

30 November 2022

Screen Producers Australia's submission to the Employment White Paper

About Screen Producers Australia

Screen Producers Australia (SPA) was formed by the screen industry businesses representing large and small enterprises across a diverse production all forms and formats of screen content.

As the peak industry and trade body, we consult with a membership of more than 600 production businesses in the preparation of our submissions. This consultation is augmented by ongoing discussions with our elected Council and members. Our members employ hundreds of producers, thousands of related industry practitioners and drive over \$2 billion worth of annual production activity from the independent sector with billions more flowing from the work that we do into adjacent industries and the broader economy.

SPA's members are drawn from all elements of the Australian production ecosystem, including emerging and established producers, production businesses, services and facilities. Our members vary in size from large internationally owned entities, to partnerships, to sole traders and other corporate entities, and are found in every region, state and territory of Australia.

SPA's membership includes a number of screen producers who are actively involved in games development. The Australian video games industry is a screen industry success story and last financial year was worth more than \$226 million in revenue. SPA welcomes the Australian Government's recognition of the need for development and production support for this important and growing sector.

On behalf of these businesses, we are focused on delivering a healthy commercial environment for the entire screen industry through ongoing engagement with elements of the labour force, including directors, writers, actors and crew, as well as with broadcasters, distributors and government in all its various forms. This coordinated dialogue ensures that our industry is successful, employment levels are strong and the community's expectations of access to high quality Australian content have been met.

Screen Producers Australia welcomes the opportunity to submit to the Employment White Paper.

For further information about this submission please contact SPA Director of Policy, Jane Mulligan (jane.mulligan@screenproducers.org.au).

Executive Summary

- Australia’s future economic growth and national prosperity depends in part, on recognising and developing future industries, jobs that are going to be resistant to automation and sectors which drive innovation and therefore, productivity.
- SPA believes that the screen industry can play a key role in this challenge, providing that measures are taken to develop the best policy settings to support this industry growth. In particular, Australia’s innovation success depends on recognising the importance of the creative economy and capturing a greater share of the intellectual property generated by it.
- SPA notes the critical shortages of screen industry crew and recommends that these skill shortages are addressed as part of the Employment White Paper process to ensure that the screen sector is supported to grow as part of Australia’s Future of Work strategy.
- SPA provides our Production Survey 2022 as an attachment to this submission which reports data about scheduling pressures and house of work on Australian and offshore productions for the past 3 years.
- In this submission and arising from the Production Survey, SPA makes a number of recommendations under the following headings to deal with screen capacity issues and training needs:
 - Development of a standardised online induction and refresher training for all screen practitioners;
 - Development of a screen industry competency framework; and
 - Targeted training and support to address immediate shortages in skills and personnel.

Terms of Reference

In its submission, Screen Producers Australia (SPA) proposes to address the first Term of Reference concerning the future of work and labour market implications of structural change.

In particular, SPA will address this focus:

2.5 The adaptability of our workforce to meet the needs of emerging industries and areas of traditional economic strength.

About the Screen Industry

The ecosystem of Australian screen production is characterised by a large number of small, independent producers. SPA itself has over 600 members, spread across the nation, all of which could be considered as SMEs with most being micro-businesses. These independent producers are the strength of the Australian screen industry, bringing new ideas, creativity and diversity of storytelling to our screens.

The Australian screen industry supports a diverse range of occupations: creative, managerial and technical – all equally important as part of a creative team that bring Australian stories to our screens. The Australian screen sector also stimulates activity in adjacent industries and delivers significant benefits to Australian trade, tourism and soft diplomacy.

Screen producers occupy a diverse and challenging role in bringing great Australian stories to our screens. Without their business skills, creative endeavour would more often flounder for the lack of commercial and organisational acumen.

SPA is proud to represent the diverse group of screen producers that work mostly in the background yet are the engine room and facilitators of the screen industry. Screen producers are both a business, an employer and a creator.

