

### Screen Australia releases documentary Discussion Paper

Monday 30 September 2019: Screen Australia has today published a Discussion Paper which outlines proposed revisions to the agency's documentary funding program to better support the industry and adapt to changes in the sector. Industry feedback is being sought, with submissions closing 27 October 2019. New guidelines will be published in February 2020, and effective from 1 July 2020.

Screen Australia's proposed reforms will enhance the existing Development, Producer and Commissioned programs, and create a new Completion funding pathway for lower-budget documentaries.

Head of Documentary at Screen Australia, **Bernadine Lim** said, "Over the past few months, we have met with over 100 documentary content creators, distributors, and broadcasters from around Australia. We have heard and considered the range of issues and opportunities facing the documentary sector. Whilst we can't provide solutions for every pressure point, for those matters within our sphere of influence, I believe these proposed revisions will ensure creators can keep telling exceptional true stories."

"We have designed these reforms with a view to making our funding programs more accessible and easy to understand. I'm confident these changes will promote a diverse slate of projects across more platforms, made by creators of varying experience levels."

The annual funding available to the Documentary Department will remain in the \$14-\$16 million range.

A summary of the four proposed reforms are listed below:

1. An enhanced Development Program with increased funding, and a simplified application process, open year round.

The funding pool for Development and initiatives will increase by up to \$500,000 to \$1.3-\$1.7 million, to help projects build momentum and early market interest. The fund will support creators to meet market demand for more elaborate development materials and encourage the creation of local formats.

Three types of development opportunities will be offered to reflect the key phases in the development cycle. These include **Seed** funding to support very early phase development, **General Development** funding for research and the creation of development materials, and **Advanced Development** funding for projects with marketplace interest.

2. A simplified Producer Program with an easier application process and an extra funding round, meaning applications will now be accepted five times a year. Funding will be capped at \$500,000 per project.

The application process is expected to be much easier and faster. Only applications that require further clarity will be required to submit additional materials via a second stage.

The \$500,000 per project cap reflects the typical maximum ask of the fund in recent years. A portion of the fund will be quarantined for low-budget documentary.

The funding pool for the Producer Program will increase by up to \$300,000 to \$4.4-\$4.9 million.

3. Revise and clarify the Commissioned Program to fund projects commissioned by all current major platforms including free to air, pay TV and streaming services. The cap per project will be lowered from \$1 million to \$750,000 to enable more titles to be funded.

The revised program will ensure Australian documentary content is available on as many platforms as possible. Local platforms may receive preference for funding, but provided a project qualifies for the Producer Offset and the Australian producer is bona fide, projects for global streaming platforms will be eligible.





The funding pool for the Commissioned Program will remain in the \$6.5-\$7 million range.

Introduction of a creatively assessed Completion Fund for low-budget documentaries (with total 4. budgets of \$125,000-\$500,000) that provides up to 20% of an approved budget via an accelerated cashflow method.

The proposed fund will be open all year and will have a total funding pool amount of \$1.5-\$2 million. The existing Producer Equity Program (PEP) will be retired. In 2019/20 total PEP funding will be capped at \$2.5 million.

The Completion Fund has been designed so that the majority of projects that would previously have been eligible for PEP, will now be eligible for Completion Fund. Funding limits will remain the same as they were for PEP, but the first drawdown will increase from 50% to 80% to give faster access to funds.

Additional changes include:

Increase the minimum licence fees under the Commissioned Program to reflect increases in • production costs and support more sustainable screen businesses.

The proposed increase has been calculated by applying the method used by the ACMA (Australian Communications and Media Authority) for drama guota settings.

Applicants must provide a domestic pre-sale from an eligible commissioning platform with a minimum licence fee. The fees will increase as follows:

- From \$180,000 to \$196,000 per hour, where Screen Australia funding is more than \$500,000. 0
- From \$150,000 to \$163,000 per hour, where Screen Australia funding is \$500,000 or less.

There will be no change to the other licence fee, which will remain:

\$100,000 per hour, where at least 10% of the budget comprises of advances from sales agents for the 0 international market, and/or international territory presales irrespective of the level of the Screen Australia funding.

In exceptional circumstances, Screen Australia may consider a lower licence fee if the international offer forms a very high proportion of the total budget.

Eligibility requirements have been revised to create an open-door approach to seed and online development funding.

Eligibility requirements will change to make documentary funding more accessible. No credits will be required to access Seed Funding, development for any online program or the Completion Fund.

More details about eligibility requirements are outlined in the paper.

View the Making Documentary in Australia video series here.

