least 60 minutes and is attached to either a Catch-up TV or subscription VOD service. Excludes projects that are screened on YouTube, a dedicated website as well as those titles that are available to purchase via transactional services only such as iTunes.

When analysing sources of finance, the ABC and SBS are categorised as film and TV industry, rather than as government sources. This reflects industry

perception of the public broadcasters as part of the broadcast sector rather than government film agencies. In addition to the federal, state and territory film agencies (listed above), government sources may include direct finance from other government agencies and departments, including the Australian Children's Television Foundation and the Adelaide and Melbourne Film Festival Funds.

Funding figures from government agencies may not correlate with the figures in this report because this report includes projects according to the start date of principal photography rather than contract dates.

Contributions to TV drama by broadcasters in this report do not correlate with expenditure reported by the Australian Communications and Media Authority (ACMA) in the Broadcasting Financial Results (BFR). This report analyses finance sources in place at the start of production while the BFR reports expenditure by the commercial free-to-air broadcasters on screened programs during the year, and includes amortisation costs for programs purchased in previous years and programs purchased after completion. For subscription television, ACMA reports annual expenditure by drama channels on 'eligible Australian drama', including licence fees, production expenses and limited pre-production costs. Expenditure on features may be apportioned across financial years. For both free-to-air and subscription television, the ACMA figures can include expenditure on New Zealand programs, following the 'Australian content' definition.

Sketch comedy programs are included in line with ACMA's definition of TV drama under the Australian Content Standard.

In categorising titles as either mini-series or series, Screen Australia has followed the definitions set out in Division 10BA of the *Income Tax Assessment Act 1936*.

Series of, or related, telemovies are counted as individual titles.

Data is updated on an ongoing basis, with the result that some discrepancies with previously published reports may appear. The discrepancies reflect new information or adjustments to methodology.

Figures may not total exactly due to rounding.



The Principal



Australian Government



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