Screen producers take the burden of the risks and are responsible for driving a creative project forward. They oversee the technical aspects of creating film and television content and run the process from start to finish – from identifying creative content, developing a project with writers, hiring the cast and director, financing, hiring crew, post-production and selling the final work. While the workflow is different with animation content, most of the stages can be thought of as similar in terms of the responsibility and processes.

Employment conditions

The screen industry is characterised by a challenging and demanding work environment particularly during the shooting stage for live action work. A recent SPA survey of hours of work for crew on a sample of Australian and offshore screen productions over the last three years found that half of all productions had shoot days of more than 10 hours, with 8% being more than 12 hours. Long hours and the intensity of creative and technical pressures can lead to ‘burn-out’ and mental health issues. Toxic workplace culture also has an impact on screen workers.

SPA and the Media Entertainment and Arts Alliance (MEAA) have a strong record of working collaboratively to keep screen workplaces safe. SPA and MEAA jointly drafted the industry Code of Practice to deal with harassment and bullying (released 2018) and then jointly reviewed screen safety protocols, leading to new National Screen Safety Guidelines (2021).

SPA is about to launch a new online training course called *Respectful Workplaces*, to train crew, cast and staff on expected behaviours, their obligations under relevant legislation and the effects and consequences of unacceptable workplace behaviour. The training focuses on sexual harassment, bullying, discrimination and bystander laws with the materials customised to screen industry workplaces and scenarios.

In developing this training, SPA has sought to provide a consistent way to train and raise awareness among a mobile workforce about their personal and legal obligations while working on set. Providing a flexible, online training program addresses a major challenge the industry faces in onboarding and training staff and crew.

SPA will make the course available to all in the industry, through SPA Members free of charge, removing financial barriers to the training. SPA also supports the work of organisations dedicated to addressing the mental health challenges, such as ScreenWell.

SPA is partnering with *Diversity Australia*, the leading professional services firm specialising in diversity, inclusion and cultural change and who have successfully developed major D&I initiatives

across the banking, construction and mining industries to develop the training materials. The online course will launch imminently.

Screen industry capacity issues

The Australian screen industry is experiencing capacity constraints in terms of workforce shortages and access to screen infrastructure such as studio space. Experienced screen crew are now working back-to-back productions, leaving little flexibility for production overruns.

Capacity issues are being exacerbated by the significant increase in international work, which is the direct result of an additional \$400 million over seven years injected into Australia's Location Incentive announced in July 2020 in by the previous government. The expenditure of this was front loaded rather than evenly meted out creating a burst of activity and the flow-on effects of this measure are being felt in terms of reduced access to studio space and challenges recruiting different crew roles.

This boost in international screen productions in Australia is also having an inflationary effect on costs for Australian productions. In a competition with the larger budget overseas productions for below the line crew, Australian producers are increasingly being asked to match the higher industry award rates these productions to attract crew as well as pay the penalties that are a feature of the Australian industrial awards.

While the higher level of international screen productions in Australia is largely a temporary situation that will stabilise over time, the shortage of skilled screen industry workers is being experienced around the world and is not unique to Australia. In addition, there are different impacts across different parts of our sector and so the impact varies.

The issue of access to a skilled workforce is a challenge in many sectors, not just screen. SPA believe the solutions like in a suite of training and skill-development programs with an increased role for industry to expand their investment in skills training opportunities.

SPA Production Survey 2022 - findings

The significant increase in international work driven by factors including a near-doubling of funding to the Location Incentive has meant an abundance of work for Australian screen crew. Productions have historically had limited flexibility to the shoot end-date because of the commitments of key creatives. In the last 3 years, experienced crew are now working back-to-back productions.

In addition to more production, the total number of hours worked on some productions (namely international and COVID disrupted productions), is significantly greater than others. International productions work more than double the overtime hours than domestic productions, and for a third longer shoot. COVID has directly disrupted many shooting schedules, and disrupted productions add an average 5 unplanned shoot days to a book-ended shooting schedule.

