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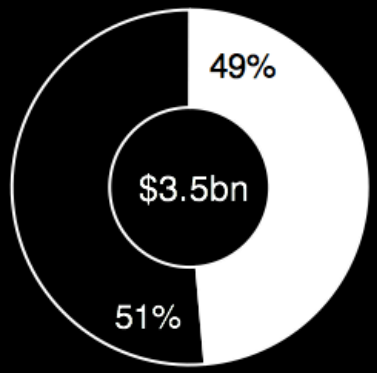
60

YEARS

- Uniting the screen industry to campaign for a **HEALTHY COMMERCIAL ENVIRONMENT.**
- Formed more than **60 YEARS AGO**, representing small to medium businesses producing feature film, television, interactive and games content.
- A membership of more than **450 BUSINESSES**, employing hundreds of producers and thousands of other practitioners.



Independent producers account for 49% of screen content produced annually in Australia.

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ADVOCACY

We provide leadership in building strategic alliances and supporting government frameworks. Our working groups assist us in the development of campaigns and submissions.

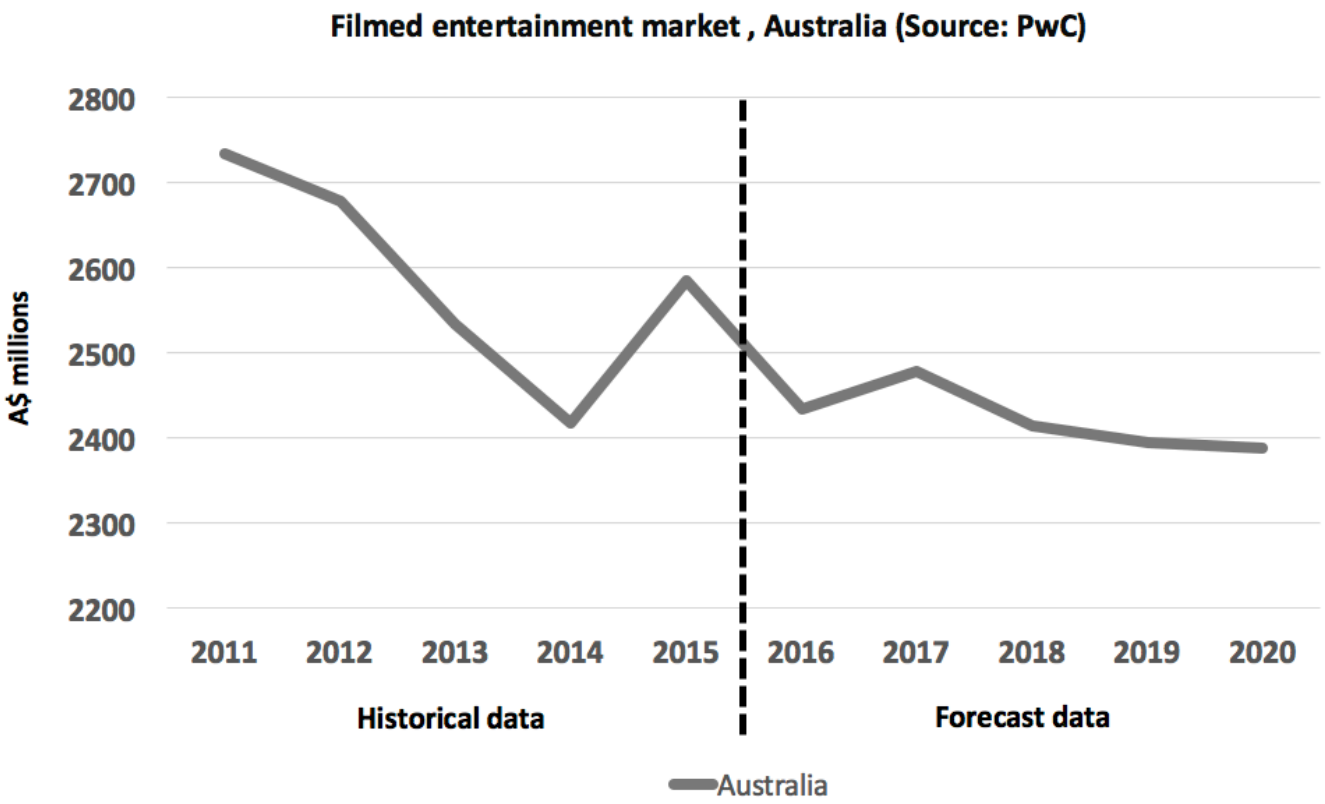
INDUSTRY

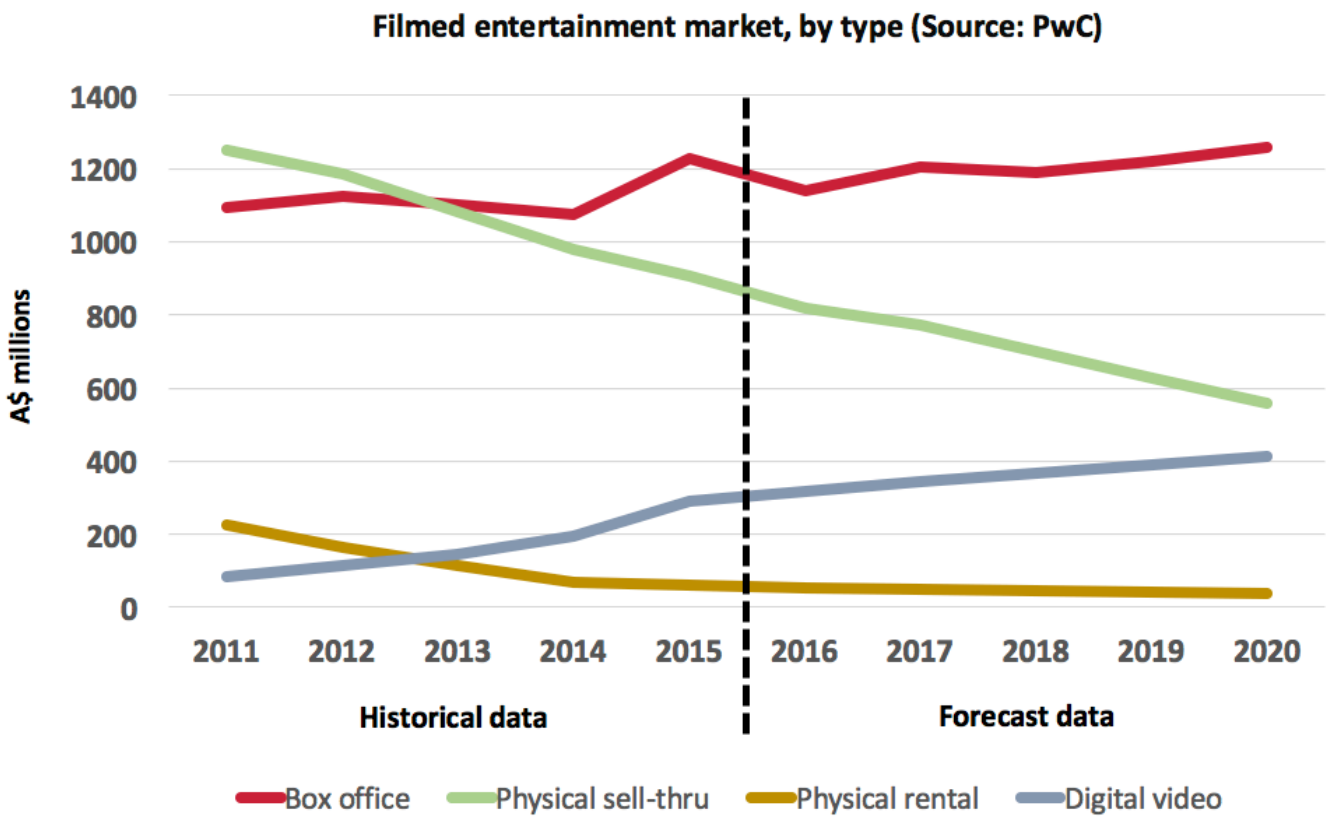
We negotiate industrial agreements and commercial arrangements, offering members exclusive access to a diverse range of up to date resources and production advice.