Listen to Head of Documentary, Bernadine Lim on the Screen Australia podcast here.

To read the Discussion Paper and make a submission, click here. Submissions close 27 October 2019.







FAQs

### Why is Screen Australia revising its documentary funding program now?

The screen sector has changed significantly since Screen Australia's documentary programs were last reviewed five years ago. Audiences are consuming content differently, streaming services have entered the Australian market, and cinema and television audiences are shifting at a rapid rate.

The demands on Screen Australia's funding have also changed significantly, whilst opportunities to access international audiences (and finance) have emerged.

The proposed reforms reflect the changes in the documentary ecosystem and have been designed to support a creative, innovative and more sustainable industry, and the important true stories being told.

### How many documentaries does Screen Australia fund?

In 2018/19 173 funding allocations were provided to projects across Development (46), Producer Program (34), Commissioned Program (24), initiatives (7) and PEP (62). In total that represents over 150 individual projects being funded in a single year with some titles received funding from multiple programs. Additional funding was provided to SAFC Doculab.

### SCREEN AUSTRALIA DOCUMENTARY FUNDING 2018/19



Financial Year

View graph online.





### Has the funding allocation to documentary changed?

Screen Australia's spend on documentary has been stable since 2016/17, and there are no plans to change the allocation should the agency's total funding remain the same.

Financial Year	Total Documentary Department
2018/19	\$16.26m
2017/18	\$15.59m
2016/17	\$15.68m
2015/16	\$18.56m

### Why do the proposed documentary programs have total funding pool ranges instead of fixed amounts?

Screen Australia funds productions based on the applications it receives, as such each year the agency's funding programs flex to meet demand e.g. in 2016/17 substantially more money was spent on feature films than television dramas, whereas in 2017/18 they were near identical.

Documentary programs operate in the same way.

### Why are there no suggested revisions to the Producer Offset in the Discussion Paper?

The policy and operating parameters of the Producer Offset are dictated by its enabling legislation and any changes are a matter for Government. The Producer Offset is administered by Screen Australia on behalf of the Federal Government.

## Why are there no suggested revisions regarding documentary quotas for streamers in the Discussion Paper?

Content quotas are a matter for Government and are managed by <u>ACMA</u>.

#### Why are there no provisions to force the public broadcasters to commit to certain documentary content?

Screen Australia cannot compel any platform to commission content.

# Why has Screen Australia capped the total funding pool of the new Completion Fund when the Producer Equity Program (PEP) was uncapped?

The PEP was funded out of Screen Australia's documentary budget and was in effect capped by the size of Screen Australia's budget.

In 2018/19 the demand for PEP was so high it needed to be topped up twice, from its \$2.5 million notional allocation to nearly \$3.6 million.

These extra funds were diverted from creatively assessed documentary programs, particularly the Producer Program which caused concern amongst the industry.

By capping the proposed Completion Fund, Screen Australia is able to provide greater certainty to applicants of all documentary funds.





## SCREEN AUSTRALIA DOCUMENTARY FUNDING 2016/17 - 2018/19



2018/19 sector development funding for SAFC Doculab (\$30K) not included in graph.

\*Initiatives - 2016/17: ABC Art Bites, NT Film Office Development, Whimn Doco180, 2017/18: ABC Art Bites, ABC Love Bites, The Guardian, Vice Pitch Australiana, Whimn Doco 180, Windows on the World, 2018/19: 10 Play Out Here, ABC Art Bites, The Guardian, Vice Pitch Australiana

### View graph online.

### Do the proposed revisions restrict funding going to foreign entities and/or foreign formats?

Screen Australia sees value in not limiting which projects receive its funding, provided at all times they are made as Australian stories of relevance and interest to local audiences and comply with other requirements.

Funding has previously been restricted to 'Australian Commissioning Platforms'. While local platforms may receive preference for funding, we consider it vital to fund culturally valuable content on platforms that large amounts of Australians are using. This change will also help Australian content to reach foreign audiences on these platforms.

The number of foreign formats funded by Screen Australia has been limited. In 2018/19 four of the 57 projects funded in the Commissioned and Producer programs were based on foreign formats. Funded projects based on foreign formats include culturally impactful and popular programs such as *Australia in Colour*, *Employable Me*, *Filthy Rich and Homeless* and *War on Waste*.

Screen Australia acknowledges that original formats can drive significant long-term economic benefits. The proposed changes includes a new focus on formats with a portion of the General Development fund targeted at the development of original formats. Original formats will continue to be preferred in the Commissioned Program. <u>Refer to the Discussion Paper for further information</u>.