Increased work, work-intensification and disruption bring attendant stress. SPA and MEAA have been in discussions since March 2022 about crew fatigue, workforce capacity, skill and retention. Some of these issues can be addressed as part of the SPA/MEAA industrial negotiations, others require a broader focus.

Many productions reported difficulty finding experienced personnel for key positions, predominately these are local productions unable to offer international rates. Also reported was a need to enhance

the skills of supervisory personnel in managing people and hours. Given the pressures of production, providing training and support to build on the professionalism of the workforce is important, including in such core competencies as the industry code-of-conduct, screen production safety and mental health first aid.

The challenge for the Australian screen industry is how to address training needs and crew shortages in the context of a gig, or project- based, screen production industry.

A snapshot of findings of the SPA Production Survey includes the following findings:

- Crew costs have increased significantly over the last 3 years, driven by higher crew rates and the greater frequency of unscheduled shooting days worked as overtime. 42% of productions reported budget overage from crew fees and overtime.
- 93% of all productions engage crew on a 50-hour work week. On an 'average' production, about half of the shoot days were extended into unscheduled overtime (additional hours beyond 10hrs) and the schedule included two 6-day weeks.
- There are significant differences in the hours worked on COVID-disrupted versus non-disrupted productions. Non-disrupted productions either did not work any 6-day weeks or scheduled a limited number at the outset. COVID-disrupted productions commonly changed the schedule and added 6th- days.
- There are also significant differences in the amount of overtime worked and the frequency of night shoots on Australian versus offshore productions. Crew on offshore productions work more than double the amount of overtime compared to Australian productions. Australian productions are more likely to shoot at night.
- The safety record of the screen production sector remains strong, comparing favourably with all other industries.

The full report and survey data is attached to this submission as [Appendix A](#).

Screen Industry Training Needs – Recommendations & Solutions

In relation to training needs and crew shortages identified in the SPA **Production Survey 2022**, SPA recommends the following measures to address the screen industry skills shortage:

1. Standardised online induction and refresher training for all screen practitioners:

- SPA to roll-out online training in industry code-of-conduct ('Respectful Workplaces'), with a view to adding further modules
- Government to support SPA to develop additional modules (for example, in screen production safety, cultural awareness and mental health first aid).
- All practitioners required to complete and regularly refresh industry training.

2. Development of screen industry competency framework:

- Government entity (such as Screen Australia) to assume new responsibilities as a Screen Skills authority tasked with developing a matrix of the competencies and qualifications

required for each crew position, as well as coordinating information about training and job opportunities.

- Registered training organisations (such as AFTRS) to provide training in accordance with accreditation matrix.
- Consideration given to government subsidising course fees for accreditation of positions considered in short supply.
- SPA/MEAA to develop skills-based classification structure.

3. Targeted training and support to address immediate shortages in skills and personnel:

- Government agency (for example, via the Ausfilm workforce capacity working group) to coordinate an audit of crew shortages and develop an agreed workforce capacity plan with short and long- term deliverables.
- Registered training organisations (such as AFTRS) to develop two modules (micro-credentials) in Managerial Skills and WHS for personnel in supervisory positions.
- SPA to develop training for Complaints Officers to support an effective code-of-conduct.
- Government entity (such as Screen Australia) to coordinate targeted initiatives to address crew shortages, including by supporting:
 - stepping up to more senior roles, with paid mentoring
 - stepping across or resuming after period of absence, as a paid attachment with paid mentoring
 - other programs targeted at key roles that integrate recruitment, training, job-placement and mentoring.

Screen Industry as part of Australia’s Creative Economy

How significant is the Creative Economy to the jobs of the future in Australia?