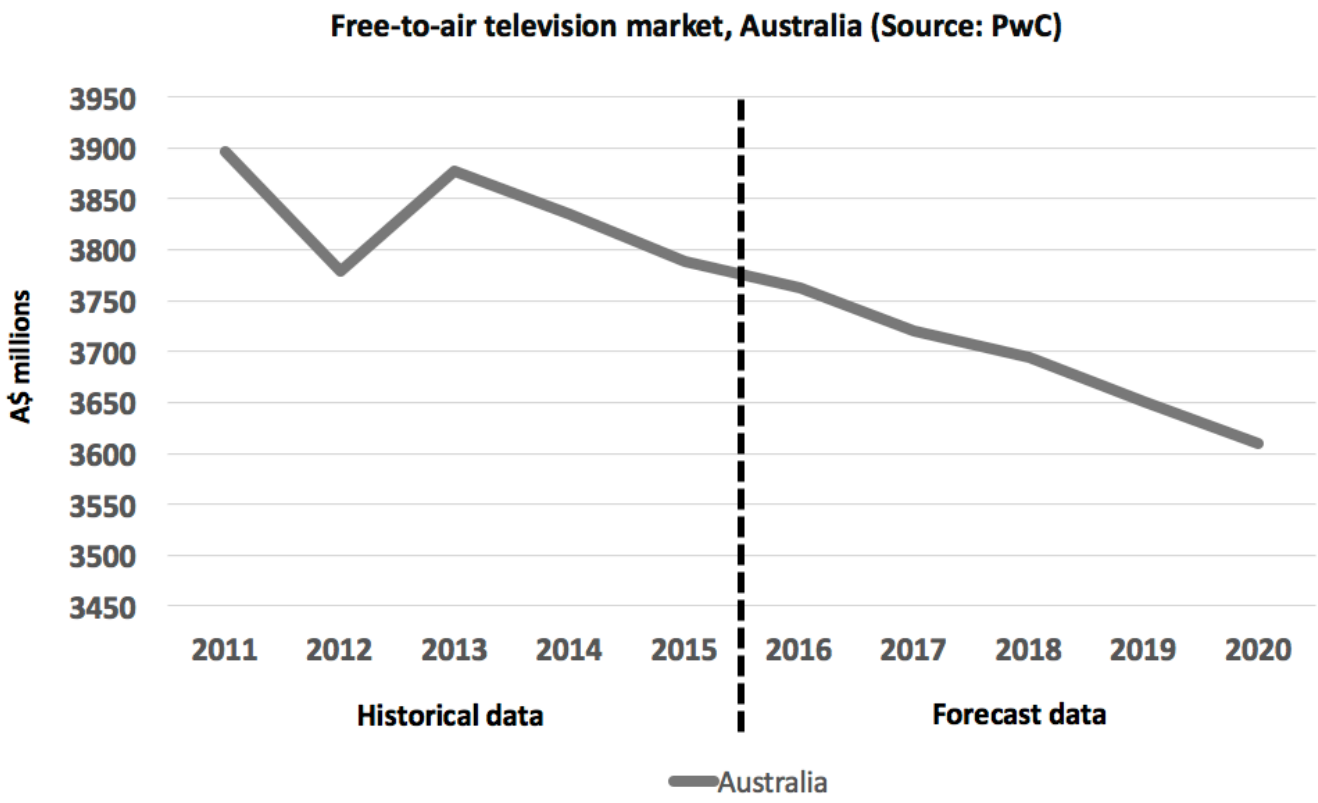
EVENTS

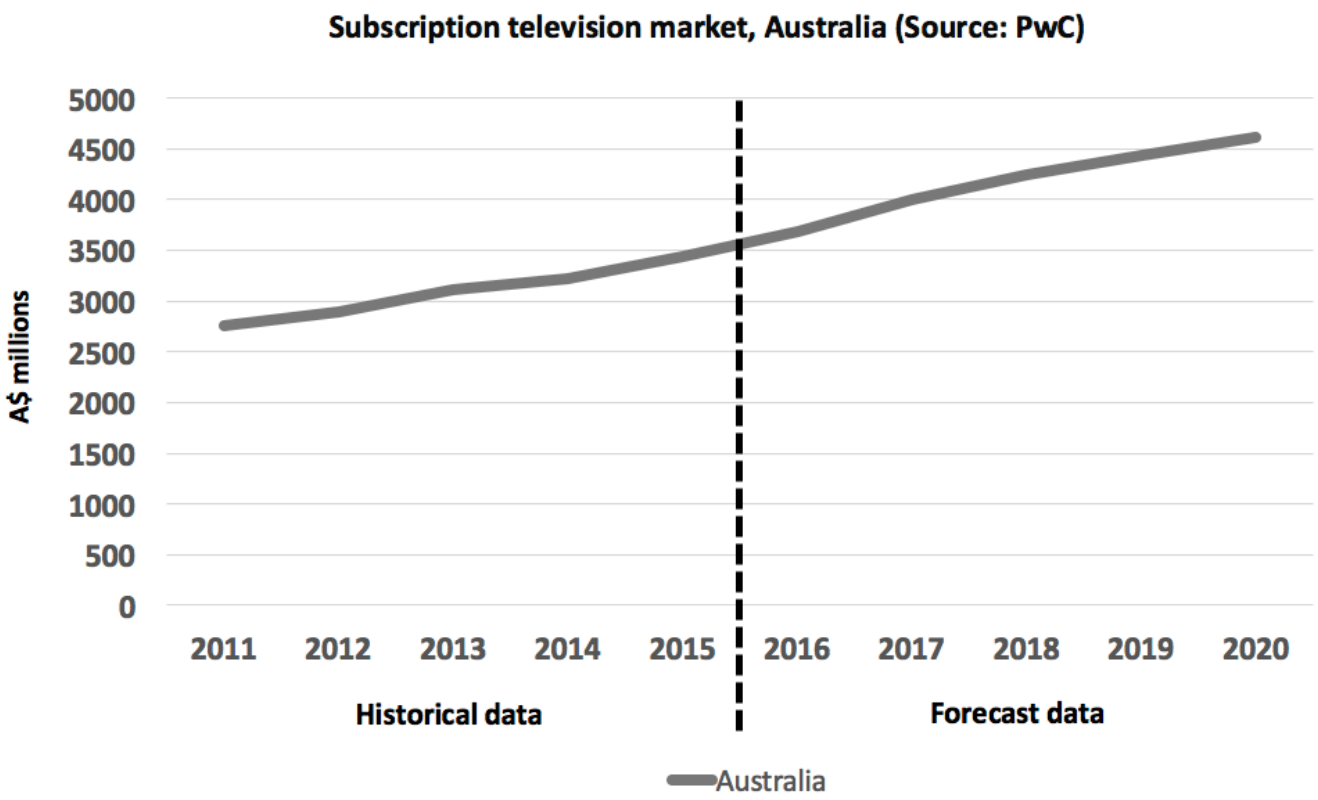
We host a wide variety of events annually including industry briefings, business classes, mentoring opportunities and the country's leading screen conference, SCREEN FOREVER.

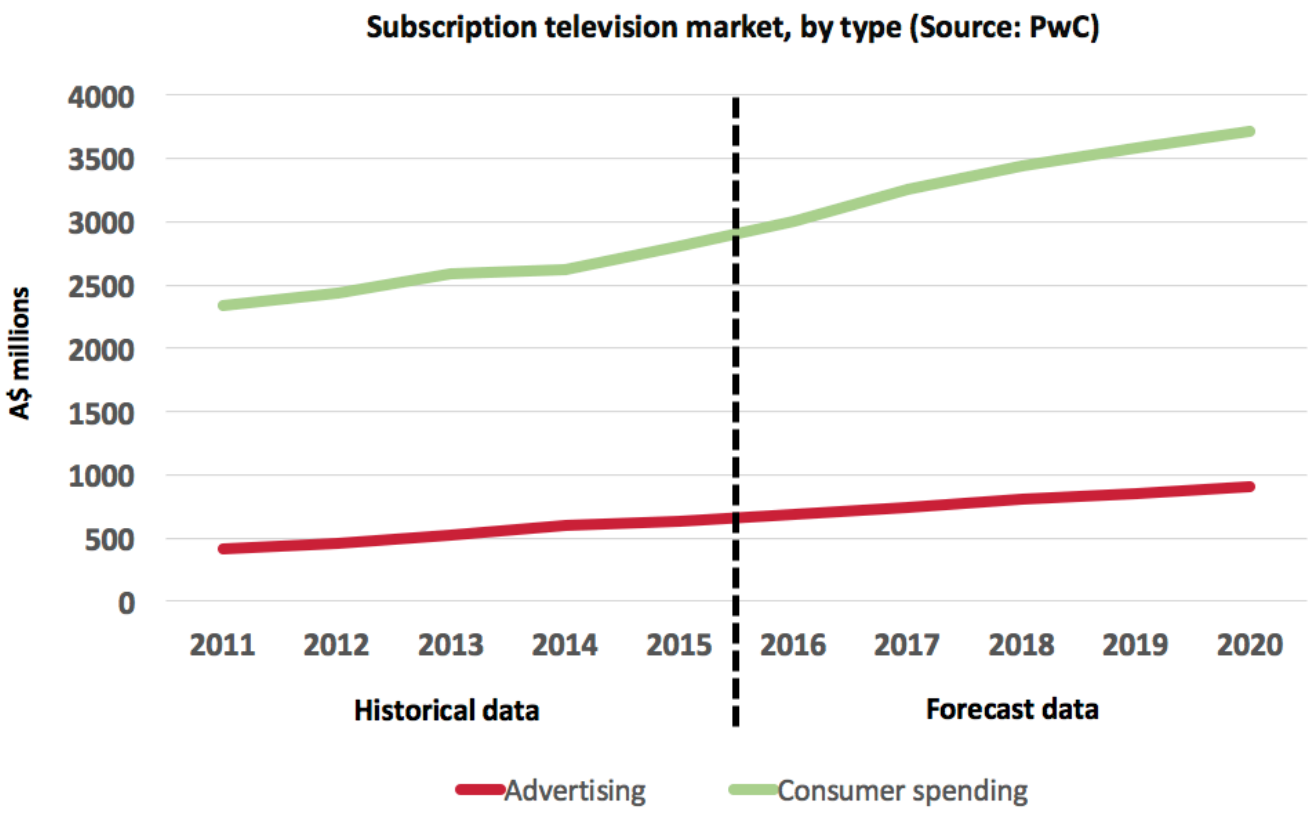
- The part of the ROADSHOW has a policy focus. In three years we have completed 30 **SUBMISSIONS** to government reviews, alongside our proactive **AGENDA SETTING**.
- This ranges from market issues like **THEATRICAL** release, free-to-air **TELEVISION**, subscription **TELEVISION**, physical and digital **SELL-THROUGH** as well as free, ad-supported and subscription **VIDEO-ON-DEMAND** and **VIDEO-SHARING** services.
- And financing forces like theatrical and broadcast **RIGHTS COST** and **FLEXIBILITY** as well as pressures on **SUBSIDY**, **TAX INCENTIVES** and **REGULATION**.

