



GUIDELINES GENERAL TELEVISION DRAMA PRODUCTION

Issued 30 September 2015 Updated 19 April 2024

Screen Australia reserves the right to change its program guidelines from time to time. Please ensure you check the website for the latest version.

These guidelines should be read in conjunction with Screen Australia's <u>Terms of Trade</u>.

Contact an Investment Manager

Before applying to Screen Australia for production funding, it is essential that you contact a Screen Australia Investment Manager to discuss your project. Email dramaproduction@screenaustralia.gov.au if you are unsure who to speak with.

We also encourage you to contact the Program Operations team before you submit your application to discuss any eligibility questions and ensure all the required supporting material is in place. This will mean we can process your application as smoothly and efficiently as possible.

Program Operations: 1800 507 901

Overview

The following guidelines apply to General Television Drama productions made primarily for broadcast or subscription television, VOD platform or similar. General Television Drama is any drama other than Children's Television Drama. Producers of Children's Television Drama, theatrical projects qualifying for the 40 per cent Producer Offset (Feature Films) and Online Productions should instead apply to those respective programs.

At the time of application, all projects must have a Commissioning Platform attached and must demonstrate that all other finance is in place.

Aims

Screen Australia's enabling legislation, the *Screen Australia Act 2008* (Cth), requires the agency to support the "development, production, promotion and distribution of Australian programs." In doing so, it is to:

• "ensure the development of a diverse range of Australian programs that deal with matters of national interest or importance to Australians, or that illustrate or interpret aspects of Australia or the life and activities of Australian people"

Accordingly, the General Television Drama Production funding program aims to support the production of a diverse slate of quality, innovative, original, culturally significant small-screen storytelling that resonates with contemporary audiences.

Investment and slate management principles

In the context of its enabling legislation, and given the need to allocate its limited funds fairly and effectively, Screen Australia manages its slate in collaboration with producers and Commissioning Platforms, according to the following principles:

- Ongoing consultation with producers and Commissioning Platforms about the year's slate and upcoming priorities
- Recognition of Commissioning Platforms' expertise in connecting with audiences as part of their commissioning processes
- Reserving the right to make investment decisions based on published criteria that reflect
 the requirements of the Screen Australia Act, including placing an emphasis on programs
 with a high level of artistic and cultural merit, which also promote the development of
 commercially focused screen production businesses.

What funding is available?

- Screen Australia investment is capped at \$2 million in any one general drama, other than in exceptional circumstances. If a project is a co-production, this cap will normally be reduced pro rata according to the percentage of the non-Australian co- production partner(s)' contribution. So, for example if the co-production is a 60/40 Australian majority co-production, the cap would be \$1.2 million.
- Screen Australia will only fund up to 45 per cent of the total budget, inclusive of any Producer Offset amount, other than in exceptional circumstances.
- For <u>official co-productions</u> the 45 per cent cap applies only to the Australian component of the budget.
- Funding will not be provided for retrospective costs (for monies already spent).

Who can apply?

- This program is open to Australian companies only.
- Applicant companies must meet the general eligibility requirements set out in Screen Australia's <u>Terms of Trade</u>, as well as the specific requirements of these guidelines.

What projects are eligible?

- General drama of any broadcast format is eligible for this program, including telemovies, telemovie packages and series (no distinction is drawn between series and mini-series).
- A compelling case must be demonstrated for Screen Australia to fund more than 26 viewing hours of any one project, including multiple series (whether or not they have been funded by Screen Australia).
- Projects must meet the general eligibility requirements set out in Screen Australia's <u>Terms of Trade</u>, including that they must have significant Australian content or be official co-productions.
- This program is only open for episodic drama with total budgets of A\$25 million or less.
 Higher budget projects will normally have the benefit of the Producer Offset and should
 attract enough other financing without requiring funding from Screen Australia's limited
 direct funding programs.
- Applications for production funding without finance in place will not be accepted. You must be able to supply all relevant letters of offer, deal memos and agreements for every line in the finance plan.
- Marketplace attachments are required, but they are not the only elements taken into consideration when Screen Australia makes funding decisions.
- A project cannot be submitted for production funding concurrently with an application for Screen Australia development funding. Contact an Investment Manager to discuss further.
- With the exception of official Co-Productions, it is Screen Australia's expectation that applications for direct funding will demonstrate that the project is written and directed by Australian citizens or permanent residents. Please notify your Investment Manager before applying if this is not the case.
- Specific requirements apply to projects which involve <u>First Nations community</u> participation or content. Please refer to our website for further information.
- Funding for subsequent seasons will be by assessment, taking into consideration the additional factors outlined on page 5. Funding for seasons beyond S2 will only be in exceptional circumstances.
- Preference will be given to projects that, at the time of application, are no further than six months from the start of pre-production.
- For projects to be considered eligible for Screen Australia funding, the agreement with the Commissioning Platform must reflect the terms and conditions in these guidelines, including minimum licence fee requirements.
- Screen Australia will not finance programs which have been developed by a Commissioning Platform and sub-contracted at a later stage to a producer, except