Digital technology is transforming every industry and generating new creative businesses. According to a 2021 report by Deloitte, *The Future of the Creative Economy*, the creative economy is likely to be a key driver of economic growth (including in Australia) and:

The creative economy has a cultural impact beyond its economic contribution. At the same time, the creative economy includes a number of different occupations and industries that are not grouped together in standard classifications of economic activity. Its contribution is therefore often not reported and easy to understate.¹

This report outlines how the creative economy is a large part of developed economies. Most relevantly, the creative economy employs nearly 20 million people across the nine economies studied. In Australia, Deloitte found that this included 8% of total employment which is projected to continue to rise.

The advent of digital technology and emergence of new digital platforms for the output of the screen industry is transforming the screen sector beyond its traditional scope and driven by the global appetite for screen content, increasingly into the realm of an “emerging industry”. This is because technology has made it easier for people to create and share content.

¹ Deloitte, [The Future of the Creative Economy](#), June 2021, p.15. This report, commissioned by Netflix, analysed economic data of six large economies in Europe: Germany, the UK, France, Italy, Spain, Turkey; and three large economies in Asia Pacific (APAC): Japan, South Korea and Australia.

The changed industry dynamics are being driven by easy access to sophisticated digital technology combined with high levels of entrepreneurialism. This has led to the explosion of micro-businesses and digital start-ups. From its own membership, SPA can attest that Australian screen production businesses are mostly SMEs and the majority are micro-businesses.

Australia's future economic growth and national prosperity depends in part, on recognising and developing the industries of the future, including amongst the creative economy, which features the jobs and industries that are resistant to automation and which drive innovation and therefore, productivity.

According to the Bureau of Communications and Arts Research *Working Paper on Creative Skills for the Future Economy*:

There is a growing expectation that workers will need more '21st Century Skills', including creative skills, higher-order cognitive skills, system-thinking skills, as well as interpersonal, emotional intelligence, and collaborative skills. Creativity is expected to be one of the key skills in demand in an automated world.²

Screen Industry as part of Australia's Creative Economy

SPA believes that the Australian screen industry can play a key role in this challenge, providing that measures are taken to develop the best policy settings to support sustainable screen industry growth and investment in the skills that are needed to capitalise on this.

Fundamental to a plan for future growth is the screen industry's call for a minimum investment by global streaming platforms in Australian screen stories. Australia is fortunate to possess a strong and thriving screen industry sector which has been a source of traditional economic and cultural strength, the result of around fifty years of government policies and funding programs to support industry from both a creative and economic perspective.

However, the relatively recent advent of new digital streaming platforms such as Netflix, Amazon and Disney+ has not been accompanied by any commensurate domestic regulation to balance global business interests with the interests of Australian screen industry or of domestic audiences. The Australian screen industry has strongly welcomed a commitment by the Minister for the Arts to redress this lack of regulation in this term of Parliament.

The Australian government should take this the opportunity of new investment into the screen industry to grasp the opportunities and challenges of the new information technology-driven era and to adapt policy thinking to identify the growing economic importance of the creative industries.

Australia's future innovation success depends in part on recognising the importance of the creative industries, including the screen sector, to our overall national economy and engaging in the new policy thinking needed to advance this sector.

² Bureau of Communications and Arts Research, 2019 Working Paper, "[Creative Skills for the Future Economy](#)", p.5.

Recognising and measuring Australia’s Creative Economy

Regrettably, SPA notes that there is no mention of Australia’s Creative Economy in *Treasury’s Jobs & Skills Summit Issues Paper* including under “Future Industries”. This appears to be a significant oversight and reflects the lack of recognition of Australia’s creative industries, the significant economic contribution they make and the growth potential of screen as a future industry that offers well-paid jobs that are resistant to automation.

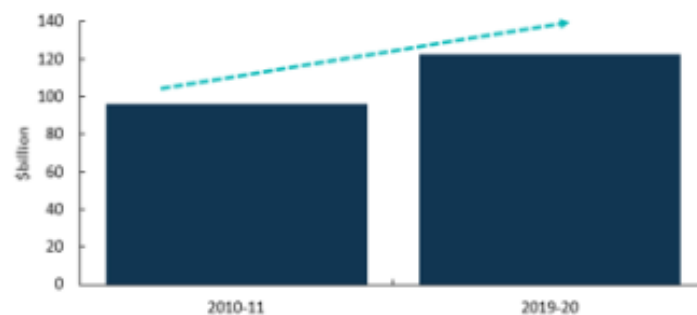
Contributing to the lack of recognition of the importance of the creative economy is the lack of current data to measure the impact and importance of the sector to the overall Australian economy.

