



Australian Government



Documentary Funding **Discussion Paper**

September 2019

CONTENTS

Introduction	2
Section 1 A Reformed Documentary Program	4
Proposal 1: Development Program	5
Proposal 2: Producer Program	8
Proposal 3: Commissioned Program	10
Proposal 4: Completion Fund	13
Further Information	15
Section 2 Other Issues	21
Section 3 Next Steps	24



Cover image: *The Australian Dream*
Received Screen Australia production funding through the Producer Program in 2017/18.

Employable Me season 1
Received Screen Australia production funding through the Commissioned Program in 2016/17.

INTRODUCTION

Documentary is powerful: it can evoke great emotions, build our sense of community, and encourage social change. Australian documentary creators continue to create works which engage and move audiences here and abroad.

Our sector, however, has fundamentally changed. Primarily, people are consuming content differently. Australians watch what they want, whenever they want, on whichever screen they want. Digital technology has empowered audiences, opened new frontiers for documentaries, and disrupted business models that supported the creation of Australian screen stories. **Content creators are adapting but need to continue to do so:** few screen businesses operate as they did 10 years ago. **Commissioners are commissioning differently,** responding to changing audience tastes and intense competition for viewers on multiple fronts. These **changes affect us all,** bringing new opportunities, but also challenging businesses, livelihoods, and the stories that are told.

Amidst this Australian stories have influenced important conversations, achieved strong box office, screened to large TV and online audiences at home and abroad, and been selected for the world's leading markets and festivals. Some have called this era of audience choice a golden age for documentary: and Australia has the talent and the stories to take advantage of it. **But audience power has powerful implications:** while a story's potential audience may be everyone, it has to cut through all the content in the world to an audience accustomed to choice and quality.

It is clear to Screen Australia that the globalisation of industry and audience has created greater requirements for documentary creators. The bar for projects is higher at every step, and a growing number of people and businesses are competing for audiences and a finite amount of industry, private and public finance. It is inevitable that some will miss out.

Over the past months Screen Australia has reached out to the sector on factors including PEP funding, and met with over one hundred creators and distributors from across the industry. We have heard both optimism and concern. A range of issues and themes were raised, including:

- increased competition for funding
- increasing development costs and pitch expectations
- distribution challenges, including limited content pathways with domestic broadcasters, as well as limited international pathways for content with an Australian focus
- a need to encourage more entrepreneurial thinking across the industry
- generational gaps in approach and audience
- recent success of feature documentaries
- the valued flexibility of PEP, but concern about it drawing funding from other programs
- more entrants to the industry, and limited opportunities to create careers.

Screen Australia also heard and discussed suggestions for the part our programs can play in the ecosystem, including conflicting ideas:

- combining programs into a single development or production fund or, alternatively, creating new programs
- removing credit requirements – or, alternatively, advantage established businesses
- creating application processes with more scrutiny on pathway to audience; though others called for applications with fewer requirements
- shifting documentary features from the specialist team, back to the drama feature fund

- moving funding from TV broadcasters to streaming platforms
- fewer initiatives – or alternatively, more and different initiatives
- removing funding rounds to provide producers with more flexibility.

Screen Australia has a vital role in the industry, but in an environment of higher demand and reduced public funding, and fundamental changes to distribution and consumption, we cannot provide solutions for every issue. We have considered the conversations had to date, reviewed the funding we have available, and analysed relevant data. This paper explains our proposals: a linked package of changes that makes the best use of our funding to engage, where we can, with the challenges and opportunities that await the entire sector.



SECTION 1

A REFORMED DOCUMENTARY PROGRAM

Screen Australia provides \$14-16 million in direct funding each year through documentary funding programs. This funding works in partnership with other Screen Australia programs, State and Territory agency funding, and the Producer Offset, which is also administered by Screen Australia and which responds to demand, providing upwards of \$20 million in Federal Government funding to documentary content each year.

Since 2015 Screen Australia's Documentary unit has offered four funding programs:

- Development funding (including Initiatives)
- The Producer Program
- The Commissioned Program
- The Producer Equity Program (PEP).

Due to the challenges and opportunities outlined, Screen Australia is proposing a package of changes that sustains and enhances the Development and Producer Programs, clarifies and reforms the Commissioned Program, and replaces PEP with a new pathway for lower-budget documentaries. This pathway consists of new opportunities for lower-budget projects in the Development and Producer Programs, and a new Completion Fund.



2040

Received Screen Australia development funding and production funding through the Producer Program in 2016/17.

Proposal 1: Introduce an enhanced Development Program

Why does Development funding need to be enhanced?

Great stories cut through – but it can take time and money to capture the core of a story in a logline, treatment, interview or reel. Consultation with the industry has found a range of needs, notably more flexible and responsive funding, more opportunities for emerging creatives, and higher-quality development. In response, our proposed changes:

- Support all stages of documentary development to help projects to build momentum and market interest
- Support the creation of better development materials, to assist producers to succeed in more competitive local and foreign markets
- Encourage strong ideas from a range of content creators, for content on all platforms
- Provide new opportunities for emerging creators
- Encourage the creation of locally-created formats
- Provide focused development support for lower-budget documentaries
- Simplify the application process by removing rounds and reforming requirements and materials.

How much will be allocated?

- \$900,000 to \$1,100,000 each year for Development
- \$400,000 to \$600,000 each year for Initiatives.

Funding for Development and Initiatives will increase by \$500,000, including new support for lower-budget projects.

How much will be available for Development, and how will it work?