where chain of title resides with the producer. For the avoidance of doubt, Screen Australia will not finance programs where the producer is not independent of the nominated local Commissioning Platform for the first release of a program in Australia.

- In addition, Screen Australia expects key creatives (producer, writer, director, director of photography, editor) to be sourced from the freelance market and not from the staff of the Commissioning Platform.
- Unless the applicant is able to demonstrate exceptional circumstances, projects are ineligible if they have been unsuccessful twice for production funding.

Rights and Terms of Trade

- You must list all of your Chain of Title documents in the application and a Solicitor's Opinion letter will be required if you are successful.
- If the project is based on a real-life event or person, Screen Australia may request an additional legal opinion letter addressing any defamation or contempt of court issues.

Marketplace attachments

The proposed terms of Marketplace agreements will be considered by Screen Australia as part of the assessment process based on factors including compliance with the minimum licence fee requirements, overall commerciality and compliance with relevant industry agreements. Marketplace agreements are subject to Screen Australia's approval where funding is provided via a recoupable investment.

- Where such contributions are in relation to worldwide rights for a project, a portion
 of the amount, to be agreed by Screen Australia, is to be allocated to the ANZ
 territory. The remaining ROW portion of the contribution, and related expenses,
 cannot be recovered from ANZ receipts.
- Advances against ANZ and ROW must be clearly split and expenses should be treated separately.
- Screen Australia does not allow Marketplace contributions to be treated as equity i.e. this type of contribution does not entitle the contributor to a share of the equity investors' receipts or a share of copyright in the project.

Domestic

For all projects approved for funding on or after 1 January 2024, Screen Australia requires a local presale of at least \$500,000 per broadcast hour from a Commissioning Platform on terms acceptable to Screen Australia and otherwise in accordance with all relevant industry agreements.

The \$500,000 per broadcast hour minimum licence fee will be in place for at least 18 months after which Screen Australia will assess the impacts to determine the level of further increases.

A presale at the minimum licence fee must be allocated towards the primary right for the program being the platform on which the program premieres, and must <u>not include</u>:

- any equity component for the Commissioning Platform;
- broadcast rights for New Zealand or another Rest of World (ROW) territory;

- any secondary rights, for example, any VOD rights (if the primary right is free-to-air or subscription television), or free-to-air or subscription television rights (if the primary right is aa VOD right)
- distribution rights for Australia or a ROW territory;
- any ancillary rights.

If a Commissioning Platform wishes to exploit additional rights such as SVOD and/or any other VOD right(s) for a presale to a free-to-air broadcaster, Screen Australia expects the parties to negotiate in good faith for a payment to the producer which is reasonable in all the circumstances, and in line with current market rates.

The Commissioning Platform must not enter into any agreements with the producer (or a related entity) that have the effect of undermining the minimum licence fee requirement.

The producer will also need to be able to demonstrate that they are able to engage cast to match the requirements of the Commissioning Platform.

International

In addition to the local presale, Screen Australia will normally require a recognised and appropriate sales agent for ROW to be attached on all projects financed under the General Drama program.

Season 2 and Onwards

Applications for a Season 2 (S2) or further seasons of a General Television Drama Series will be assessed having regard to Screen Australia's core objectives across Drama and also the following factors (and other factors which may be taken into account from time to time):

- the strength of the Bible and the scripts (for at least the first 2 episodes) submitted and any other creative material supplied. The writers and any attached (proposed) key cast and directors;
- the overall availability of funds;
- the balance between new IP and funding second series;
- whether Season 1 (or further seasons) of a drama series rated highly in ANZ, and /or received critical acclaim and/or was featured in an A List Festival (Berlin, TIFF, and Cannes) or an A List TV Festival;
- whether the existence of subsequent season/s is likely to materially increase sales (in cash terms) of the Season 1 of the Drama (in the opinion of the ROW sales agent attached), alongside subsequent season/s;
- increases or reductions in budget for subsequent season/s and level of contributions for subsequent season/s from the ANZ platform and ROW sales agent/platform.