For example, the most recent Australian Bureau of Statistics survey of [Film, Television and Digital Games, Australia - TV broadcasting, video production and post-production, digital game development: employment, income, expenses, profitability and production activity](#) was released in 2017 and reported on the 2015-16 financial year.

The ABS has recently issued a survey to collect data for a future release and SPA notes that this data survey was delayed due to the Covid-19 pandemic. However, despite this unavoidable delay, SPA believes that this is critical data that should be collected far more frequently and preferably, annually.

According to the Bureau of Communications, Arts and Regional Research (BCARR),³ updated in 2022 to include data to 2019-20, Australia’s cultural and creative activity plays an important role in Australia’s economy, growing to \$122.3 billion in 2019–20, an increase of \$26.0 billion (27.1 per cent) over the last 10 years. The following BCARR Chart shows the recent growth trajectory:

Chart 1: Cultural and creative activity, 2010–11 and 2019–20



Source: ABS Australian System of National Accounts, Australian National Accounts: Input-Output Tables; BCARR calculations

There is little doubt that the Covid-19 was highly disruptive to the growth trajectory of the screen industry. Prior to the COVID-19 pandemic, cultural and creative activity was expected to continue to increase in economic importance.

Screen sector output is often categorised as “arts and culture” due to its output of film, tv and games titles, but screen producers operate in a commercial industry framework as well as a creative one – and therefore are an important part of Australia’s “creative industries” or “creative economy”.

³ Bureau of Communications, Arts and Regional Research (BCARR), [Cultural and creative activity in Australia 2010–11 to 2019–20](#), p.1

Australia's future economic growth and national prosperity depends in part, on recognising and developing future industries, jobs that are going to be resistant to automation and sectors which drive innovation and therefore, productivity.

SPA believes that the screen industry can play a key role in this challenge, providing that measures are taken to develop the best policy settings to support this industry growth. In particular, Australia's innovation success depends on recognising the importance of the creative economy and capturing a greater share of the intellectual property generated by it.

According to work by Professor Stuart Cunningham of QUT, the creative economy:

- is a high growth component of the national economy, has high economic impact, and businesses are more likely to be very small;
- offers a plethora of jobs;
- generates decent incomes, almost all above the national average;
- show that creatives are found in all parts of the economy;
- provides meaningful work that is less vulnerable to automation and has scale, and
- contributions to export value are yet to be fully researched and understood.⁴

SPA screen production businesses are mostly SMEs and the majority are micro-businesses. These independent producers are the strength of the Australian screen industry, bringing new ideas, creativity and diversity of storytelling to our screens.

Importance of intellectual property

Underpinning the concept of a creative economy is the intellectual property (IP) rights that give legal ownership and control to creators of original works and concepts. Intellectual property rights are significant intangible assets that drive the creative economy as they are the basis of the commercial transactions in the content created by this sector.

IP also enables creators to control the commercial exploitation of their works. The ability to develop economic output based in IP ownership and control is a key driver of economic growth and for international competition.

The creative economy spans a range of industries including film, broadcasting, design, architecture, music, literature and fashion. Importantly, the one thing all these activities have in common is that they depend on the creative talent of individuals and on the generation of intellectual property.

The retention of high levels of intellectual property is a feature of countries that rank well for innovation. The cultural and creative industries are proven drivers of innovation. Unfortunately, data suggests this is an area where Australia is falling behind. The 2021 Global Innovation Index ranks Australia 25th in the world, down from 14th in 2014 below a comparable country such as Canada (at 16).

