

**12 September 2019**

## **Screen Producers Australia's submission in response to the ACCC's Digital Platforms Inquiry Final Report**

Screen Producers Australia (SPA) was formed by the screen industry to represent large and small enterprises across a diverse production slate of feature film, television and interactive content.

As the peak industry and trade body, we consult with a membership of more than 450 production businesses in the preparation of our submissions. This consultation is augmented by ongoing discussions with our elected Council and appointed Policy Working Group representatives. Our members employ over 17,000 Australians and drive more than \$1.7 billion worth of annual production activity from the independent sector.

On behalf of these businesses we are focused on delivering a healthy commercial environment 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.

We commend the ACCC on its ground-breaking work and welcome the opportunity to provide a submission to the Government on the Commission's Digital Platforms Inquiry Final Report.

For further information about this submission please contact Fiona Phillips, Policy Consultant ([fiona.phillips@screenproducers.org.au](mailto:fiona.phillips@screenproducers.org.au)) or Matthew Deaner, CEO ([matthew.deaner@screenproducers.org.au](mailto:matthew.deaner@screenproducers.org.au)).

## Executive Summary

We commend the ACCC on its ground-breaking work as part of its Digital Platforms Inquiry. In particular, we note that for the first time, the ACCC has described the business model of platforms such as Google and Facebook:

*Using consumer attention and data to sell advertising.*<sup>1</sup>

This debunks the myth that content on these platforms is free. The reality is that content on digital platforms is not free for consumers. And it is certainly not free for the people, like our members, who make it. We also commend the ACCC for its strong statement about the market power of these platforms.

We note that the focus of the Inquiry was news media. However, the Final Report makes a number of broader recommendations affecting the media landscape generally. This underlines the impact of new digital platforms on the entire Australian media ecosystem. It is important that these recommendations, as far as they relate to media outside the terms of reference, are supported by robust evidence and analysis.

SPA participated in the Inquiry and made submissions in response to both the Issues Paper and the Preliminary Report.<sup>2</sup> One of our suggestions was for the ACCC to extend its analysis to broadcasting and digital media services. This was not taken up.

The purpose of this submission is not to repeat what we have said earlier, but rather to provide the Government with our thoughts on some of the key recommendations in the Final Report. They are:

### **Recommendation 6: Process to implement harmonised media regulatory framework**

SPA has long called for reform of media regulation in Australia. We support this recommendation. Our submission is focused on the process and the framework for achieving harmonised media regulation.

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<sup>1</sup> ACCC, *Digital Platforms Inquiry Final Report*, June 2019, p.7.

<https://www.accc.gov.au/system/files/Digital%20platforms%20inquiry%20-%20final%20report.pdf>

<sup>2</sup> SPA submission in response to ACCC Digital Platforms Inquiry, April 2018 <https://assets-us-01.kc-usercontent.com/89c218af-4a5a-00a2-9d83-3913048b3bc7/2e3bde7a-a748-464d-9e7a-b1d5639b3667/Screen%20Producers%20Australia%20ACCC%20Digital%20Platforms%20Submission%20-%20April%202018.pdf>

SPA submission in response to ACCC Preliminary Report, March 2019. <https://assets-us-01.kc-usercontent.com/89c218af-4a5a-00a2-9d83-3913048b3bc7/80fe6e98-28d6-43ce-ab6f-238948d58caa/SPA%20ACCC%20Digital%20Platforms%20Submission%20-%20Preliminary%20Report%20-%20201%20Mar%202019.pdf>

**Recommendation 7: Designated digital platforms to provide codes of conduct governing relationships between digital platforms and media businesses to the ACMA**

This recommendation recognises the imbalance in the relationship between digital platforms and news media businesses. In our submission, there can also be an imbalance in the relationship between independent producers and those commissioning their work, whether they be traditional broadcasters or streaming services. We therefore encourage the Government to consider the applicability of this recommendation to “media businesses” more generally.

**Recommendation 8: Mandatory ACMA take-down code to assist copyright enforcement on digital platforms**

We support this recommendation. We also note that the recommendation does not deal with the overarching issue of authorisation liability for copyright infringement and encourage the Government to address this issue as part of reforms to the *Copyright Act 1968*.

**Recommendation 9: Stable and adequate funding for the public broadcaster**

**Recommendation 10: Grants for local journalism**

**Recommendation 11: Tax settings to encourage philanthropic support for journalism**

We support these recommendations. Chapter 6 of the Final Report highlights the importance of government support for local content, whether it be in news media or the screen industry.