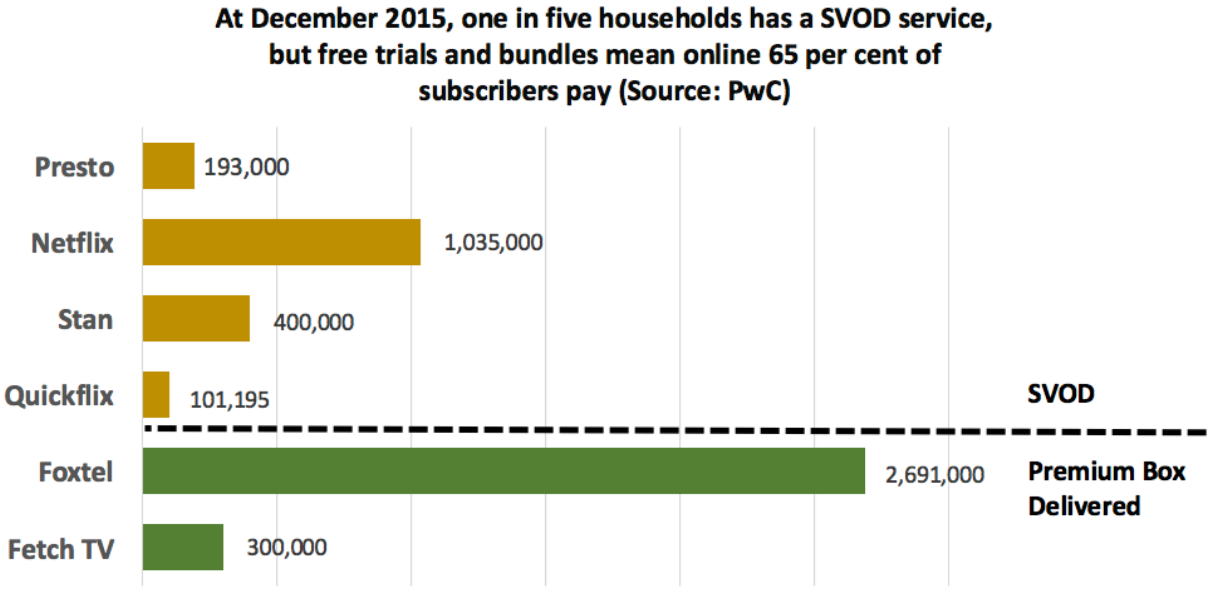

Filmed entertainment market , Australia (Source: PwC)
A$ millions
2800
2700
2600
2500
2400
2300
2200
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Australia

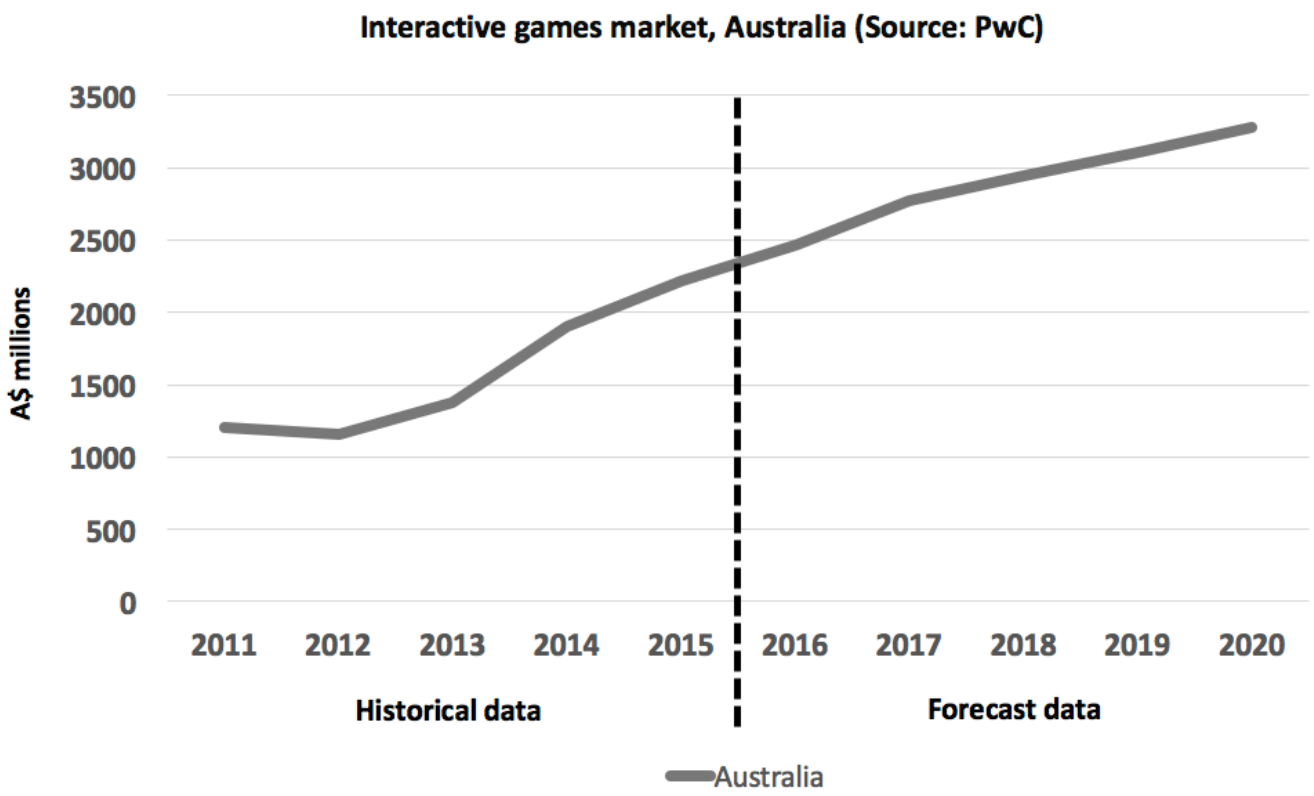

Filmed entertainment market, by type (Source: PwC)
A$ millions
1400
1200
1000
800
600
400
200
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Box office
Physical sell-thru
Physical rental
Digital video

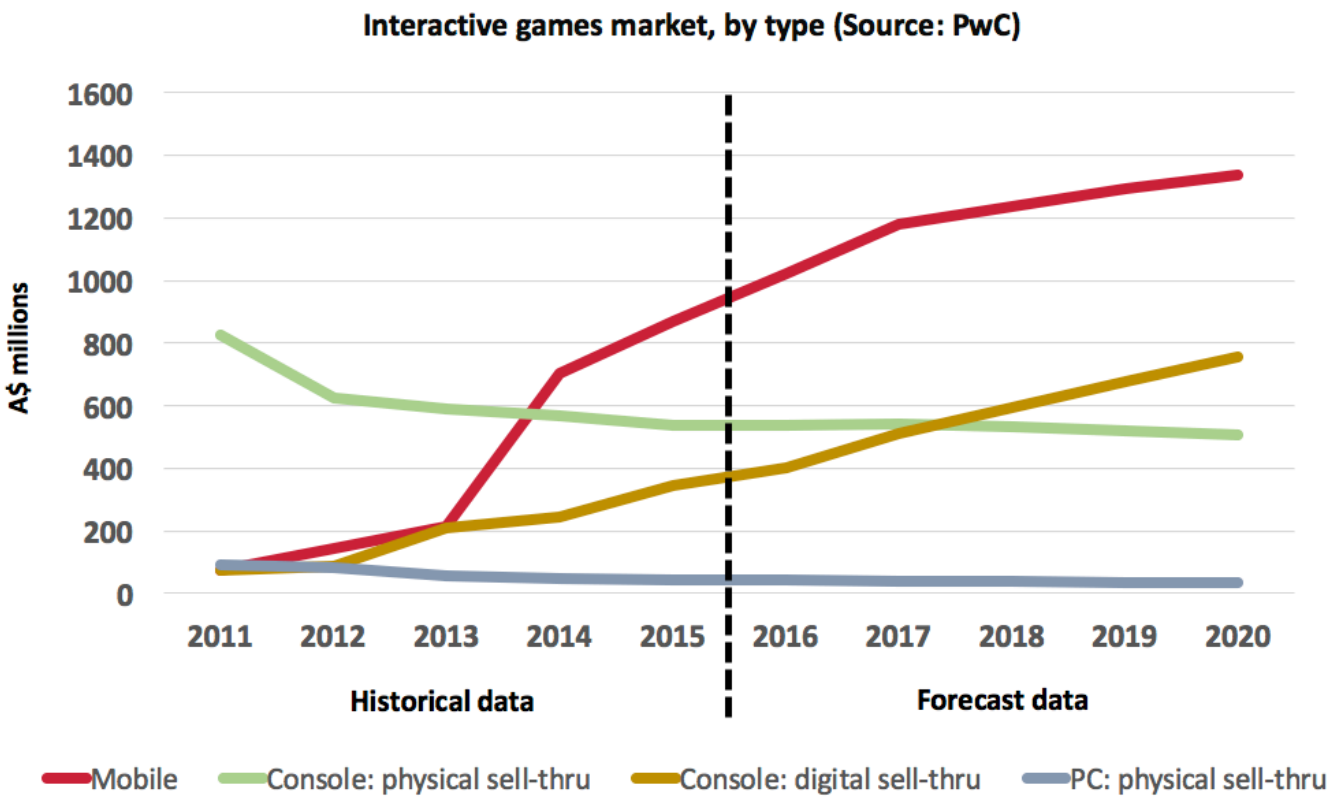

Free-to-air television market, Australia (Source: PwC)
A$ millions
3950
3900
3850
3800
3750
3700
3650
3600
3550
3500
3450
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Australia