Three funding opportunities will be offered, to reflect the key stages in the development cycle. Producers may wish to apply for funding at each stage, advancing their projects through development.

SEED FUNDING – for applicants who have the genesis of an idea and need a small amount of funding to research and refine it. Seed funding will provide clarified support for very early stage development, opening a specific pathway for funding that has proven effective for several projects.

- Up to \$5,000 is available
- No credits are required
- Applications open all year via a simplified process.

Seed funding is targeted at:

- emerging and mid-level practitioners who may lack the resources, experience and/or contacts to explore ambitious ideas
- projects that are complex, require support for travel, need help to access talent, and/or wish to test market interest at an early stage.

GENERAL DEVELOPMENT – assists documentary makers to achieve planned outcomes for the development of their projects, which could include further research, written materials such as a treatment or outline, strategic shooting or editing to attract marketplace development or production finance, or the creation of a sizzle reel.

- Up to \$20,000 will be available **1**
- 20% of funding will be intended for low budget productions (projects with budgets \$500,000 or under)
- At least 10% of funding will be intended for the development of original formats on any platform. If projects have an attached commissioning platform, the platform is expected to match this funding
- Applications will be open all year **2** via a simpler and clearer process.

General Development funding will essentially mirror the current Development Program.

1 This is a reduction on the current cap of \$30,000 due to the new staged approach: projects can apply for Seed, General and Advanced development funding.

2 We have moved from set rounds to a more flexible, 'always open' process: applicants can determine the best time for them to apply. Applications will be decided within 8 weeks (as per the current program).

ADVANCED DEVELOPMENT – for projects with significant marketplace interest that need funding to secure full financing. **3**

- Up to \$20,000 will be available
- Open all year. Applications will be considered after initial consultation with a Screen Australia funding manager. Decisions will be based primarily on the development plan, and the strength of marketplace interest and/or matched funding **4**
- Projects that have received Seed or General Development Funding are eligible to apply, as are projects that have not received Screen Australia funding.

Credit requirements for General and Advanced Development are outlined on page 17.

3 Industry consultation has confirmed the rising standard of pitch materials amidst increased local and global competition. Advanced Development is designed to sharpen materials to help producers win their pitch.

4 Applicants must present a strong, clear case, outlining:

- Creative challenges to be solved.
- Pathway: a specific strategy to find an audience and/or secure necessary marketplace interest.

Development funding:

[Click here](#) to provide feedback on the proposed enhancements for Development funding.

Initiatives

Each year, Screen Australia operates initiatives that leverage finance from third parties to grow the funding pool and achieve specific goals:

- develop emerging talent and provide opportunities for career progression
- create and support opportunities for documentary creators from diverse backgrounds
- develop online storytelling
- support innovative stories and storytelling.

Previous initiatives include *Art Bites*, *Doco180*, *Love Bites*, *Out Here*, and partnerships with The Guardian and VICE.

Initiatives for 2019/20 will be announced once finalised, and include the *Witness* pitching competition, a partnership with Al Jazeera and the Australian International Documentary Conference.



Mystify

Received Screen Australia development funding in 2015/16 and production funding through the Producer Program in 2016/17.

Proposal 2: Introduce an enhanced Producer Program

The Producer Program has received very positive overall feedback from the industry. Limited changes are proposed. A key focus is to provide enhanced support for lower-budget documentaries.

What will be the purpose of the Producer Program?

- Support ambitious and engaging projects that have strong creative visions
- Support projects across all platforms
- Provide 'first in' finance where appropriate, as well as further support to projects with marketplace finance.

How much funding will be available through the Producer Program?

- \$4,400,000 to \$4,900,000 will be distributed throughout the year **5**
- At least 20% of the Producer Program funds will be targeted to projects that secure at least 10% of their budget from international sources **6**
- At least 10% of the Producer Program funds will be targeted to projects with budgets under \$500,000, to continue support for low budget production **7**
- To fund a larger number of projects, applicants can request any amount up to \$500,000. Asks of more than \$500,000 will only be accepted in exceptional circumstances **8**
- There are no limits on the proportion of the budget Screen Australia can contribute, but Screen Australia will evaluate the funding request as a proportion of the overall budget. The lower the proportion, the more competitive a project may be: other sources of finance are encouraged.

How can I access funding?

- Funding will be available through five rounds each year **9**
- Rounds will normally be concluded using materials similar to those currently required in Stage 1 of the current process. Applications that require further clarification will be invited to submit additional materials. **10**

5 This increase represents a small reallocation of PEP funding.

6 This continues current practice, which has been in place since the consolidation of funds in 2015.

7 This measure will see at least \$450,000 flow to projects that would have been eligible for PEP.

8 This measure provides new clarity on available funding, reflecting most allocations in recent years. Ambitious projects such as larger-budget features will still be supported with more than \$500,000, with producers encouraged to demonstrate their exceptional circumstances to Screen Australia early in the application process.