## Recommendation 6: Process to implement harmonised media regulatory framework

The Final Report is largely focused on news media and advertising. However, in discussing regulatory imbalances between digital platforms and incumbents, it draws on examples from outside news media. For example, to support its finding that regulatory imbalance can distort competition, the ACCC refers to an example from Free Tv:

*For example, Free TV submits that commercial free-to-air broadcasters are required to screen a collective total of at least 1 170 hours of programming annually for children aged up to 14, despite reporting significantly declining audience figures in recent years.<sup>3</sup>*

The Final Report goes on to find that:

*The existing Australian media services regulatory framework has not adapted consistently to digitalisation and the shift to online provision of media services, including not consistently capturing new media providers such as digital platforms.<sup>4</sup>*

While SPA agrees with the proposition put forward in the ACCC's finding, we are concerned that the findings are not supported by proper analysis as far as the broader media sector is concerned. It is for this reason that we asked the ACCC to extend its inquiry to broadcasting and digital media services.<sup>5</sup> In our submission, it is vital that the Government's response to the recommendations in the Final Report is supported by a sound evidence base.

In this context, we note that Appendix C of the Final Report lists other relevant inquiries into media laws and regulation. However, the Appendix omits some key inquiries relevant to the broader media sector. These include the House of Representatives Standing Committee on Communications and the Arts' *Report on the inquiry into the Australian film and television industry 2017*<sup>6</sup>; the Senate Standing Committee on Environment and Communications' *Report into Australian content on broadcast, radio and streaming services 2019*<sup>7</sup>; the House of Representatives

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<sup>3</sup> p.189.

<sup>4</sup> p.196.

<sup>5</sup> See SPA Submission in Response to ACCC Preliminary Report, p.2.

<sup>6</sup> Available at:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Communications/AustralianfilmandTV/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/AustralianfilmandTV/Report)

<sup>7</sup> Available at:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/AustralianContent/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/AustralianContent/Report)

Standing Committee on Communications and the Arts *Report on the inquiry into the Australian music industry 2019*<sup>8</sup>; and the Australian and Children’s Screen Content Review conducted by the Department of Communications and the Arts in 2017 (yet to be released)<sup>9</sup>. In our submission, these inquiries form part of the relevant evidence base. As the Senate Committee on Environment and Communications concluded earlier this year:

*It is imperative that we ensure that we have the correct policy settings to support the growth and future of the Australian screen industry. This includes a framework of broadcast content quotas, fair terms of contract, and government incentives.*<sup>10</sup>

As the ACCC acknowledges in the Final Report, with the exception of the *Convergence Report* in 2012, most of these inquiries have been characterised by a fragmented approach to media regulation. Recommendation 6 of the Final Report differs from the Preliminary Report in that it does not recommend a fresh inquiry but rather a “process” to implement a harmonised media regulation framework. SPA supports this recommendation on the proviso that the process is informed by sound analysis and a strong evidence base. Some of this may be provided by past inquiries. In other instances, new research may be required.

We are hopeful that a holistic approach will prevent some of the asymmetry evident in recent Government decisions in this space.<sup>11</sup>

Recommendation 6 includes a number of key matters for consideration. We address each in the discussion below:

**1. Underlying principles: clear platform-neutral guiding principles that are applicable across media formats and platforms, and adaptable to new services, platforms and technologies.**

We support the recommendation that the new regulatory framework should be underpinned by a set of guiding principles. In our submission, these principles should reflect the important economic, cultural and social objectives of media regulation.

They should also make it clear that the media is a service provider. In our observation, there can be a disconnect between how some segments of the media operate and their function as service providers. By focusing on service provision,

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<sup>8</sup> Available at:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Communications/Australianmusicindustry/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/Australianmusicindustry/Report)

<sup>9</sup> Available at: <https://www.communications.gov.au/australian-childrens-screen-content-review>

<sup>10</sup> Senate Standing Committee on Environment and Communications’ Report into [Australian content on broadcast, radio and streaming services](#) 2019, p. 91.

<sup>11</sup> For example, the decision in April 2019 to extend the PDV and Location offsets to streaming services. See further, the Policy Ledger at Appendix A.

the guiding principles can frame the regulations as a driver for better serving the audience, rather than merely a burden on business.

