

ADMINISTRATIVE ARRANGEMENT GOVERNING FRANCO-AUSTRALIAN FILM RELATIONS

BETWEEN: THE AUSTRALIAN FILM COMMISSION ("AFC")

AND : CENTRE NATIONAL DE LA CINEMATOGRAPHIE ("CNC") of Ministry of Culture of the French Republic

Considering the contribution which co-productions may take to the development of their respective film industries and committed to encouraging the development of co-production in *film* production between France and Australia, AFC and CNC have recorded as follows their understanding on these matters:

ARTICLE 1

For the purposes of the present arrangement, the term "Film" designates cinematographic works (including animated and documentary work ) of any length and on any medium produced wholly or principally for exhibition to the public in cinemas.

It is further agreed that the terms of the arrangement will also be applicable on a case by case basis to works intended for distribution through television, including documentaries, telemovies or miniseries of television drama.

Films which are co-produced and entitled to benefit from the advantages of the present Arrangement enjoy the full advantages of the relevant national provisions regulating the film industry which are in operation or which may be enacted from time to time in each country.

These advantages benefit only the producer of the country which provides them.

Films made pursuant to this Arrangement must conform with the published or stated co-production policies of AFC and CNC. In addition, no proposal will proceed under this Arrangement until and unless both authorities notify their approval to each other in writing.

## ARTICLE 2

To be entitled to the benefits of co-production under this Arrangement the production of films must be undertaken by producers having sound technical and financial capacity and professional experience recognized by the relevant national authority.

## ARTICLE 3

Applications made by co-producers pursuant to this Arrangement must be made in accordance with the application procedures of their respective national authority and each authority will indicate what documentation must be provided in order to consider and approve the applications. These procedures are annexed to the present Arrangement.

## ARTICLE 4

For each film; the proportion contributed by Australian co-producers may vary from forty to eighty percent ( 40-80%) and the proportion contributed by French co-producers may vary from twenty to sixty percent (20-60 %).

The contribution of the minority co-producer must be actual artistic participation. In principle, the contribution of the minority co-producer in creative personnel, technical personnel and in actors should be proportional to its investment. In exceptional cases, special dispensation may be granted by joint agreement of the appropriate authorities of the two countries.

Films must be produced by directors who are nationals or residents of Australia or France. Technical work and acting must be done by persons of Australian or French nationality, or residents of Australia or France.

The performance of direction, technical work and acting other than in accordance with the preceding paragraph may be allowed, taking into account the requirements of the film in question and after agreement between the appropriate authorities of the two countries.

#### ARTICLE 5

AFC and CNC may favourably consider the CD-production of films of international quality between Australia, France and countries with which one or other of these countries is linked by co-production agreement or arrangement.

Acceptance of these films as approved co-productions pursuant to this Arrangement will be made by joint agreement between AFC and CNC on a case-by-case basis having regard to their respective policies as to international co-productions and this Arrangement.

#### ARTICLE 6

A general balance will be established in films made pursuant to this Arrangement in the use of creative and technical personnel and in the use of the financial and technical resources of each country (including use of studios and laboratories).

#### ARTICLE 7

Studio shooting, recording of the soundtrack and laboratory work will be carried out having regard to Article 6 and in the case of studio shooting, preferably in the country of the majority co-producer.

In all cases, each co-producer will jointly own the original picture and sound negatives irrespective of the country in which they are kept. The original negatives shall be kept for a period of three years in a laboratory acceptable to the two producers, and then will be lodged in the National Film Archive of the majority country.

Development of the negative will normally be carried out by a laboratory in the majority country as will the making of copies destined for distribution in that country. Copies destined for distribution in the minority country will be made by a laboratory in that country.

#### ARTICLE 8

Subject to all relevant legislation and regulations each authority agrees to use its best endeavours to facilitate the entry into and stay in its territory of the technical and artistic personnel of the other party. In addition, each party agrees to use its best endeavours to facilitate the temporary importation of goods and equipment imported solely for the purpose of producing films within the framework of this Arrangement.

#### ARTICLE 9

Agreements between co-producers as to the distribution of profits or other moneys relating to the co-produced film are subject to the approval of the appropriate authorities of the two countries. This distribution should generally be made proportional to the respective contributions of the co-producers.

All agreements relating to the production of films pursuant to this Arrangement shall provide that each of the Australian and French investors will be among the first legal owners of the copyright in the films.

#### ARTICLE 10

Unless otherwise provided in the co-production contract, the international distribution of a co-produced film is to be arranged by the majority co-producer with the agreement of the minority co-producer.

For films where the co-producers contribute equally, international distribution is to be arranged, except as otherwise agreed between the parties; by the co-producer of the same nationality or residence as the director. In the case of export to countries having restrictions on the importation of films, co-production films will be attributed, where possible, to the co-production country which enjoys the most favourable treatment.

#### ARTICLE 11

A film made pursuant to this Arrangement must identify that it is an "Australia-France co-production" or a "France—Australia co-production".

This fact must be stated in a single frame credit and in all substantial commercial advertising and promotional material and must continue for the duration of the film's screening.

#### ARTICLE 12

Unless otherwise agreed by the co-producers, the films will be presented at international festivals by the country of the majority co-producer, or in the case of equal financial contributions, by the country of which the director is a national or resident.

#### ARTICLE 13

AFC and CNC confirm that the importation, distribution and screening of French films in Australia; and of Australian films in France, is not subject to any restriction other than the relevant legislation and regulations in operation in each of those countries.

In addition, AFC and CNC affirm their support for the exhibition in each country of films from the other country.

#### ARTICLE 14

AFC and CNC will examine this Arrangement from time to-time, if necessary, in order to resolve difficulties relating to its implementation. They will study desirable modifications with a view to developing cooperation in film production in the common interest of the two countries.

They will convene a joint committee at the request of either party notably in the event of important changes to either party's national legislation governing the film industry or in the event that there are difficulties in implementing this arrangement.

In particular the parties will examine whether the desired balance has been achieved.

#### ARTICLE 15

The present Arrangement comes into operation on the date on which it is signed. It will operate until 31 December, 1987 and is automatically renewable for successive periods of two years, except in the event of its cancellation by either party. Three months notice must be given prior to such cancellation.

Cancellation will not affect any projects previously approved pursuant to this Arrangement.

It is on this basis that the undersigned have signed this Arrangement on Thursday May 15, 1986 at Cannes, France.

SIGNED BY AND ON BEHALF                      OF THE AUSTRALIAN FILM

SIGNED BY AND ON BEHALF OF CENTRE NATIONAL DE LA CINEMATOGRAPHIE

## ANNEX APPLICATION PROCEDURE

Intending co-producers of each of the two countries must, in order to benefit from the AFC/CNC co-production Arrangements, make application for approval of the proposed co-production, in the appropriate form required in Australia and France under the terms and conditions of each of the Authorities. Such applications will include amongst other documents:

1. Documentary evidence as to the acquisition of author's rights;
2. A detailed summary of the project and copies of the proposed script;
3. The names of all key technical and artistic personnel, indicating their nationalities and the roles assigned to key cast;
4. A budget and proposed method of financing;
5. A preliminary shooting schedule for the film;
6. The proposed terms of contract between the co-producing companies.

The competent authorities of the two countries have to transmit the files thus established as soon as they have been received. The country having minority financial equity will only give its agreement after having received the opinion of the country with majority financial equity.