9 This is an increase from four rounds, providing greater flexibility for producers.

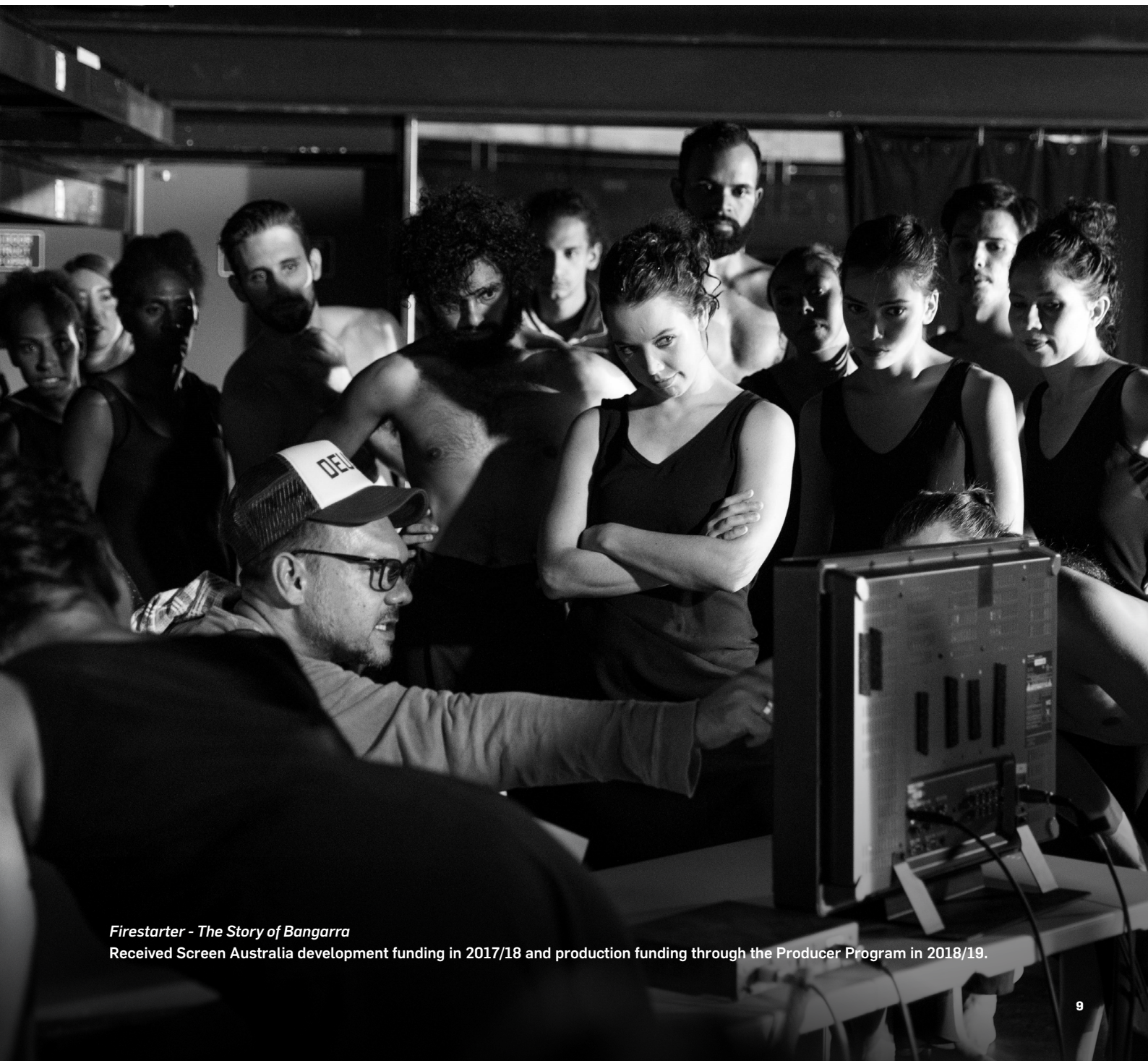
10 This change clarifies processes that have evolved in recent years. Current Stage 1 materials are usually sufficient for funding decisions.

Which projects are eligible?

The Producer Program will operate with clarified requirements for feature documentaries: see page 17 for more.

Producer Program:

Click here to provide feedback on the proposed enhancements for the Producer Program.



Firestarter - The Story of Bangarra

Received Screen Australia development funding in 2017/18 and production funding through the Producer Program in 2018/19.

Proposal 3: Reform and clarify the Commissioned Program

Feedback from the industry underscored the importance of the Commissioned Program. There are differing views from some in the sector about the platforms, companies and content that the Program should support, and the process this support should follow. There are more commissioners and platforms than ever before, and the following reforms are designed to preserve aspects of the program that are supporting great content, and clarify aspects that are not well-understood.

What will be the purpose of the Commissioned Program?

- Support the production of a diverse range of quality documentaries made primarily for a Commissioning Platform, namely free-to-air broadcasters, subscription television, and online platforms
- Support documentaries with strong cultural value for Australians, including content that may find it challenging to obtain international finance
- Support a range of content that meets Screen Australia's core objectives, and offers a compelling vision, subject analysis and clear, enduring cultural value beyond its initial release
- Work with Commissioning Platforms in recognition of their expertise in connecting with audiences
- Support projects with international finance through the incentive of a lower domestic licence fee requirement.

What is a "Commissioning Platform"?

Australians are increasingly using new platforms. To encourage the production of Australian documentaries on these services, Screen Australia will define Commissioning Platforms as:

- any Australian free-to-air (FTA) broadcaster and/or broadcaster video on demand (BVOD) streaming platform
- an Australian subscription/pay television service
- any streaming service, such as subscription video on demand (SVOD) platforms
- provided a project qualifies for the Producer Offset and the Australian producer is bona fide (not just a producer for hire), Screen Australia may fund a project commissioned, or co-commissioned by a global platform, as long as that platform has the ability and intent to deliver the project to a significant Australian audience. Note preference may be given to local platforms. **11**

11 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.

How much funding will be available for content on each platform?