According to *Screen Production in Australia* – a report we commissioned from Deloitte Access Economics, the independent screen production sector, generated \$1.2 billion in production revenue and supported 20,000 jobs in 2017.<sup>12</sup> However, beyond the important economic contribution of the sector, it makes a vital cultural and social contribution through the diverse stories it brings to local and international audiences. And, by recognising the different imperatives of those audiences. For example, children.

In our submission, getting these underlying principles right, is the first step in guaranteeing a robust media regulatory framework. In that context, we recommend that the “process” commence with a consultation on the appropriate guiding principles.

## **2. Extent of regulation: determination of the appropriate extent of regulation and determining appropriate roles for self-regulation and co-regulation.**

The Final Report states that it will be important for the process to consider the extent of regulation that is appropriate. In this regard, we note that the ACCC has clearly stated that:

*The goal of this recommendation is not to achieve absolute uniformity of regulation between media businesses and digital platforms. Rather, it is to establish a level playing field between market participants who perform comparable functions in the production and delivery of content in Australia, as well as take into account relevant differences between market participants.*<sup>13</sup>

SPA strongly endorses this goal. In our view, the extent of regulation involves consideration of quantum, genre and the appropriate regulatory model. These are discussed below:

### **Quantum**

We have long advocated for the extension of local content regulations to streaming services, however we do not believe that it would be appropriate, or practical, for the same quotas to apply to these entities as apply to the incumbent free-to-air television broadcasters. In our view, quotas for streaming services should be based on a percentage of expenditure rather than on a number of hours.

Likewise, while we support the amendment of the local content regulations that apply to free-to-air television broadcasters, they should not be rolled back. Indeed,

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<sup>12</sup> Deloitte Access Economics, *Screen production in Australia: Independent screen production industry census*, 2018.

<sup>13</sup> p.200.

as the *Report on the inquiry into the Australian film and television industry* found in 2017, the Government's effort to address regulatory imbalance between the free-to-air broadcasters and new entrants by allowing New Zealand content to count as local content has had a negative impact on content being produced in Australia. Hence, the Committee's recommended that this loophole be closed.<sup>14</sup>

That is, while free-to-air broadcasters, public broadcasters, pay TV and streaming services all distribute audio-visual content, there are important differences in their business models, which mean that in order to address the current regulatory imbalance, they should not be treated identically. This much was recognised by the House Standing Committee on Communications and the Arts in its *Report on the inquiry into the Australian music industry* in April this year and referred to by the ACCC in its Final Report.<sup>15</sup>

We note a number of different regulatory models currently operate in Europe.<sup>16</sup> The Convergence Review recommended that media regulation could be approached according to scale and service criteria.<sup>17</sup> In our submission, this may be a useful way of approaching the extension of regulation to digital platforms.

## Genre

It is also crucial that the process address the different regulations that should apply for different types of content. The ACCC's inquiry focused on news media. However, in the case of film and television, there are different considerations that apply for different genres such as drama, documentary and, significantly, children's content. These are currently reflected in the *Australian Content Standard 2016* which sets out specific minimum annual sub-quotas for Australian drama, documentary and children's programs that all commercial free-to-air television licensees must broadcast. In SPA's submission, the distinction between genres remains important. A convenient starting point may be to assess the current Standards against the policy objectives (to be set out in the guiding principles). Depending on the outcome of that analysis, it may be appropriate to consider changes. For example, by making the Standards less prescriptive. And considering how they should apply across different platforms.

## Regulatory Model

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<sup>14</sup> Recommendation 6, p. 54.

<sup>15</sup> p. 202.

<sup>16</sup> See, for example, European Audiovisual Observatory, *Mapping of national rules for the promotion of European works in Europe*, 2019, [https://www.obs.coe.int/en/web/observatoire/home/-/asset\\_publisher/9iKCxBYgiO6S/content/mapping-of-national-rules-for-the-promotion-of-european-works-in-europe](https://www.obs.coe.int/en/web/observatoire/home/-/asset_publisher/9iKCxBYgiO6S/content/mapping-of-national-rules-for-the-promotion-of-european-works-in-europe)

<sup>17</sup> See Convergence Review, *Final Report*, 2012, Recommendation [http://pandora.nla.gov.au/pan/126527/20120709-1616/www.dbcde.gov.au/data/assets/pdf\\_file/0007/147733/Convergence\\_Review\\_Final\\_Report.pdf](http://pandora.nla.gov.au/pan/126527/20120709-1616/www.dbcde.gov.au/data/assets/pdf_file/0007/147733/Convergence_Review_Final_Report.pdf)

The Standards are currently overseen and enforced by ACMA. In our submission, it is appropriate that ACMA (or another external regulator) continue to regulate the sector. This should apply to new entrants such as streaming services as well as the incumbents. They should not be self-regulated.