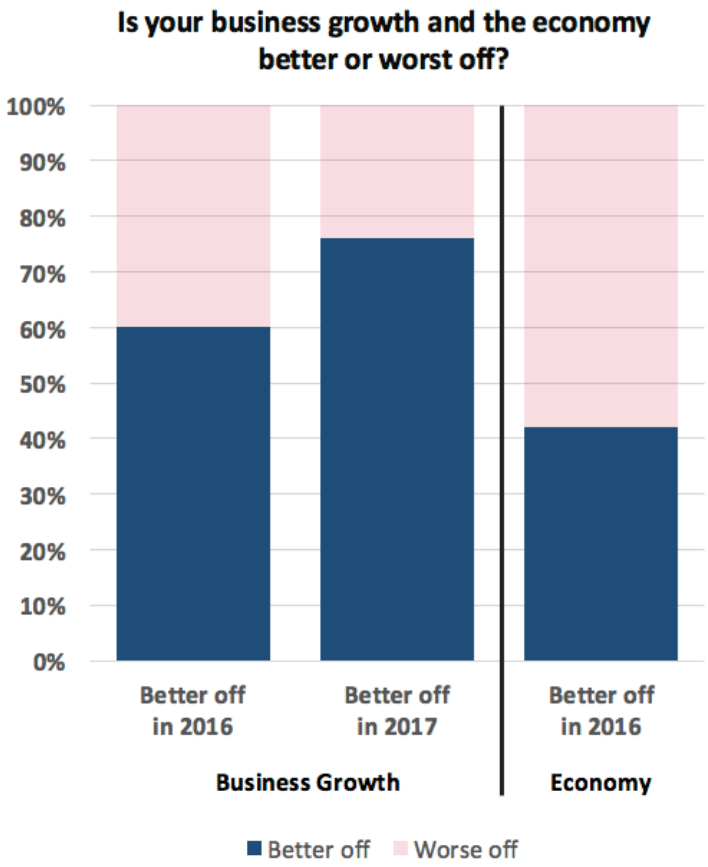

Subscription television market, Australia (Source: PwC)
A$ millions
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Australia


Subscription television market, by type (Source: PwC)
A$ millions
4000
3500
3000
2500
2000
1500
1000
500
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Advertising
Consumer spending

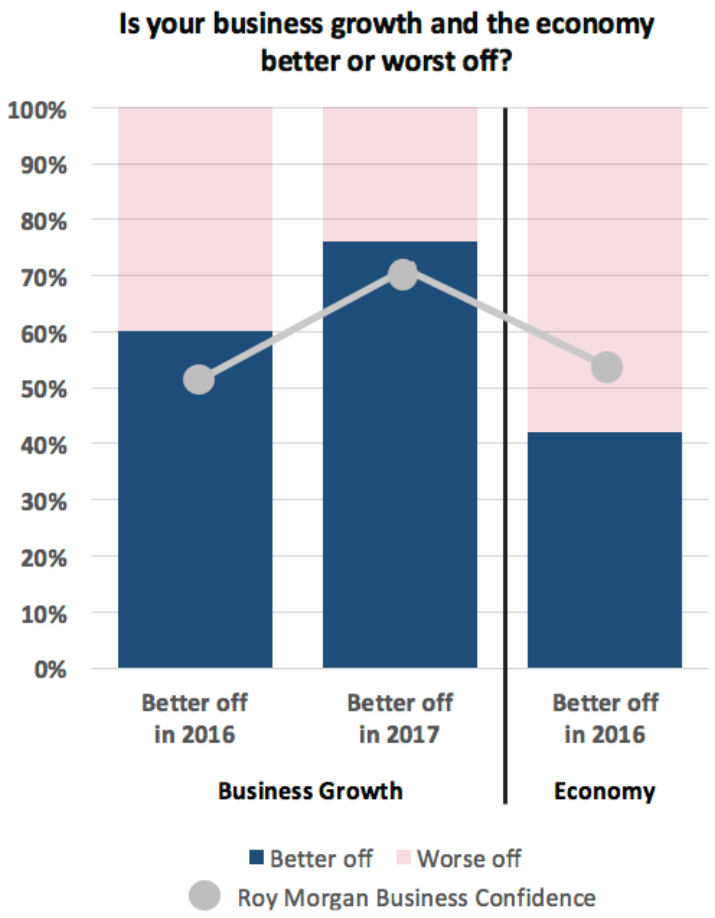

At December 2015, one in five households has a SVOD service, but free trials and bundles mean online 65 per cent of subscribers pay (Source: PwC)
Presto
193,000
Netflix
1,035,000
Stan
400,000
Quickflix
101,195
SVOD
Foxtel
2,691,000
Premium Box Delivered
Fetch TV
300,000


Interactive games market, Australia (Source: PwC)
A$ millions
3500
3000
2500
2000
1500
1000
500
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Australia

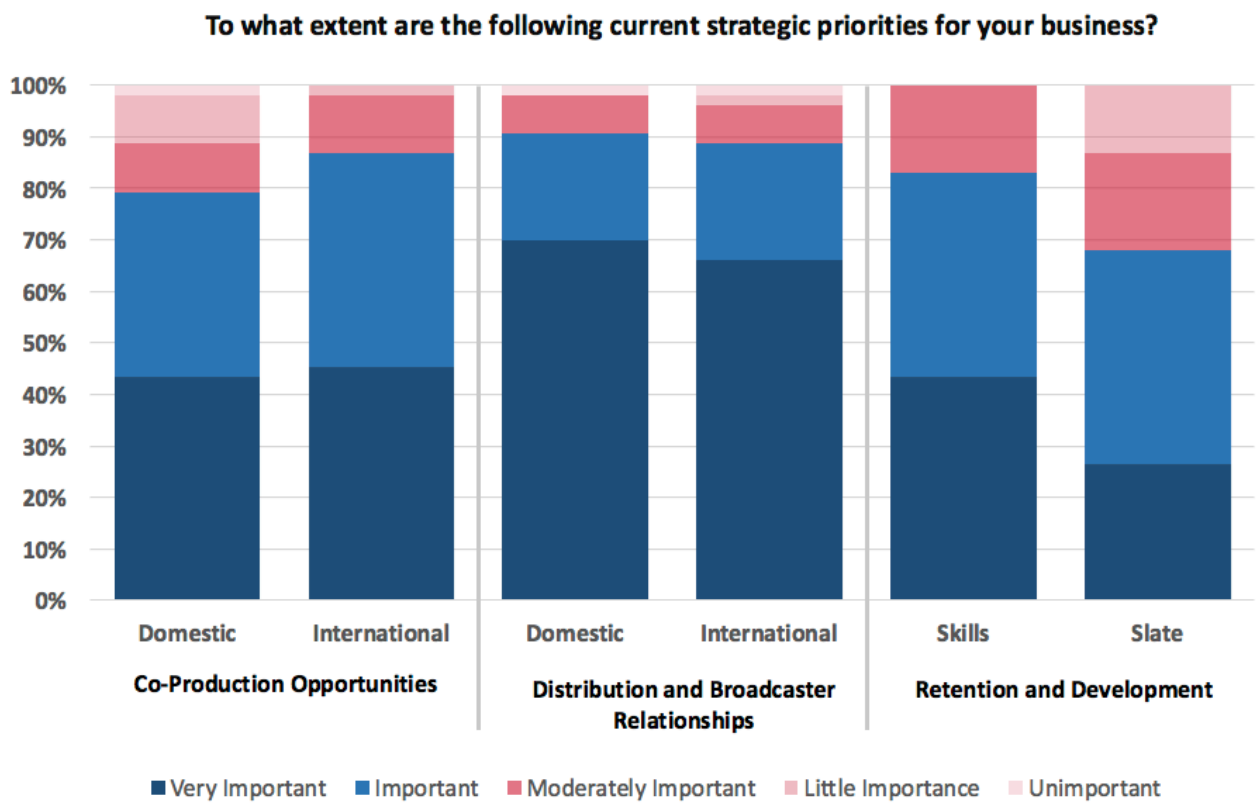

Interactive games market, by type (Source: PwC)
A$ millions
1600
1400
1200
1000
800
600
400
200
0
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Historical data
Forecast data
Mobile
Console: physical sell-thru
Console: digital sell-thru
PC: physical sell-thru