- \$6,500,000 to \$7,000,000 will be distributed throughout each year
- Historically, 40-45% of Commissioned Program funding has been allocated to projects commissioned by the ABC, with similar funding directed to projects commissioned by the SBS. Funding is also provided to projects commissioned by other platforms, including commercial broadcasters and subscription television channels.

These allocations are not guaranteed to any broadcaster or platform. Screen Australia funding responds to demand from applications, which are assessed against the program's stated criteria. Furthermore, Screen Australia encourages applications from new platforms to reach fragmenting audiences and 'grow the pie' for the industry. **12**

12 Screen Australia recognises that set allocations may provide certainty for producers and platforms, and that the ABC and SBS remain important providers of culturally significant Australian documentary content. However, Australians should be able to see Australian documentaries across new platforms that are becoming increasingly significant. Screen Australia will continue to communicate with the ABC, SBS and other broadcasters and television channels on their plans, while encouraging applications from projects commissioned by new platforms.

How much will be available for a project, and what will the process be?

- Projects will be able to apply for up to \$750,000. Asks of more than \$750,000 will only be accepted in exceptional circumstances **13**
- Other elements of the process will remain consistent with current guidelines.

13 The cap has been reduced from \$1 million to \$750,000, which aligns the cap with the current typical maximum allocation, and allows us to fund a larger number of projects across a growing range of platforms. Projects that demonstrate exceptional circumstances may apply for more than \$750,000.

What pre-sales will be required?

Applicants must provide a pre-sale from an eligible Commissioning Platform with an increased minimum licence fee as follows: **14**

- \$196,000 per hour, where Screen Australia funding is more than \$500,000 (currently \$180,000 p/h)
- \$163,000 per hour, where Screen Australia funding is \$500,000 or less (currently \$150,000 p/h)
- \$100,000 per hour, irrespective of the level of Screen Australia funding, where at least 10 per cent of the budget comprises advances from sales agents for the international market and/or international territory presales. In exceptional circumstances, Screen Australia may consider a lower licence fee if the international offer forms a very high proportion of the total budget.

14 To reflect increases in costs and support more sustainable screen businesses, we propose to increase the minimum licence fees by an amount that reflects rising production costs, but does not unduly burden platforms. The increase has been calculated by applying the method used by the ACMA for drama quota settings. To continue to incentivise international financing, the \$100,000 minimum has not been increased.

Commissioned Program:

Click here to provide feedback on the proposed enhancements for the Commissioned Program.



Todd Sampson's Body Hack season 2
Received Screen Australia production funding through the Commissioned Program in 2016/17.

Proposal 4: Introduce a new, creatively-assessed Completion Fund that provides up to 20% of an approved budget via an accelerated cashflow method

What is the purpose of the new Completion Fund?

Around 70 per cent of current applications for the Producer Equity Program (PEP) seek post-production or completion funding. The Completion Fund replaces PEP, maintaining platform-neutral support for lower-budget projects that commence without Screen Australia production funding, but still meet the agency's core objectives (see page 15).

Why does PEP need to be replaced?

PEP currently offers a payment worth 20% of the budget to documentaries with budgets between \$125,000 and \$500,000. Unlike other applications for Screen Australia funding, PEP applications are not creatively assessed. In many ways, PEP is seen as a Producer Offset for lower-budget documentaries: but while the Offset is paid by the Australian Taxation Office, PEP is paid from Screen Australia's own budget: and whilst our budget has been significantly reduced, demand for PEP has significantly increased beyond its historic allocation of \$2.5 million. To meet this overrun, funding has been reallocated from other programs, including the Development, Producer and Commissioned Programs.

Lower-budget documentaries are vital to the industry and audiences, and many PEP-funded projects undoubtedly have creative merit and cultural impact. However, some projects funded through PEP do not align with Screen Australia's goals related to quality, culture and innovation. In a time of such high demand for limited funding, PEP is no longer the best way for Screen Australia to fund lower-budget documentaries. Screen Australia proposes to preserve support for lower-budget documentaries, but focus this support on projects that demonstrate cultural significance and an achievable pathway to audience that is appropriate to the level of funding requested.

While a continued PEP with a yearly cap is an alternative that Screen Australia has considered, it is expected that a yearly cap of \$2.5 million would be exhausted early in the year, creating several effects:

- 'Later-running' projects would be denied funding
- Shifting those applications into the following year's allocation would over-subscribe that year's allocation and create an ever-growing backlog.

How much will be available in the new Completion Fund?

- \$1.5 million to \$2 million will be allocated to the Completion Fund **15**
- Projects can request up to 20% of an approved budget but no more than \$100,000

15 PEP has a yearly allocation of \$2.5 million. \$1.5 million-\$2 million will be allocated to the Completion Fund, with the remaining \$0.5 million-\$1 million distributed to enhanced Development and Producer Programs, which have a new focus on low-budget projects.

16 Funding limits are the same as PEP, while the first drawdown has been increased from 50% to give fast access to substantial funds.

How will it work?

- The fund will be open all year
- Applicants will not need prior credits
- Funding will be available to projects with budgets between \$125,000 and \$500,000
- Screen Australia will aim to finish assessments within six weeks of receipt of a completed application, as per the current PEP process
- While assessment criteria will be consistent with other programs, the application process will be easier and faster
- Projects will be assessed on:
 - the extent that they meet some or all of Screen Australia's core objectives [17](#)
 - how they meet the Documentary program's criteria [18](#)
- Unsuccessful applications may be revised and projects may be re-submitted once only
- Screen Australia may fund at a different level than that applied for, based on whether the requested funding is appropriate for the project's scale and ability to reach its intended audience
- Requirements around Australian key creatives and cultural consideration will continue
- Projects that have received funding through the Producer and Commissioned Programs will be ineligible. Projects funded through Initiatives will only be eligible in exceptional circumstances.