### **A staged process?**

The ACCC has recommended that in light of the concerns of broadcasters:

*The Government consider structuring a process in stages such that it could first address regulatory disparities of immediate concern, such as election advertising restrictions and local content obligations. Such a process could then ensure that the range of social and other policy matters can be considered.*<sup>18</sup>

SPA is not opposed to the idea of a staged process in the context of a fulsome, strategic approach. We note that there are a number of moving parts. For example, some instruments are due to expire shortly. The *Alston Determination* regarding the definition of broadcasting service and the *Children's Television Standards* are cases in point. While it would make sense to prioritise these aspects of the process, we are keen to see an orderly process, based on sound evidence.

We would welcome the Government prioritising a holistic framework for local content regulation as part of its implementation strategy and look forward to actively engaging in that process.

### **3. Content rules: a nationally uniform classification scheme to classify or restrict access to content consistently across different delivery formats.**

SPA supports the goal of a uniform classification scheme across all delivery formats.

### **4. Advertising restrictions: a consistent system of advertising restrictions across all delivery platforms, including online and offline channels.**

Current advertising restrictions need to be assessed in the context of their underlying policy objective (to be set out in the guiding principles). In our submission, some, such as the election blackout that applies to free-to-air broadcasters, have little relevance in the current media landscape, whereas others, such as the restrictions for pre-school (P) and children's (C) content remain an important issue. SPA supports a consistent, policy driven, system of advertising restrictions across all delivery platforms.

### **5. Enforcement: appropriate monitoring and enforcement mechanisms accompanied by meaningful sanctions.**

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<sup>18</sup> p. 202.

Unlike, the Convergence Review, the ACCC has not recommended the creation of a new regulatory body to oversee media regulation. Instead, it has recommended an increased role for itself and the ACMA. SPA does not have a view about who should be the media regulator. We do, however, support the recommendation that the new media regulatory framework requires appropriate monitoring and enforcement mechanisms accompanied by meaningful sanctions.

## **Recommendation 7: Designated digital platforms to provide codes of conduct governing relationships between digital platforms and media businesses to the ACMA**

This recommendation is intended to mediate the imbalance in bargaining power between digital platforms and media businesses. As we stated in our submissions to the ACCC, the relationship between our members and those commissioning their work can also be characterised by an imbalance in bargaining power. That is not unexpected when the number of sellers outweighs the number of buyers. Where a production receives Screen Australia funding, this imbalance will be mediated by the obligation to comply with Screen Australia’s Terms of Trade.<sup>19</sup> However, where a production stands outside that model, there is no such mediating influence. In our submission, if the Government is genuine in wanting to achieve a holistic media regulatory framework, it should also address the imbalance that independent producers (as media businesses) confront in the market for their work. This could be achieved by applying terms of trade that enable independent producers to retain greater control of their work. A similar mechanism operates in the United Kingdom.<sup>20</sup>

## **Recommendation 8: Mandatory ACMA take-down code to assist copyright enforcement on digital platforms**

Like our colleagues from Free TV and the Australian Film and TV Bodies (AFTVB), SPA strongly supports a mandatory code of conduct (Code) to assist copyright enforcement on digital platforms. We note that previous attempts to establish an industry code have stalled because parties have been unable to agree on who should bear the cost of compliance. We therefore support the AFTVB’s submission that the ACMA should be empowered to impose a Code in the event that the parties cannot reach agreement during the consultation process.

We note that the ACCC has recommended that the Code deal with a number of factors including “measures to develop or improve content matching/unauthorised content identification procedures”. We support this recommendation, but also support the inclusion of the additional matters Free TV has raised in its submission, in particular, the use of optimising technologies.

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<sup>19</sup> See: <https://www.screenaustralia.gov.au/about-us/doing-business-with-us/terms-of-trade>

<sup>20</sup> See our 2018 submission to the ACCC.

Finally, we note that the ACCC has not addressed the overarching issue of authorisation liability under the *Copyright Act* 1968. We encourage the Government to address this issue as part of the ongoing modernisation of the *Copyright Act*.

