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SPA WELCOMES RELIEF FOR BROADCASTERS, BUT NOTES THE ENTIRE VALUE CHAIN IS UNDER PRESSURE

Screen Producers Australia CEO, Matthew Deaner, has responded to the Government's decision today to give commercial broadcasters \$127 million in urgent relief, stating that the Government has missed another opportunity to relieve pressure on all links in the value chain for television production in Australia.

“Today the Government moved to provide urgent relief to commercial broadcasters to the tune of \$127 million. This is welcome as healthy commercial broadcasters with their public service obligations to deliver a range of Australian content are important to our industry and community. They have been under significant pressure. However, this pressure is felt by all links in the value chain. While the pressure intensifies for the independent production sector, the Government has missed another opportunity to relieve pressure for all links in the chain and to ensure Australian stories are supported.”

“The Government is giving commercial broadcasters relief, in part, based on arguments that they will use these windfalls to invest in local content. Unfortunately, these arguments have, at times, proved specious. According to the recently released [Australian Bureau of Statistics industry update](#), since 2011-12, commercial television broadcasters have cut their commitment to Australian drama and documentaries by 20 per cent and increased the substitution of Australian content for cheap second-run New Zealand content. The broadcasters are also moving more production in-house, from 44 per cent of production in 2011-12 to 55 per cent in 2015-16. This, together with worsening deals being offered to the independent production sector, should be ringing competition alarm bells in the Government and the ACCC. Independent producers are being driven to the wall.”

“Unfortunately, the Government has either ignored these significant structural issues or kicked them into the long grass. Comparing 2011-12 to 2015-16, production business income grew five per cent, less than inflation. Production income was down six per cent. While employment was up 9 per cent, labour costs are up significantly to 14 per cent. We are seeing an increasingly challenging environment for the independent production sector.”

“After years of policy inertia, the Government has only recently announced a review. Unfortunately, this is too late many of our small businesses, most recently KEO Films, who are leaving our shores because of the difficult market conditions here. The Government can't continue to sit on its hands and wait for a review to address obvious structural issues. Screen Producers Australia will shortly submit to Government a plan to address these structural issues.”

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Inquiries:

James Cheatley

james.cheatley@screenproducers.org.au

0419 482 680

About Screen Producers Australia:

Screen Producers Australia was formed by the screen industry to represent large and small enterprises across a diverse production slate of feature film, television and interactive content. Our members employ hundreds of producers, thousands of related practitioners 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.