A report on the impact of Terms of Trade on the UK's television content production sector for the Canadian Media Producers Association (CMPA) by Oliver & Ohlbaum in December 2018 showed that since the introduction of a 'terms of trade' framework in 2004, the UK independent production sector has grown to become a global leader in TV production, in particular:

⁴ Professor Stuart Cunningham and Dr Marion McCutcheon, submission to House of Representatives Standing Committee inquiry into [Australia's Creative and Cultural Industries and Institutions](#), 2020.

- TV related revenues have increased from around £1.5 billion in 2004 to more than £2.6 billion in 2017
- International UK TV rights income grew at an average annual rate of 22 per cent between 2004 and 2008 and continues to grow at approximately 7 per cent.

According to a 2020 UK submission: Public service broadcasting, streaming services and the future for “terms of trade” by the UK Copyright and Creative Economy Centre (CREATe):

“There is a considerable weight of empirical evidence that limiting the assignable dimensions of copyright, or implementing reversion rights can have positive effects in balancing the interests of creators, investors and consumers of cultural works.

Another important consideration is that creative and cultural industries have a high economic impact. This was outlined in the submission to the 2020 House of Representatives Standing Committee inquiry by Professor Stuart Cunningham and Dr Marion McCutcheon as follows:

Creative and cultural industries have high economic impact. Not only are the creative and cultural industries high growth, they also have a higher impact on the economy than other sectors. This is illustrated by the multiplier estimates from SGS Economics and Planning (2013), based on the QUT creative economy definitions (Figure 3). SGS’s multiplier estimates are all larger for the creative and cultural industries than other industries:

- Total output multiplier: 3.76 for creative industries, 3.59 for all other Australian industries.
- Value added multiplier: 3.00 for creative industries, 2.80 for all other Australian industries.
- Employment multiplier: 2.92 for creative industries, 2.47 for all other Australian industries.

As was outlined in this submission, the reason for this is that “these are the industries that create intellectual property, make new things and new ideas, leveraging knowledge, expertise and talent. These are the industries that make value out of know-how, from ideas rather than infrastructure investments. These are industries that provide a very big bang for each buck.”⁵

SPA has been actively advocating for the introduction of a “terms of trade” framework for Australian screen producers to accompany new investment by streaming platforms, to address the loss of intellectual property and rights to productions created by Australian producers and supported by tax rebates and incentives.

In a 2021 report commissioned by SPA from Lateral Economics, it was identified that financing deals for screen productions are complex, involving negotiations over a wide range of terms covering responsibilities, bearing of risks, the allocation of IP rights, and licencing arrangements. [A copy of this report is attached to this submission.]

The report found that:

In complex negotiations for deals, buyers [streaming platforms] very likely have greater bargaining power than [Australian] production companies and this enables them to secure more rights than they otherwise would be able to. For instance, TV networks are requiring AVOD or SVOD rights as a matter of course and streaming companies seek worldwide screening rights in perpetuity.

⁵ Ibid at p. 12

These changes are denying Australian production companies potentially large streams of future earnings from successful programs. To the extent that the rights holders are now overseas-owned international streaming companies, these earnings are lost to the Australian economy.⁶

For independent screen producers in particular, the income generated by these rights and royalties can help sustain a small business between productions. The ownership of intellectual property and the ability to monetise rights within the production also incentivises entrepreneurship and provides a return on investment in ideas and creativity.

SPA's view is that the intellectual property in Australian stories of cultural worth should come under better "terms of trade" protections to address the unequal bargaining and negotiating power between Australian producers and powerful global streaming businesses who use their market power to scoop up an extended suite of rights, which they often never exploit.

Addressing the loss of Australian screen intellectual property will be an important measure to underpin the future growth of the industry and will address the cultural importance of content created here. In addition, this will underpin the development of the broader Australian creative economy and our innovation potential.

⁶ Lateral Economics, [Taking Australian stories and skills to the world in the age of global streaming](#), 2021, p.2.