## **Recommendation 9: Stable and adequate funding for the public broadcaster**

SPA strongly supports this recommendation. In our view, it is a central plank of the Australian media and has been a focus of the *Make it Australian* campaign of which SPA is a member.<sup>21</sup>

## **Recommendation 10: Grants for local journalism**

## **Recommendation 11: Tax settings to encourage philanthropic support for journalism**

Recommendations 10 and 11 highlight the importance of financial support for local content as part of the overall policy framework. We strongly endorse the Government's support for the creation of independent Australian content, including through the offsets administered by Screen Australia. To ensure the telling of Australian stories, it is vital that these financial levers not advantage large multinational players over members of the Australian media.

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<sup>21</sup> See campaign website at: <https://makeitaustralian.com/home>

## **Appendix A – policy ledger**

# SCREEN PRODUCTION INDUSTRY POLICY LEDGER

2014-19 Policy Decisions and their impact on the Australian Screen Production Industry.

DATE	BENEFICIARY	EFFECT ON THE AUSTRALIAN SCREEN PRODUCTION INDUSTRY	IMPACT
MAY 2014	No one	Reduces eligible funding pool for independent local productions	Loss of \$81.5m over four years
<ul style="list-style-type: none"> <li>✗ First cut to Screen Australia Loss – \$38m over four years</li> <li>✗ First cut to ABC Loss of \$35.5m over four years</li> <li>✗ First cut to SBS Loss of \$8m over four years</li> </ul>			
NOVEMBER 2014			Loss of \$307.7m over five years
<ul style="list-style-type: none"> <li>✗ Second cut to ABC Loss of \$254m over five years</li> <li>✗ Second cut to SBS Loss of \$53.7m over five years</li> </ul>			
FEBRUARY 2015	Subscription television services	Reduces ability for industry to examine compliance with the new eligible drama expenditure scheme (10% on local content)	Loss yet able to quantify
<ul style="list-style-type: none"> <li>✗ Removal of independent audit requirement for New Eligible Drama Expenditure Scheme Loss – yet unable to quantify</li> </ul>			
MAY 2015	No one	Reduces eligible funding pool for independent local productions	Loss of \$3.6m over four years
<ul style="list-style-type: none"> <li>✗ Second Cut to Screen Australia Loss – \$3.6m over four years</li> </ul>			
OCTOBER 2015	US studios, local service businesses and crew	Gain for US studios and local service businesses as well as crew skill development.	Gain of \$47.25m <sup>1</sup> for the screen service industry
<ul style="list-style-type: none"> <li>• Subsidising <i>Thor</i> and <i>Alien</i> for \$47.25m</li> </ul>			
NOVEMBER 2016	Commercial Television Broadcast Licence Holders, professional sport	Reductions in licence fees that could have been channelled into supporting commercial television screen production will likely go to operational costs and inflated sports rights.	Gain of \$168m <sup>2</sup> over four years
<ul style="list-style-type: none"> <li>• Broadcast Licence Fee Reduction \$168m over four years</li> </ul>			
DECEMBER 2015	No one	Reduces eligible funding pool for independent local productions	Loss of \$10.3m over four years
<ul style="list-style-type: none"> <li>✗ Third cut to Screen Australia Loss – \$10.3m over four years</li> </ul>			
DECEMBER 2016	US studios, local service businesses and crew	Gain for US studios and some local service businesses as well as crew skill development.	Gain of \$22m <sup>1</sup> for the screen service industry
<ul style="list-style-type: none"> <li>• Subsidising <i>Aquaman</i> for \$22m</li> </ul>			
MAY 2017	Commercial Television Broadcast Licence Holders, professional sport	Reductions in licence fees that could have been channelled into supporting commercial television screen production will likely go to operational costs and	Gain of \$127m <sup>2</sup>
<ul style="list-style-type: none"> <li>• Broadcast Licence Fee refund \$127m</li> </ul>			
MAY 2018	No one	Reduces eligible funding pool for independent local productions	Loss of \$84m over three years
<ul style="list-style-type: none"> <li>✗ Third cut to ABC - funding frozen for 3 years from July 2019</li> </ul>			
MAY 2018	US studios, local service businesses and crew	Gain for US studios and local service businesses as well as crew skill development	\$140.0 million over 4 years from 2019-20 to attract international investment
<ul style="list-style-type: none"> <li>• Location Incentive Program</li> </ul>			
DECEMBER 2018	Content creators	Improved effectiveness of site blocking legislation introduced in 2015	Amendment site blocking provisions in Copyright Act
<ul style="list-style-type: none"> <li>✓ Copyright Amendment (Online Infringement) Act 2018 comes into force</li> </ul>			
APRIL 2019	Streaming services	Gain for streaming services and local service businesses as well as crew skill development	30% PDV Offset and 16.5 %Location Offset for streaming services
<ul style="list-style-type: none"> <li>• Extension 30 %PDV Offset 16.5 %Location Offset to streaming services</li> </ul>			