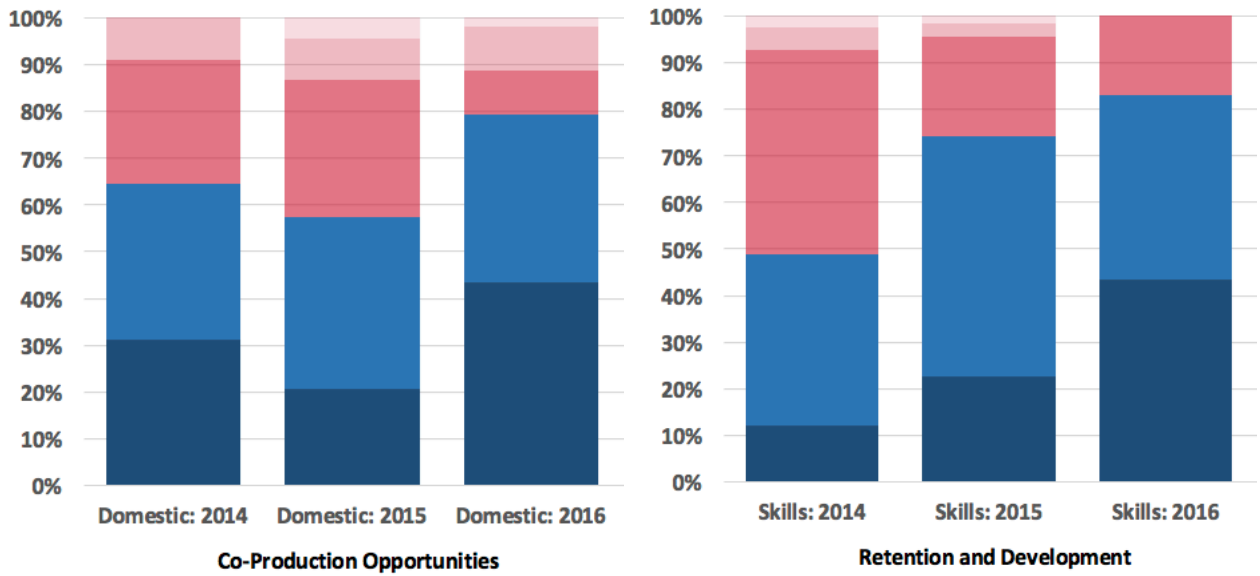


- When surveyed in 2014, 76% of producers expected their businesses to be **BETTER OFF** that year when compared to the last.
- 60% of producers surveyed this year expect to be **BETTER OFF** by the end of 2016.



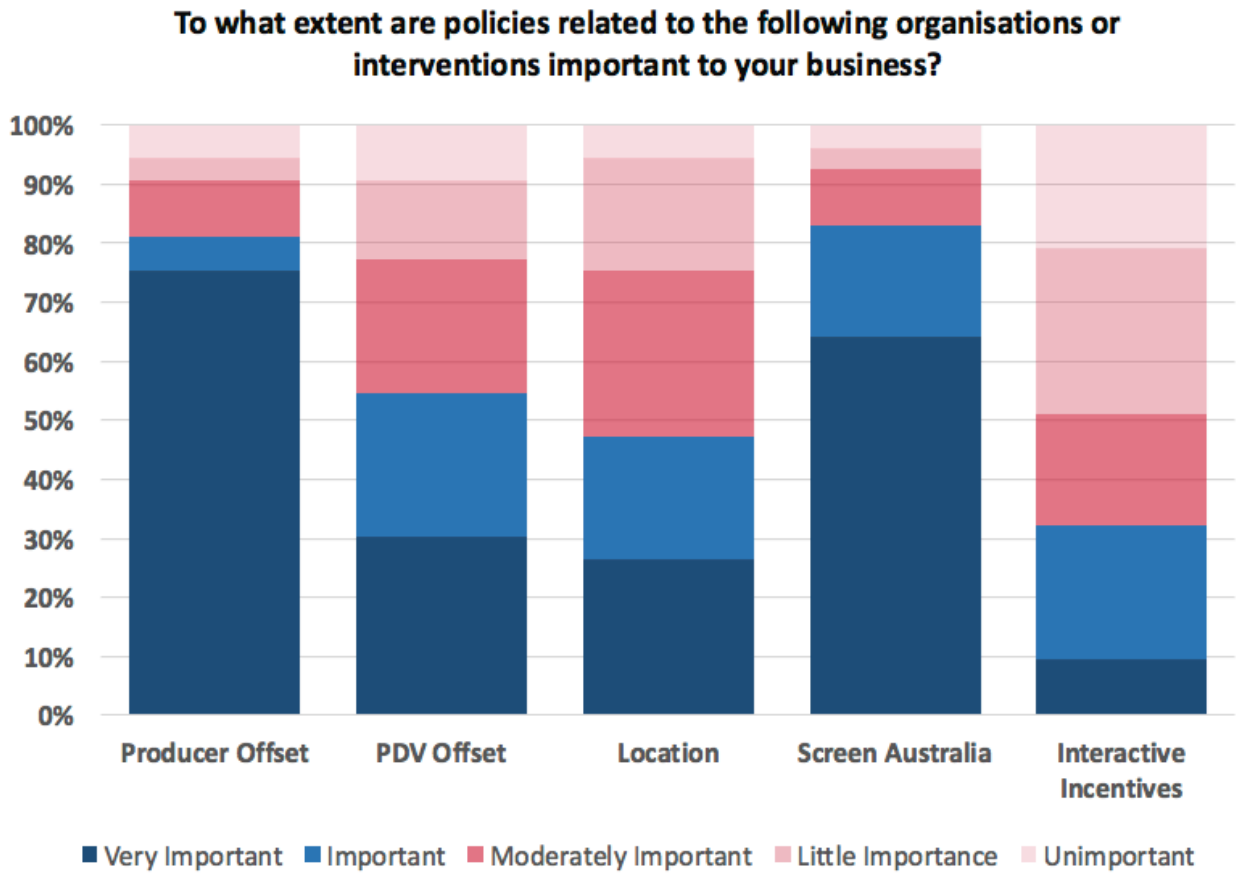
- 60% is more consistent with **ROY MORGAN BUSINESS CONFIDENCE** monthly survey findings.

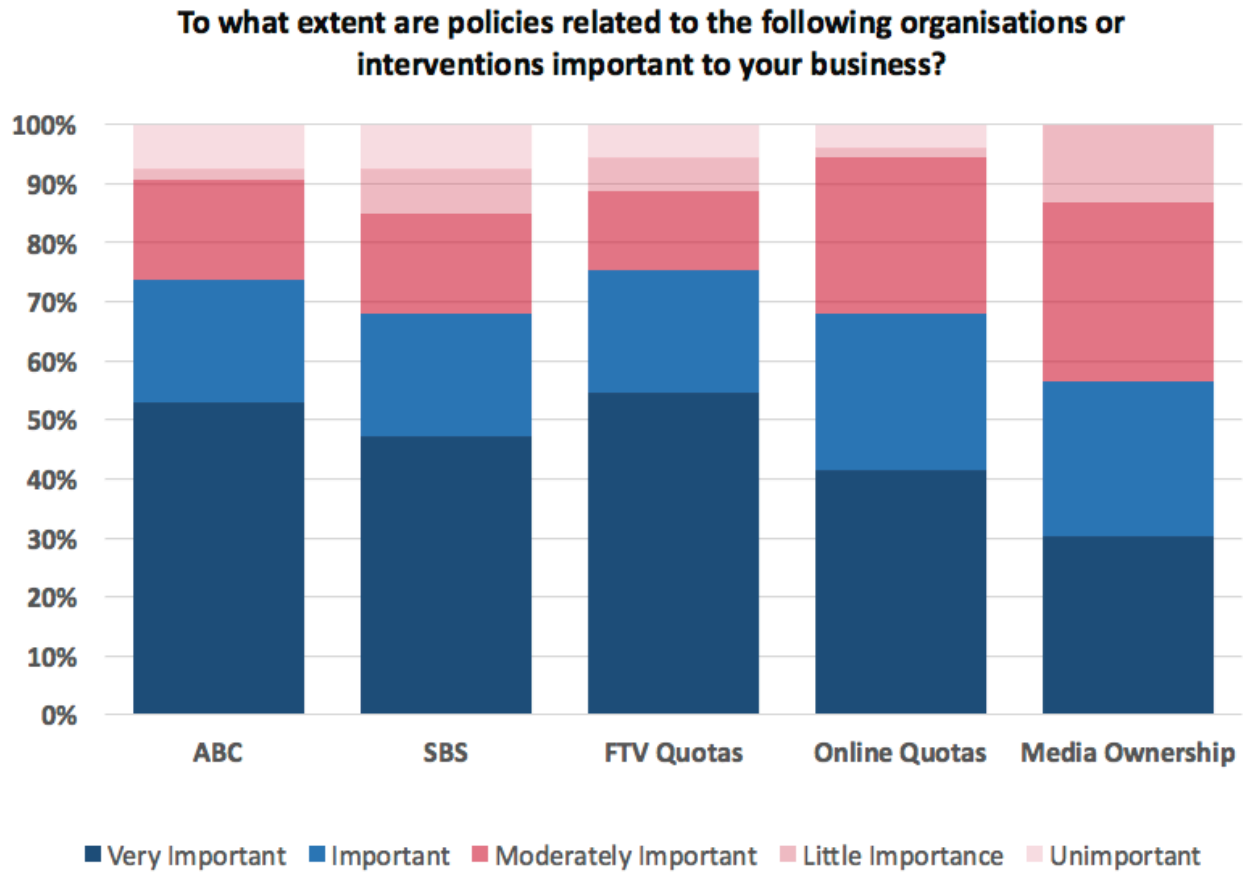

To what extent are the following current strategic priorities for your business?
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Domestic
International
Domestic
International
Skills
Slate
Co-Production Opportunities
Distribution and Broadcaster Relationships
Retention and Development
Very Important
Important
Moderately Important
Little Importance
Unimportant