17 See page 15.

18 The Completion Fund has been designed so that the majority of previous PEP projects would be eligible for Completion Funding. Funding decisions will focus on:

- A project's business case, particularly **pathway to audience**. Whether the target audience is broad or niche, applicants must identify the audience and a strategic and realistic way to reach them, via pathways such as cinema distribution (including cinema on demand and festivals), free-to-air and pay television, and online platforms.
- Assessors will query the **strength of the idea**: how engaging and promising are the materials? Is the idea strong, distinctive, clear, and/or innovative?

Completion Fund:

[Click here](#) to provide feedback on the proposed Completion Fund.

Further Information

Funding criteria, eligibility and decisions

Screen Australia's Documentary programs are subject to our Terms of Trade. Projects must meet the definition of documentary set out by the Australian Communications and Media Authority.

Projects are assessed by the specialist Documentary unit, and external assessors when required. **19** Projects are measured against our core objectives, program criteria, other projects in a round, and our need to fund a balanced slate.

19 Projects will generally be assessed by Documentary unit staff, and industry professionals when required. Applications are then evaluated by the entire unit before decisions are made, with input from senior staff and the Board as per Screen Australia policy.

Screen Australia's core objectives

Screen Australia has clarified its core objectives to provide more guidance to the industry. These objectives apply across all funding programs, including drama and documentary: **20**

- **To showcase Australia and Australians on screen** and fund programs that are likely to appeal to a range of Australian audiences
- **To ensure Australian projects are seen globally**, taking into consideration the effective and proper use of public resources
- **To assist the whole screen sector to strengthen careers and businesses** and promote the development of commercially-focused screen production businesses that rely less on direct Federal funding, and more on marketplace or alternative private sources of funding
- **To increase diversity, inclusion and gender equity** in front of, and behind the camera
- **To support new and emerging talent and take risks on talent and/or content**
- **To ensure sufficient programs of relevance and importance to children and families in Australia**, featuring Australians, Australian locations and Australian voices.

Applications will be given a single mark based on how well they meet the objectives that are relevant to their project. Projects do not need to meet all of the objectives, but they must meet at least some of them.

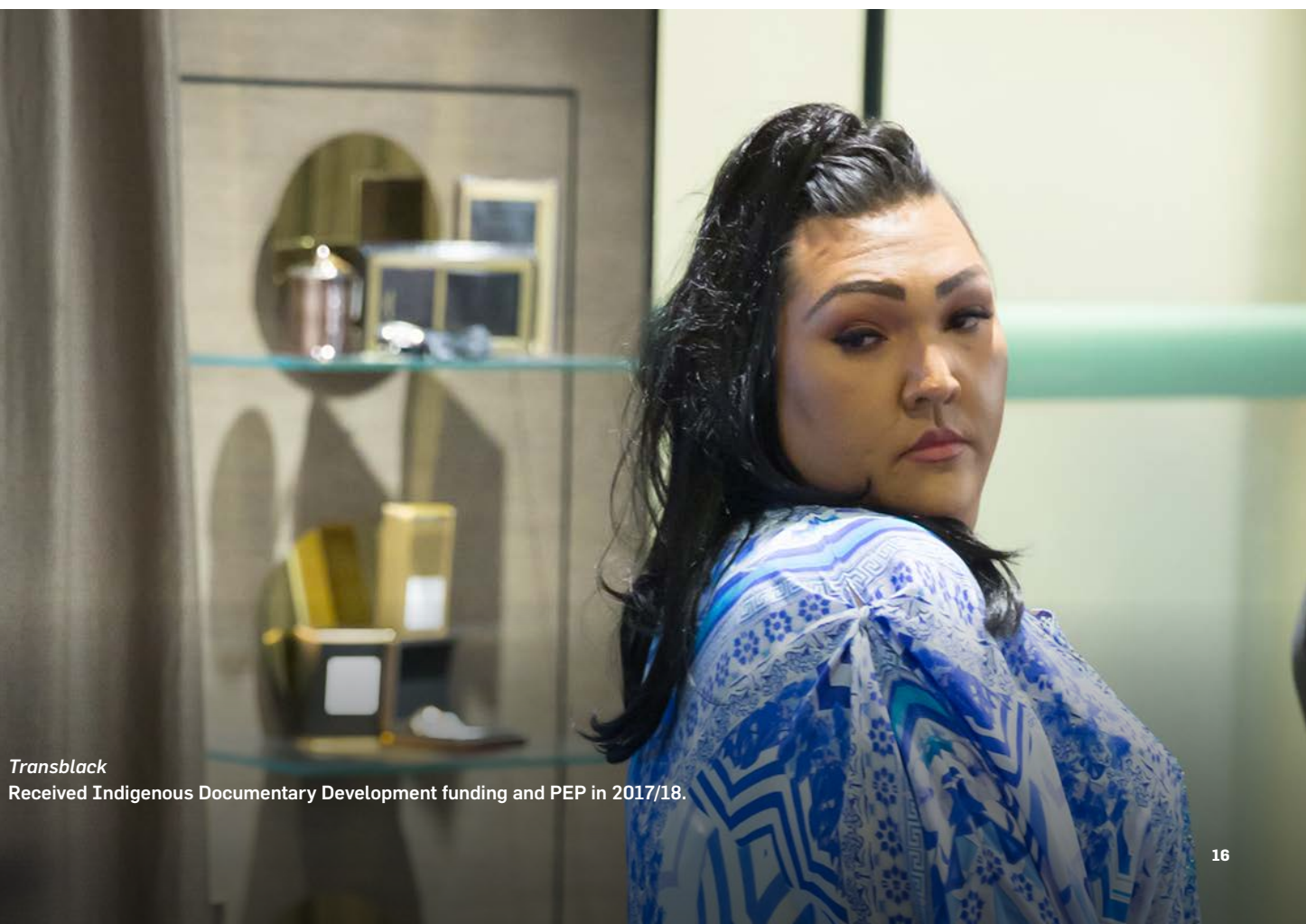
20 Some producers have requested greater clarity on Screen Australia's funding priorities: the core objectives and refined program criteria are designed to provide greater certainty in this regard.