Priority will be given to Children's and First Nations Drama.

Screen Australia will normally treat any approved subsequent season funding as an investment.

Funding of Subsequent Series beyond S2 will only be in exceptional circumstances.

How to apply and what materials to provide

Applications must be made on the General Television Drama application form, and include all supporting materials listed on that form.

Incomplete applications will not be accepted. This includes those without finalised finance plans in place with associated letters of offer.

Budget requirements

Screen Australia, in consultation with the Completion Guarantor (where applicable), will examine a producer's schedule and budget to ensure that the production values in the script can be realised. Screen Australia will require, and can request, access to any quotes or other underlying documentation to support the line item amounts in the budget.

Budgets can be presented in the A-Z Budget format or in Movie Magic or EP format.

The cost of production, both above and below the line, should reflect the level of recoupment that the project can reasonably expect to earn. Fees should comply with industry standards. They will be considered in the context of the budget and track record of the personnel. Screen Australia reserves the right to look at the whole package, including budget and target audience, in determining whether individual above-the-line fees, including cast fees, are appropriate.

Screen Australia will have approval over any variation in budget items that are exclusions under the completion guarantee (e.g. music, cast breakage) and all above-the-line items.

Budgets must include:

- Allowance for a contingency of at least 10 per cent of the total below the line costs
- Production overheads are capped at 5 per cent of the total of the total film expenditure on the project, or \$500,000, whichever is the lesser amount.
- Development costs breakdown including: any development funds; producer fellowships from state agencies, Screen Australia or its predecessor agencies; and state agency administration fees (if applicable).
- Allowance for a Completion Guarantor.
- Foreign currency hedging mechanism to allow for currency fluctuations where applicable
- The cost of captioning and audio description as per Screen Australia's Terms of Trade
- Sales company deliverables and other delivery items as required, including Screen Australia and NFSA deliverables

Dedicated Marketing Budget (DMB)

The production must support the early development and creation of high-quality marketing assets with appropriately budgeted amounts for professional Unit Publicity, Stills Photography, Special Shoots, Key Art and Static Creative, Digital and Social Media assets, EPK, Trailer/s, and Fringes. For high ask and/or higher budget productions the engagement of a Marketing Producer or Strategy Consultant is highly desirable.

Crew Placement Scheme

As a condition of Screen Australia production, below-the-line crew placement opportunities must be allocated to each project for emerging to mid-career practitioners to gain experience in mid, senior crew and leadership roles.

• Productions that receive between \$500,000 and \$1 million in production funding from Screen Australia must budget for and engage one emerging or mid-career crew Placee in consultation with Screen Australia. Productions that receive less than \$500,000 in production funding but

have a significant production budget are strongly encouraged to include a crew placement as part of their project.

- Productions that receive more than \$1 million in production funding from Screen Australia must budget for and engage two emerging or mid-career crew Placees in consultation with Screen Australia.
- Each placement opportunity should provide genuine career advancement in a mid, senior crew or below-the-line leadership/HOD role. Productions should consider placements where skills gaps have been identified: for example, 1st Assistant Director, Editor, Line Producer, Location Manager, Post Production Supervisor, Production Accountant, Production Manager or Sound Designer, however, the Placements are not limited to these areas and can be for other roles where there will be benefit to the production.
- Depending on the role, the length of each crew placement opportunity must be for a period of time that provides a genuine career advancement opportunity (with the minimum being 6 weeks).
- Productions should consider diversity, equity and inclusion, with placement opportunities being
 provided in a manner that supports the career development of workers from diverse
 communities reflecting contemporary Australian life.
- If the production receives production funding from Screen Australia, producers will be asked to provide a training plan that outlines the parameters of the placement and details of the Placee for the approval of the Investment Manager and the Industry Development Manager, before the commencement of the placement. Acquittal reports from the Placee(s) and production company will be required and will form part of the productions' delivery materials to Screen Australia. More information on training plans and reporting requirements is included in the FAQs (link below).
- The costs for the Placee must be included within your production budget. Potential roles for the placements can be discussed with your Investment Manager or Screen Australia's Industry Development Unit.