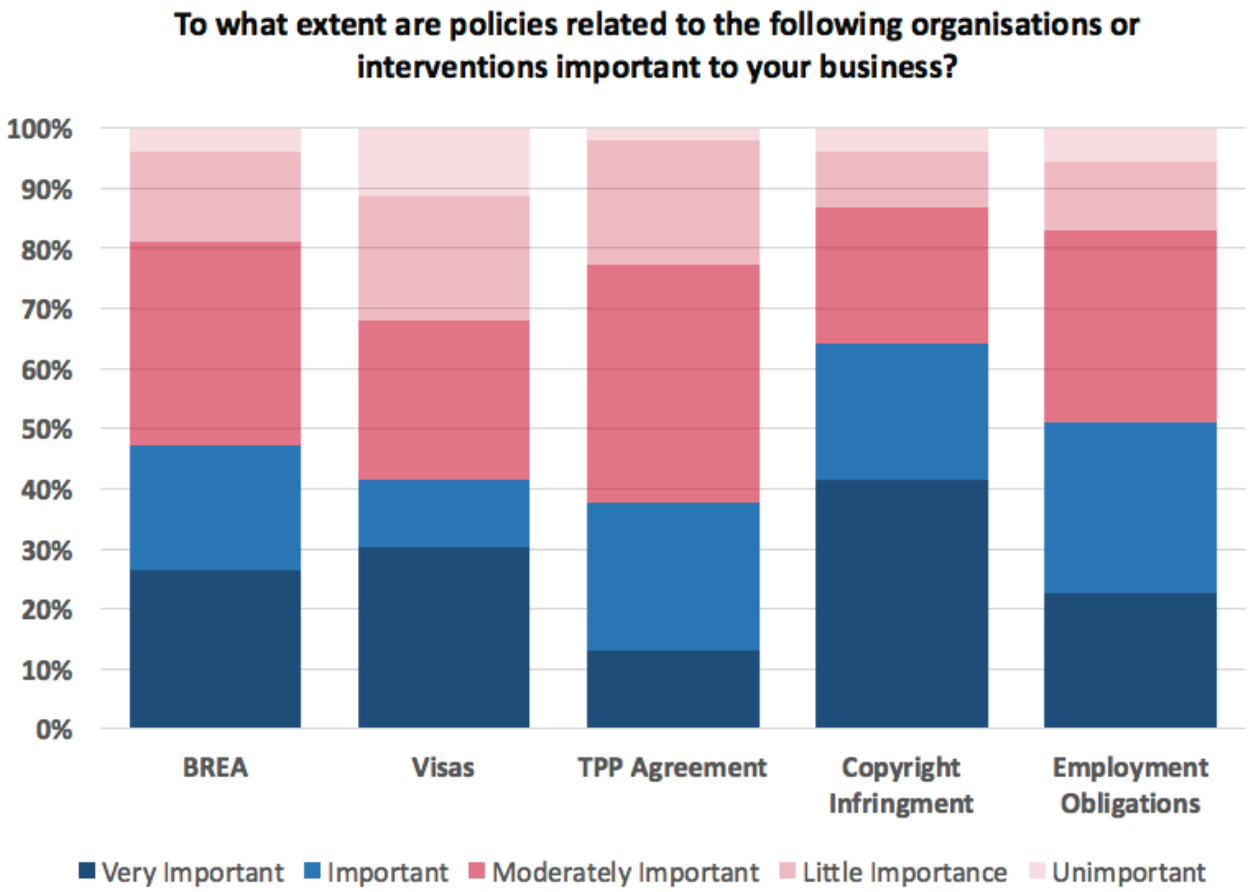


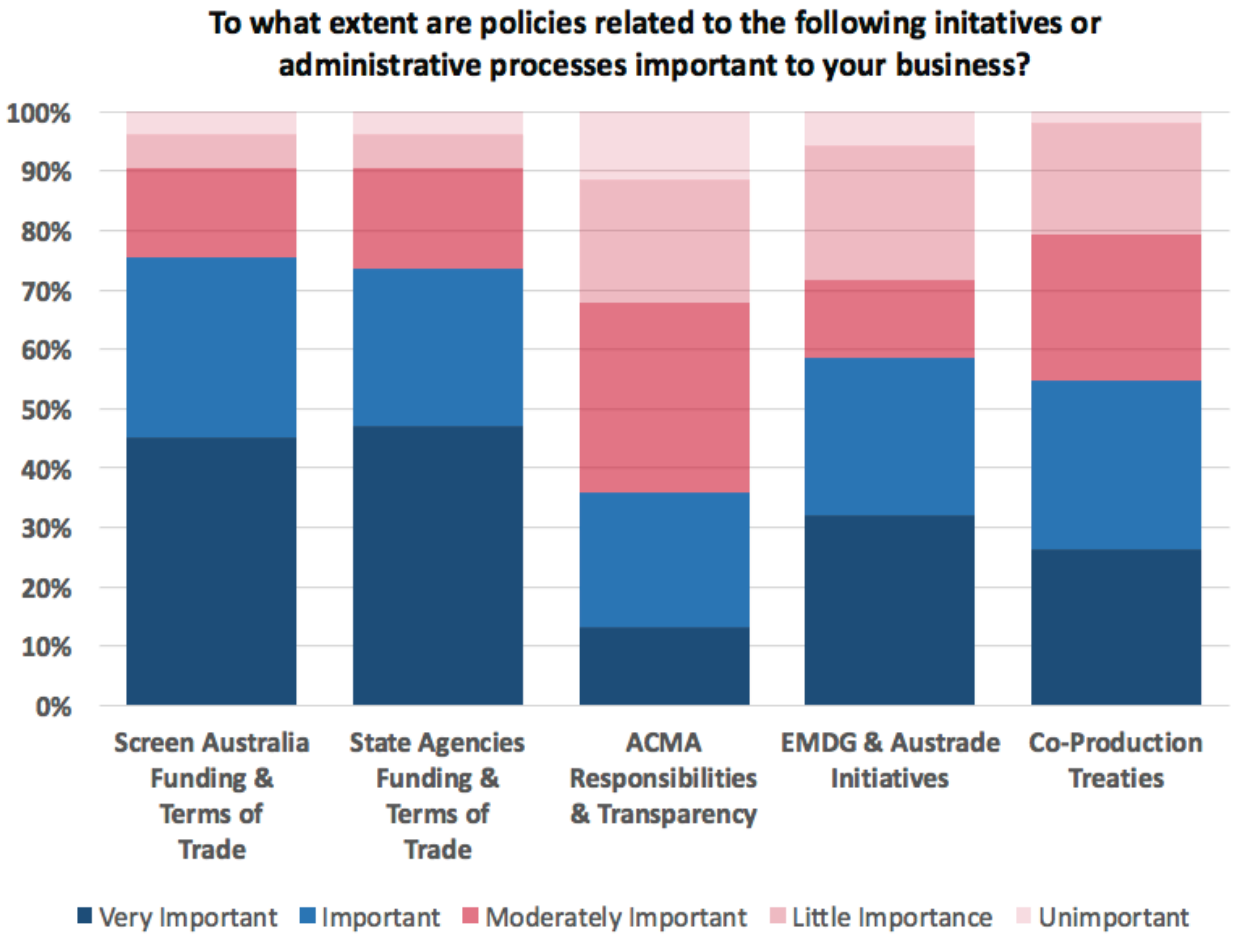
- Over the last three years the importance placed on **DOMESTIC CO-PRODUCTION OPPORTUNITIES** and **SKILLS** has trended upwards.

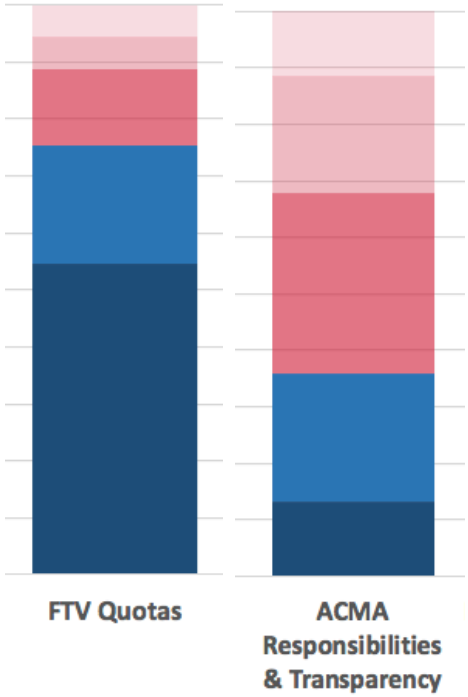
- There remains a consistent view of producers between 2014 and 2016 that strong relationships with **DISTRIBUTORS** and **BROADCASTERS** are an important strategic priority.
- There is lower comparative weighting for the **INTERNATIONAL MARKET** with **DOMESTIC CO-PRODUCTION** significantly jumping, up from 56% to 79%.
- This suggests a relationship with **GROWTH** and **INTERNATIONAL STRATEGIES** which may not have delivered as expected three years on. **But, the leading edge are working internationally…**


To what extent are policies related to the following organisations or interventions important to your business?
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Producer Offset
PDV Offset
Location
Screen Australia
Interactive Incentives
Very Important
Important
Moderately Important
Little Importance
Unimportant


To what extent are policies related to the following organisations or interventions important to your business?
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
ABC
SBS
FTV Quotas
Online Quotas
Media Ownership
Very Important
Important
Moderately Important
Little Importance
Unimportant


To what extent are policies related to the following organisations or interventions important to your business?
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
BREA
Visas
TPP Agreement
Copyright Infringment
Employment Obligations
Very Important
Important
Moderately Important
Little Importance
Unimportant


To what extent are policies related to the following initatives or administrative processes important to your business?
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Screen Australia Funding & Terms of Trade
State Agencies Funding & Terms of Trade
ACMA Responsibilities & Transparency
EMDG & Austrade Initiatives
Co-Production Treaties
Very Important
Important
Moderately Important
Little Importance
Unimportant



- Sometimes, intrinsically-linked policy issues are not seen as being of **EQUAL IMPORTANCE**

- When it comes to policy work, the **PRODUCER OFFSET**, notably an increase to TV and theatrical flexibility, was a clear priority area.
- Closely behind was **SCREEN AUSTRALIA** followed by **ABC**, **SBS**, **COPYRIGHT** and **COMMERCIAL FREE-TO-AIR QUOTAS**.