Program criteria

Each documentary funding program shares the same equally weighted broad criteria, set out below.

- **Core objectives** – to what level does the project meet the relevant Screen Australia core objectives?
- **Strength of the idea** – including (but not limited to): how distinctive, bold or innovative is the idea? How does it cut through or compare to other projects in the documentary slate and/or projects with similar topics, themes or characters? What is the potential impact of viewing: what is the project's potential to engage, challenge, entertain, inform and/or enlighten?
- **Cultural value** – how well will the project contribute to our national belonging, shape our cultural imagination, inspire national conversation and create an enduring legacy for Australians now and into the future?
- **Business case** – is there a strong understanding of the primary audience and pathway to them? How strong is the strategy to reach them? Is there documented evidence of marketplace interest? How feasible is the project? What is the amount requested from Screen Australia as a proportion of the total budget? How viable is the size of the budget? How strong is the finance plan, including investment positions of the producer, other parties and international finance where relevant?
- **Team** – How appropriate are the skills and experience of the creative team to deliver on the proposal, promised audience, and requested production funding?

Applications are also considered against the merits of other applications, as well as Screen Australia's need to fund a slate which is balanced across all of our programs and the general availability of funds.



Transblack
Received Indigenous Documentary Development funding and PEP in 2017/18.

Eligibility criteria

We propose a range of eligibility changes to:

- open documentary funding to practitioners with more varied creative backgrounds
- create a pathway for practitioners to progress
- open up applications for content on online platforms
- clarify expectations for feature documentary applications.

The following credits are required from sole applicants and teams:

	IF APPLYING FOR ONLINE OR VR DOCUMENTARIES		IF APPLYING FOR A FEATURE DOCUMENTARY		ALL OTHER APPLICATIONS	
DEVELOPMENT • Seed Development (new funding)	No credits required					
DEVELOPMENT • General Development • Advanced Development (new funding)	Current	Proposed	Current	Proposed	Current	Proposed
	One eligible credit	Online: no credits required	Two eligible credits	One eligible credit in any project one hour or longer in duration	Two eligible credits	Two eligible credits
		VR: one eligible credit of any duration				
PRODUCTION • Producer Program	Current	Proposed	Current	Proposed	Current	Proposed
	One eligible credit	One eligible credit	Two eligible credits	One eligible credit in any project one hour or longer in duration	Two eligible credits	Two eligible credits
PRODUCTION • Commissioned Program	No credits required (no change from current program)					
PRODUCTION • Completion Fund (replaces PEP)	No credits required (no change from PEP)					

An "eligible credit" is a documentary project that is 30 minutes or longer in duration that has:

- been broadcast by a recognised Broadcaster or Commissioning Platform, or
- had a commercial theatrical release, or
- been invited to screen at IDFA, Hot Docs or equivalent.

Application materials

As we finalise new program guidelines, Screen Australia will refresh the materials required to apply for funding. Our intention is to create streamlined processes that guide applicants to think more critically about their projects, while submitting fewer materials in total.



Magical Land of Oz

Received Screen Australia development funding in 2016/17 and production funding through the Commissioned Program in 2017/18.

Summary of proposed programs

	DEVELOPMENT & INITIATIVES	PRODUCER	COMMISSIONED	COMPLETION
18/19 allocated spend	\$1,005,252	\$4,554,000	\$7,075,010	(PEP: \$2.5 million budgeted, \$3,595,284 spend)
New notional yearly allocation*	\$1.3 million to \$1.7 million	\$4.4 million to \$4.9 million	\$6.5 million to \$7 million	\$1.5 million to \$2 million
Overall goal	<u>Development:</u> To research and explore concepts, and strengthen the fundamentals of stories for any platform <u>Initiatives:</u> Partnerships and programs that target areas of need	Foundational funding for innovative projects with a strong creative vision on any platform	Support for high-quality projects that have enduring cultural value and are commissioned by TV or online platforms	Completion support for lower-budget projects on any platform
Main features	<ul style="list-style-type: none"> • Significantly greater funding for development, including of lower-budget projects • New approach, dividing funding between: <ul style="list-style-type: none"> - Seed Funding, open to all experience levels - General Development, including a new focus on formats and lower-budget projects - Advanced Development, for projects that need final support to seal finance • Apply any time (no longer in rounds) via a simplified process 	<ul style="list-style-type: none"> • Greater allocation of funds • Continued opportunities for projects with international finance • Targeted funding for high-quality, lower-budget productions • Application process simplified into one stage with refined and simpler materials (additional materials and information may be requested if necessary) • Continued funding for digital productions • Five funding rounds per year instead of the current four 	<ul style="list-style-type: none"> • New opportunities on online platforms • New opportunities on international platforms • Clarification on distribution of funds across platforms • Increased license fees 	<ul style="list-style-type: none"> • Payment of 20% of budget up to \$100k (as per PEP) • Better targeting of funding: <ul style="list-style-type: none"> - Projects must have realistic pathway to audience that is appropriate to Screen Australia financial ask - New test of cultural and creative significance • Program will be open all year to provide same flexibility as PEP
Funding process	Open all year	Five rounds per year	Open all year	Open all year

*Please note these allocations are the notional amounts allocated to each fund at the beginning of a financial year. Screen Australia responds to applications from the industry, funding a balanced slate of projects across all programs, and the amounts allocated to programs fluctuate from year to year due to the applications received.