<sup>1</sup>This figure represents total payment to the two studios, which is funding that could have been allotted to invest in Australian-produced content.  
<sup>2</sup> Includes radio broadcasters

# STATUS QUO COSTS THE SCREEN INDUSTRY

Screen Producers Australia has made submissions to the government on issues relating to New Zealand content, the Danish Co-Production Agreement, Foreign Actors, lifting production offsets, and investment by subscription video on demand in local content. No action on these issues costs the industry.

NO ACTION	BENEFICIARY	EFFECT ON THE AUSTRALIAN SCREEN PRODUCTION INDUSTRY	
<ul style="list-style-type: none"> <li>✗ No action on New Zealand content At the very minimum, a loss of \$2.5m in 2015<sup>3</sup></li> </ul>	New Zealand Producers, Commercial Television Broadcasters	Reduces the incentive for commercial television broadcasters to invest in the production of Australian content	Loss of \$2.5m at very minimum <sup>3</sup>
<ul style="list-style-type: none"> <li>✗ No action on Producer Offset competitiveness Loss to economy of \$103m<sup>6</sup></li> </ul>	Foreign producers in other countries	Producers decide against making films and television locally, moving to more friendly employment environments (e.g. New Zealand).	Loss to economy of \$103m
<ul style="list-style-type: none"> <li>✗ No action on Danish, Brazilian, China TV and Indian Co-Production Agreements Loss – yet unable to quantify</li> </ul>	No one	No access to international co-partners and international tax subsidies, reducing scope for greater access to international markets	Loss yet unable to quantify
<ul style="list-style-type: none"> <li>✗ No action on removing red tape for allowing involvement of Foreign Actors Loss – yet unable to quantify</li> </ul>	No one	Producers decide against making films and television locally, moving to more friendly employment environments (e.g. New Zealand).	
<ul style="list-style-type: none"> <li>✗ No action on modernising the PDV Offset and making the Location Offset competitive Loss – yet unable to quantify</li> </ul>	Foreign producers in other countries	Producers decide against making films and television locally, moving to more friendly taxation environments (e.g. New Zealand).	
<ul style="list-style-type: none"> <li>✗ No action on extending content obligations to SVOD services Loss – yet unable to quantify</li> </ul>	Netflix, etc	No requirements to contribute to local content	
<ul style="list-style-type: none"> <li>✗ No action on Terms of Trade Loss – yet unable to quantify</li> </ul>	Television broadcasters or other purchasers of Australian content	Buyers of Australian content often have disproportionate market power when dealing with the businesses who create it, the result of which can limit audiences access to the content and reduce the potential for economic returns.	

## KEY

✓ Gain for the Australian Screen Production Industry

✗ Loss to the Australian Screen Production Industry

+ Gain for specific businesses not broader local production industry

<sup>3</sup> Drama – at the very minimum, a loss of at least \$1.9m in 2015 (calculated by applying the per-hour minimum licence fee for Australian drama to the hours claimed by commercial television broadcasters for New Zealand drama to meet the Australian drama quota). Documentary – at the very minimum, a loss of at least \$630,000 in 2015 (calculated by applying Screen Australia's minimum licence fee for Australian documentaries for Commissioned Programs to the hours claimed by commercial television broadcasters for New Zealand drama to meet the Australian drama quota). This figure of \$2.5m is the very minimum and does not take into account substantial equity investments in Australian drama and documentary programs. These equity investments are commercial-in-confidence.

<sup>4</sup> For example, Netflix does not disclose its investments and audience ratings.

<sup>5</sup> New Zealand content qualifies as Australian content for the purposes of the Australian Content Standard.

<sup>6</sup> PWC modelling <https://www.screenproducers.org.au/news/new-tv-tax-offset-boost>