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- We are reviewing our **STRATEGIC PLAN,** in response to the **MARKET**, insights from our **ANNUAL BUSINESS SURVEY** and in the context of a new **FEDERAL GOVERNMENT.** This is where the key policies are currently sitting…

1. INCENTIVISING THE MARKET
2. FAIR COMMERCIAL TRANSACTIONS
3. BALANCED AND TRANSPARENT OBLIGATIONS
4. STRONG PUBLIC BROADCASTERS AND SCREEN AGENCIES
5. PROMOTION OF TRADE AND INVESTMENT

Policy area	Policy	Description	Budgetary impact
Funding allocation	Public broadcasting and screen agency funding	Ensure secure, sufficient and transparent funding for ABC, SBS and Screen Australia following more than $300 million in cuts over the last two years.	Yes

Policy area	Policy	Description	Budgetary impact
Tax incentive	**Increase to the Producer Offset for television**	An increase to 40% would allow the market to finance television production more easily, generating over $103 million in net economic activity according to modelling by PwC.	Yes
Tax incentive	**Greater flexibility in the Producer Offset for theatrical release**	Australian feature films are increasingly challenged in accessing cinema screens, in many cases these films can reach a bigger audience and achieve better financial returns through targeted event-style release and online distribution.	Yes
Tax incentive	**Increase to the Location Offset to develop and retain skills**	An increase to 30% will ensure that Australia remains internationally competitive, maintaining our status as a destination of choice helping to deliver consistent employment and retention of skills.	Yes

Policy area	Policy	Description	Budgetary impact
Regulation	**Fair and balanced obligations on new and existing content services**	Obligations have historically protected audience access to, and the production of, great Australian screen content. These obligations need to adapt to the expanding market and include online subscription services like Netflix.	No
Regulation	**Closing loopholes in content obligations**	There is a growing use of New Zealand content to meet the Australian content obligations on commercial free-to-air television, the impact of this can be reduced by redefining the term 'first release' in broadcasting regulation.	No
Regulation	**Specific content obligations and funding for children's content**	Children's programming is the most vulnerable genre of production made for the most impressionable audience members. To ensure there is a diverse range of content available in the market there needs to be targeted support from Screen Australia, ABC and the commercial networks.	No

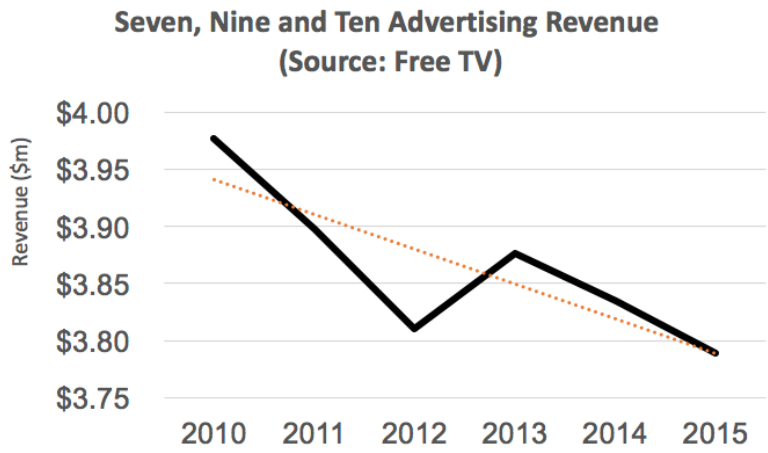
Policy area	Policy	Description	Budgetary impact
Regulation	**Greater transparency in broadcasting expenditure**	Increased data transparency across a range of content services, including ABC and SBS, would enable more effective public policy adjustments in broadcasting as well as provide an invaluable in maintaining business confidence among independent producers.	No
Regulation	**Stronger oversight of commercial terms of trade**	An industry code for independent producers will ensure that broadcasters don't use their disproportionate level of market power, either intentionally or otherwise, to create an unfair marketplace in the acquisition of content.	No

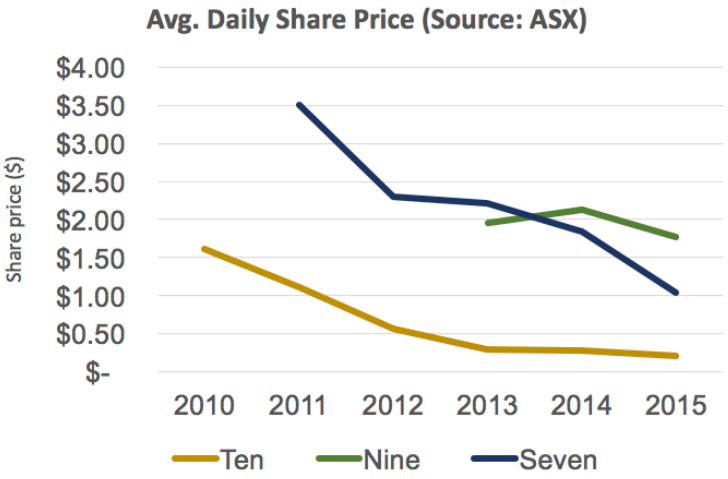
Policy area	Policy	Description	Budgetary impact
Regulation	**Immigration reform for temporary visas**	Sensible vise reforms that balance the needs of all parts of the screen industry are needed, allowing for both employment safeguards and the ability to tap into international talent to drive investment in local production.	No
Regulation	**Legal protections of intellectual property**	The current system of 'fair dealing' is not broken, it is widely understood through longstanding commercial practice. There is not a weight of evidence that existing exceptions and statutory licences are disadvantaging fair access.	No

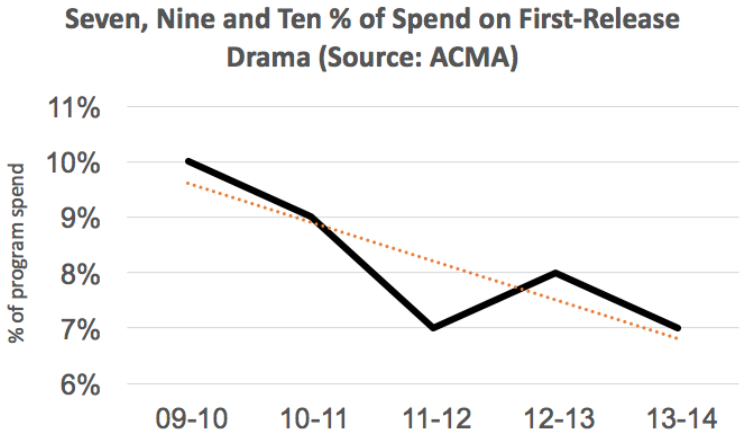
Policy area	Policy	Description	Budgetary impact
Trade arrangements	**International co-production fund and coordination**	Trade and investment would grow from coordinated, producer-led initiatives funded under a 'co-production enhancement package' in which industry sets agreed outcomes and territory focus with government.	Yes
Trade arrangements	**Exclusion of the cultural sectors from trade negotiations**	Australian must retain in any future trade agreements the right to support, and regulator levels of local content across broadcast and online services on behalf of industry and audiences alike.	No

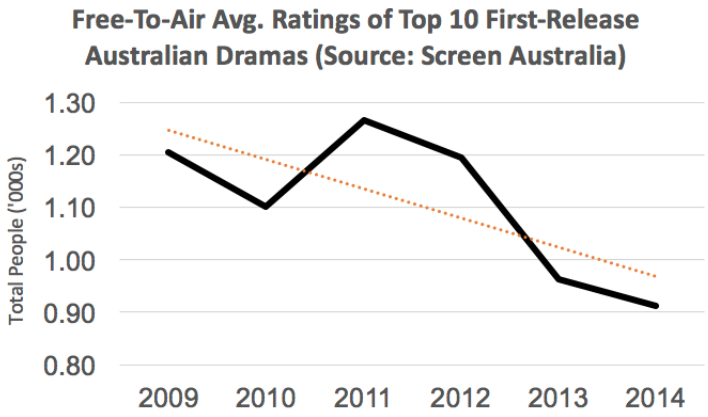
- But which of these is likely to have **IMMEDIATE TRACTION** with the new government?