China Love

Received development funding in 2015/16 and production funding through the Commissioned Program in 2017/18.

SECTION 2

OTHER ISSUES

In addition to the industry-wide shifts described in Section 1, a number of issues are impacting Screen Australia's funding programs. Screen Australia's recent allocations from the Australian Government are lower than in previous years, leading to necessary reductions in the budgets for both documentary and drama programs.

Screen Australia has received a number of submissions from different documentary filmmakers in advance of this review. A submission on 25 May 2018 called on the Screen Australia Board to:

1. *Extend the prohibition on broadcasters applying for funding to include channel providers*
2. *Exclude remakes of foreign formats from applying for funding*
3. *Rethink the rules relating to overheads, producer fees and margins*

The Board has responded, clarifying that:

- In relation to broadcasters, Screen Australia's definition of a broadcaster is consistent with the Broadcasting Services Act and the licensing practices of the ACMA, and that Screen Australia funding goes to projects with significant Australian content or official co-productions that are consistent with Screen Australia's Terms of Trade.
- In relation to 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.

The number of foreign formats funded by Screen Australia has been limited:

- In 2017/18 five of the 40 projects funded in the Commissioned and Producer programs were based on foreign formats
- 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 programs *Australia in Colour*, *Employable Me*, *Filthy Rich and Homeless* and *War on Waste*.

In relation to producer income, Screen Australia understands that many producers are operating under difficult financial circumstances in the current environment. Screen Australia has examined policy settings of comparable foreign agencies relating to overheads, producer fees and margins, and found that the current approach broadly aligns with those settings. Altering provisions related to overheads is not the most efficient or direct means of ensuring that producers of content are rewarded for the value of that content. Our package of reforms proposes to support producers via the development and production of content by a new staged approach to development, and raising licence fee provisions in the Commissioned Program, which have not increased for many years.

Submissions received on 21 and 24 February 2019, sent by the Australian Independent Documentary group, called on Screen Australia to implement a number of measures. Our response is contained overleaf:

Establish a dedicated strand on Australian public broadcast television for original Australian Documentary (features, series and one-offs), to be supported through the Screen Australia Commissioned Program

Screen Australia is not responsible for the schedules and commissioning strategies of broadcasters. The independence of the ABC and SBS are guaranteed by their founding legislation. The Commissioned Fund will continue to support original Australian documentaries on the public broadcasters.

Increase funding and support for Australian companies developing and producing original formats

Screen Australia agrees that original formats are innovative creations that can drive significant longer-term economic benefits. The package of proposed changes includes a new focus on formats: 10% of the General Development Fund will be targeted at the development of original formats. Original formats will continue to be preferred in the Commissioned Program.

Suspend the announced changes to PEP until there is extensive industry consultation

Unlike the Producer Offset, PEP is funded out of Screen Australia's finite budget, and the agency is obliged to fund all processed applications that meet PEP's criteria. Demand for PEP has risen sharply in the last three years. As this request was received in March 2019, if Screen Australia suspended announced changes to PEP, the program would have exceeded its \$2.5 million budget by an even greater amount than the eventual total of \$3.6 million, further reducing the funding available to other programs.

PEP has provided vital support for the creation of lower-budget documentaries. To ensure Screen Australia funding is directed to culturally significant projects that have an appropriate pathway to their audiences, Screen Australia proposes to replace PEP and redirect funding to a reformed Development Program, an enhanced Producer Program, and a new Completion fund.