Factorial Factor

Women, non-binary or gender diverse directors

Save in exceptional circumstances, it is a pre-condition of Screen Australia's funding of any drama series with more than one block*, that one or more blocks be directed by a woman, non-binary or gender diverse director.

*block shooting is a television term whereby more than one episode of a season is grouped into blocks for shooting. Each block can be directed by a different director and can consist of one or multiple episodes.

Official co-productions & the Producer Offset:

Projects approved as **official co-productions** are eligible for, but not automatically guaranteed, direct Screen Australia support.

IMPORTANT: You do not need to have lodged an application for your Producer Offset Provisional Certificate at the time of applying to the funding round unless specifically requested by your Investment Manager. In most cases producers will be able to wait to see whether or not their project has been successful for funding before applying for a certificate, saving time and application fees. However, if you are approved for funding you will need to lodge your application and receive your certification prior to contract execution.

Producer Offset and Co-production provisional approvals must not be more than two years old (from the date of your application for Production Investment). If approvals were granted over two years ago, a reassessment by the POCU will be required. See Producer Offset & co-production Programs for further information.

Foreign actors

Screen Australia encourages producers to engage with the <u>Foreign Actor Certification Scheme</u> (FACS) process early if they intend to bring foreign actors into Australia to be a part of any production. Separate to any requirement from Screen Australia, a production must meet the requirements of this scheme.

What is the assessment process?

Applications are considered by Screen Australia executives, with industry specialists consulted as required. Funding recommendations will be made at a meeting chaired by the CEO and composed of relevant Screen Australia staff.

- Decisions for recommended projects requesting more than \$1 million will be made by the Board.
- Decisions for recommended projects requesting \$1 million or less may be made by the CEO.*
- Decisions for recommended projects requesting \$300,000 or less may be made by the Chief Operating Officer.

*Screen Australia reserves the right to refer any project with potentially contentious or sensitive subject matter to the Board for decision, regardless of the funding request amount.

Assessment criteria

Investment decisions will be made against the following equally weighted criteria, and in the context of the program's aims and the slate management principles outlined on page 2:

- Quality: the quality of the proposal including its innovative and/or cultural significance;
- **Audience:** the project's potential to connect with its target audience;
- **Creative Team:** the track record and capacity of the creative team;
- Marketplace/Finance: the strength of the marketplace e.g. any ROW sales agent and the level of co-finance (excluding Screen Australia and the state agencies);
- **Diversity, Equity and Inclusion:** the extent to which the project is likely to effectively and properly increase and amplify inclusivity, diversity and/or gender equity both in front of, and behind the camera.

Other factors including the availability of funds, previous funding may also influence Screen Australia's funding decisions. Preference will be given to:

- projects based on intellectual property created by Australians
- original formats over programs based on foreign formats.

Decision and notification

Decisions on applications are final. Screen Australia will advise applicants in writing of the

outcome of their application. Where an application is declined, the applicant will be advised of the reason.

What is the contracting process?

If a project is approved, the applicant will receive a Letter of Approval detailing the level and timeframe of Screen Australia's approved contribution as well as any applicable conditions.

To help streamline the contracting process, Screen Australia has developed core conditions for its Production Investment Agreement (PIA) and Production Grant Agreement (PGA). The complete agreement will comprise the core conditions together with a series of schedules.

How it works:

- The core conditions in place at the time a project is approved for funding will apply.
- The goal is to keep the core conditions unchanged, with any exemptions addressed in the Special Conditions Schedule.
- Once all schedules are agreed to, the schedules and the core conditions will be merged into one fully executed pdf with approved budget and drawdown schedule (if applicable).

Please contact Screen Australia's legal team to obtain a copy of the <u>core conditions</u> for agreements (contact details available on our website <u>here</u>).

Terms of funding

Where Screen Australia's total contribution (including any development funds) is \$500,000 or under, funding will generally be in the form of a grant.

- Screen Australia does not take a share of receipts from projects funded under a grant, which means the funds do not have to be repaid other than in circumstances set out in the Terms of Trade.
- The amount of the Screen Australia grant will be agreed upfront and not varied, other than in exceptional circumstances.
- Screen Australia does not require a share of copyright in productions that it funds under a grant.
- Funding for subsequent seasons will normally be treated as an equity investment.