Establish a dedicated fund for international Documentary co-productions

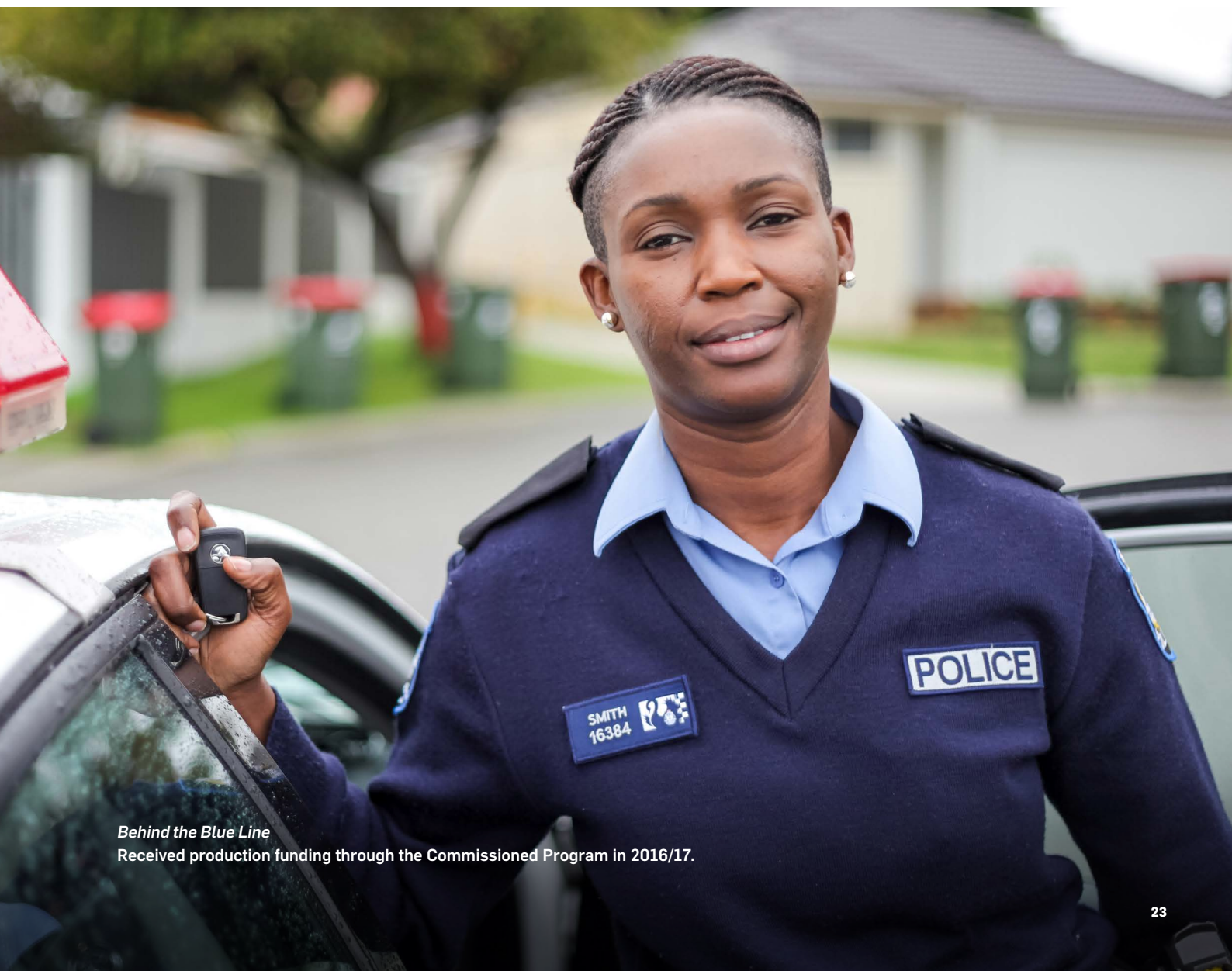
Since 2014, international projects have been supported through the Producer Program, as well as the Commissioned Program. 20% of the total allocation for the Producer Program has been targeted to projects with international finance, and in 2018/19, 34% of Producer Program funds were committed to projects with international finance. Screen Australia considers the current system provides the flexibility to fund the best applications throughout the year, and will continue to target 20% of the Producer Program to projects with international finance.

Recognise Cinema on Demand (COD) as a legitimate form of cinema distribution, and guarantee that the 40% Tax Offset is available to Documentaries incorporating COD into their distribution strategy

The policy and operating parameters of the Producer Offset are dictated by its enabling legislation and are a matter for Government. Amending the Offset in this way would require an Act of Parliament. The Producer Offset Guidelines state that Cinema on Demand plans will be assessed on a case-by-case basis, with a particular emphasis placed on the pathway to audience. To learn more, please listen to a podcast on these issues found [here](#) or contact the Producer Offset and Co-production Unit.

Provide a place for an Australia Documentary representative on the Screen Australia Board

Screen Australia has no control over the composition of the Screen Australia Board, which is appointed by the Minister for Communications, Cyber Safety and the Arts as set out in the Screen Australia Act.



Behind the Blue Line
Received production funding through the Commissioned Program in 2016/17.

SECTION 3

NEXT STEPS

Documentaries are a critically important form of cultural expression. They are central to Screen Australia's core purpose – the Screen Australia Act guides the agency to place an emphasis on documentaries. Screen Australia seeks to support a diverse slate of documentaries from a diverse range of creators that create conversations, challenge views, and reflect and interpret our place and ourselves.

Our proposals have been created with specific goals:

- continue to support lower-budget production making best use of our limited funds,
- help projects to elevate their development processes and materials,
- encourage excellence across a diverse slate,
- and clarify our strategy and criteria for our funding decisions.

Our support will continue to aim for a diversity of content and content makers: projects of scale and ambition, lower-budget stories, creatively innovative projects, documentaries for a range of audiences, and projects that advance talent at home and abroad. We will support a variety of platforms and formats. However, it should be noted that Screen Australia cannot support all people and projects that come to us, and we often cannot support projects that have undoubted merit and cultural value.

Please review our proposals and send us your feedback. We have created an online platform for this process, which you can access [here](#).

Submissions will be accepted for a four week period, and close on October 27. Screen Australia aims to release new guidelines in February 2020 and open new programs on July 1, 2020.

As in 2014, we recognise that we operate in an environment where content creators and distributors all play vital roles. As you create your response to this paper, please consider this broad industry environment, the current funding context, and that while Screen Australia plays a vital role for the whole industry, we do not hold all the levers, cannot be all things to all people, and cannot guarantee incomes or opportunities. While there are limits on what we can do, we are determined to make the best use of the funding we have, to support a creative, innovative and more sustainable industry, and the culturally important content it creates.



The Queen & Zak Grieve

Received Screen Australia production funding through the Producer Program and PEP in 2016/17.