Where Screen Australia's total contribution (including any development funds) is **more than \$500,000**, funding will be in the form of recoupable equity investment, with copyright terms in accordance with the agency's <u>Terms of Trade</u>.

Recoupment - For all projects covered by these guidelines in which Screen Australia contributes a recoupable equity investment, Screen Australia will generally require the appointment of a disbursement administrator for all territories (*to manage the disbursement of both gross receipts and residuals*) and Screen Australia's approval is required over the terms of any disbursement agreement entered into. Screen Australia will consider a waiver of the requirement to appoint a disbursement administrator depending on the experience and track record of the producer and on the nature of the project. The recoupment terms shall otherwise be in accordance with the agency's <u>Terms of Trade</u>.

Glossary

Commissioning Platform - for the purpose of these guidelines, Commissioning Platform includes a free-to-air or subscription television broadcaster and streaming platforms such as subscription VOD.

Television Broadcaster means a corporation distributing audio and video content across the traditional television platform.

VOD means any video on demand service including but not limited to subscription VOD (SVOD), ad-supported VOD (AVOD), free VOD (FVOD) and transactional VOD (TVOD).

Change Log:

April 2024

- Replaced the Inclusive Attachment Scheme with the Crew Placement Scheme.
- Revisions to Budget Requirements and Marketing Budget
- Separated Children's and General Drama guidelines
- Re-ordered sections for clarity
- Removed extraneous information,
- Updated for consistency across production funding guidelines

September 2023

- Clarified that preference is to be given to projects based on intellectual property created by Australians.
- Clarified that programs will not be financed where the producer is not independent of the nominated local Commissioning Platform for the first release of a program in Australia.
- Increased the total Screen Australia funding thresholds (including Offset) from 40% to 45% for General Drama, and from 45% to 50% for Children's TV.
- Raised the minimum licence fee for both General Drama and Children's TV from 1 January 1, 2024 and clarified minimum licence fee criteria.
- Added Screen Australia's requirement that other than in exceptional circumstances, projects must, at the time of application, be no further than six months from the start of pre-production.
- Added Screen Australia's general requirement that a disbursement administrator be appointed in all territories for projects funded via a recoupable equity investment.
- Updated Information relating to Season 2s including by removing that funding will typically be capped at \$500,000 and the general drama criteria.
- Removed section on COVID Costs.

February 2022

Added assessment criteria addressing equity, diversity and inclusivity.

December 2021

• COVID Costs now included in budget rather than applying for separately

May 2021

• program not open for episodic series with budgets of A\$25 million or more

September 2020

• Applications for retrospective funding (for monies already spent) are not eligible.

Inclusion of COVID costs

August 2019

- Additional assessment criteria included for Season 2 of General and Children's Drama.
- Funding for Season 2 will generally be capped at \$500,000 and treated as an investment by Screen Australia.
- Funding for subsequent series beyond Season 2 will only be in exceptional circumstances.
- Funding cap for co-productions reduced pro-rata according to the percentage of the non-Australian co-production partner(s)'s contribution.

May 2018

• Save in exceptional circumstances, it is a pre-condition of Screen Australia's funding of any drama series with more than one block*, that one or more blocks should be directed by a female director.

July 2017

• Added the inclusive attachment scheme

April 2017

• Changes to Producer Offset Provisional Certificate from required to not required prior to lodging your application unless specifically requested.

February 2017

 Inclusion of Screen Australia's expectation that applications for direct funding will demonstrate that the project is written and directed by Australian citizens or residents

December 2016

Funding cap for Children's Programs reduced from \$3 million to \$2 million

December 2015

We are mindful that new online platforms are entering the commissioned arena and recognise that accessibility to content on a wide variety of platforms provides strong opportunities for audience engagement. The following key changes have been made:

- Platform neutral language.
- Expanding eligible formats to any programming for made specifically for children.
- Allowing funding for series in excess of 26 viewing hours provided a compelling case exists.
- For children's animation, preference will be given to programs with Australian voices.
- Removing mandated release windows. Screen Australia expects the relevant platforms to agree to reasonable windows in all the circumstances.
- While international sales agents for ROW are normally required, the requirement may be waived if a compelling case exists.

Assessment criteria has been amended to reflect Screen Australia's current philosophies, including the gender and cultural diversity of the team.