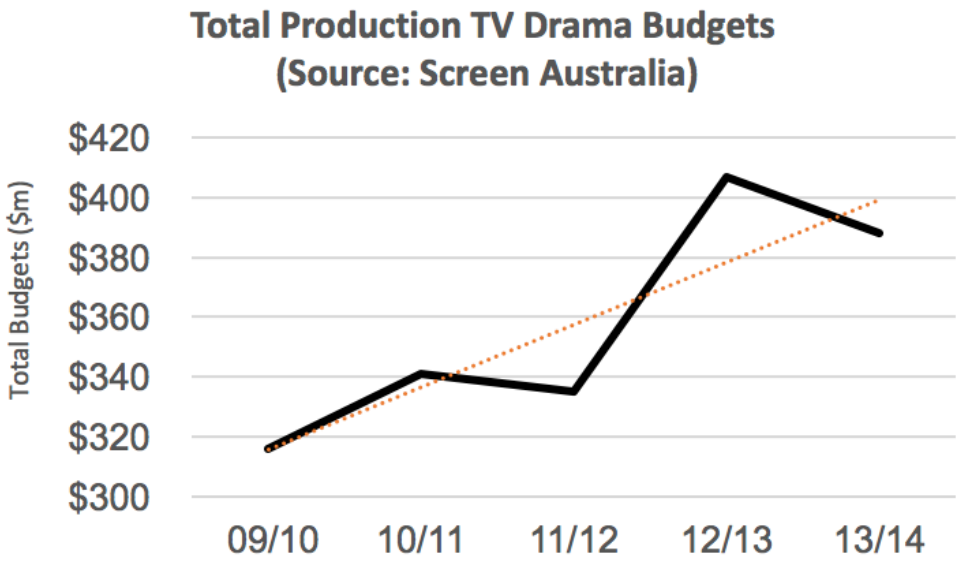
- The appetite is growing for a review of the **AUSTRALIAN CONTENT STANDARD** on commercial free-to-air broadcasters.
- This comes as the cost of production continues to rise and there are unprecedented challenges for broadcasters.
- Nevertheless, there remains a public policy need for fair and balanced obligations on **NEW** and **EXISTING** content services.


Seven, Nine and Ten Advertising Revenue
(Source: Free TV)
Revenue ($m)
$4.00
$3.95
$3.90
$3.85
$3.80
$3.75
2010
2011
2012
2013
2014
2015


Avg. Daily Share Price (Source: ASX)
Share price ($)
$4.00
$3.50
$3.00
$2.50
$2.00
$1.50
$1.00
$0.50
$-
2010
2011
2012
2013
2014
2015
Ten
Nine
Seven


Seven, Nine and Ten % of Spend on First-Release Drama (Source: ACMA)
% of program spend
11%
10%
9%
8%
7%
6%
09-10
10-11
11-12
12-13
13-14


Free-To-Air Avg. Ratings of Top 10 First-Release Australian Dramas (Source: Screen Australia)
Total People ('000s)
1.30
1.20
1.10
1.00
0.90
0.80
2009
2010
2011
2012
2013
2014


Total Production TV Drama Budgets
(Source: Screen Australia)
Total Budgets ($m)
$420
$400
$380
$360
$340
$320
$300
09/10
10/11
11/12
12/13
13/14

- Amid these challenges, industry has brokered an enhanced rights package, in particular digital rights, for television drama that provides **GREATER FLEXIBILITY TO BROADCASTERS**.
- This will enable broadcasters to **MAXIMISE THEIR INVESTMENT** with Australians embracing Australian drama online in record numbers.

- All of the **TOP TEN PROGRAMS** (individual episodes between 3-9 July) were Australian dramas: Offspring, Love Child, Home and Away, Rake and Winners and Losers.
- Australia dramas featured in the **TOP FIVE PROGRAMS** on every broadcaster, except SBS.
- **ABC**: Rake, Mad As Hell; **SEVEN**: Home and Away, Winners and Losers; **NINE**: Love Child; **TEN**: Offspring; **FOXTEL**: Wentworth. The Kettering Incident.

- The modernisation of the **ACTORS TELEVISION REPEATS AND RESIDUALS AGREEMENT** is a critical step forward for television drama production.
- Under the new agreement broadcasters will have more flexibility to **SCHEDULE** and **PROMOTE** Australian programs than ever before.
- Previous agreements placed **UNCOMPETITIVE RESTRICTIONS**, allowing for foreign acquired programs to be scheduled and streamed many more times that local product.

- Despite the update of the **ACTORS TELEVISION REPEATS AND RESIDUALS AGREEMENT** there remains a public policy need for fair and balanced content obligations on new and existing content services.
- Particularly, with regards to **KIDS DRAMA PRODUCTION**.

- For **MEMBERS** we will be discussing the new **ATRRA** at length after the break, but let's finish this section by explaining where **ATRRA** sits in the mix of our broader industrial work.

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MEDIA ENTERTAINMENT & ARTS ALLIANCE

AWG
AUSTRALIAN WRITERS' GUILD

adg
australian directors guild

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NEGOTIATED AGREEMENTS		
1. WRITERS AGREEMENTS		
1.1 Series and Serials Agreement (SASA)	TV	
1.2 Mini-Series and Telemovies Agreement (MATA)	TV	
1.3 Children's Television Agreement (CTA)	TV	
2. PERFORMERS AGREEMENTS		
2.1 Actors Feature Film Collective Agreement (AFFCA)	FF	
2.2 Actors Television Performers Agreement (ATPA)	TV	
2.3 Actors Television Repeats and Residuals Agreement 2000 (ATRRA)	TV	
2.4 Terms of Settlement 2004 (ATRRA)	TV	
2.5 MoU 2016 (ATRRA)	TV	
3. CREW AGREEMENT		
3.1 Motion Picture Production Collective Agreement	TV	FF
4. PAY RATES AND ALLOWANCES		
4.1 Series and Serials Agreement	TV	
4.2 Mini-Series and Telemovies Agreement	TV	
4.3 Children's Television Agreement	TV	
4.4 Actors Feature Film Collective Agreement	FF	
4.5 Actors Television Performers Agreement	TV	
4.6 Motion Picture Production Collective Agreement	TV	FF

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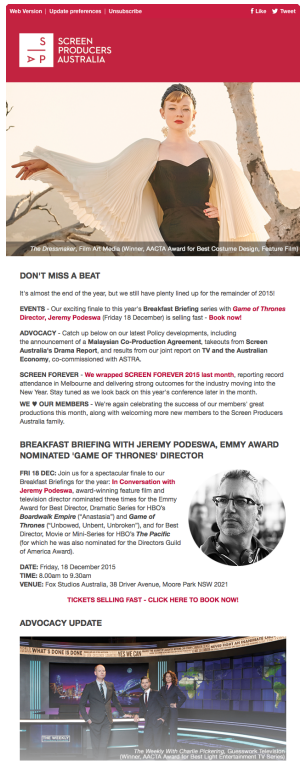
PRECEDENT AGREEMENTS		
5.1 Book Option Agreement	TV	FF
5.2 Option and Purchase Agreement	TV	FF
5.3 Quit Claim	TV	FF
5.4 Writer's Assignment Agreement	TV	FF
5.5 Script Editor's Agreement	TV	FF
5.6 Standard Writer's Contract – SASA	TV	
5.7 Standard Writer's Contract – MATA	TV	
5.8 Standard Writer's Contract – CTA	TV	
5.9 Artist's Deal Memo – Feature Film	TV	
5.10 Artist's Deal Memo – Television	FF	
5.11 Artist's Contract – ATRRA MoU 2016	TV	
5.12 Artist's Contract – ATRRA	TV	
5.13 Artist's Contract (Lender) – ATRRA	TV	
5.14 Artist's Contract – AFFCA	TV	
5.15 Artist's Contract (Lender) – AFFCA	FF	
5.16 Key Creative Deal Memo	FF	
5.17 Consultant's Agreement	TV	FF
5.18 Standard Crew Contract – MPPCA	TV	FF
5.19 Producer Agreement	TV	FF
5.20 Director's Agreement	TV	FF
5.21 Composer's Agreement	TV	FF
5.22 Location Agreement	TV	FF
5.23 Services Agreement	TV	FF
5.24 Australian Moral Rights Consent Framework	TV	FF


NEGOTIATED AGREEMENTS
AND TEMPLATE CONTRACTS
FOR EMPLOYERS
SCREEN
PRODUCERS
AUSTRALIA



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SCREEN PRODUCERS AUSTRALIA

The Dressmaker, Film Art Media (Winner, AACTA Award for Best Costume Design, Feature Film)

DON'T MISS A BEAT

It's almost the end of the year, but we still have plenty lined up for the remainder of 2015!

EVENTS - Our exciting finale to this year's **Breakfast Briefing** series with **Game of Thrones Director, Jeremy Podeswa** (Friday 18 December) is selling fast - **Book now!**

ADVOCACY - Catch up below on our latest Policy developments, including the announcement of a **Malaysian Co-Production Agreement**, takeouts from **Screen Australia's Drama Report**, and results from our joint report on **TV and the Australian Economy**, co-commissioned with ASTRA.

SCREEN FOREVER - **We wrapped SCREEN FOREVER 2015 last month**, reporting record attendance in Melbourne and delivering strong outcomes for the industry moving into the New Year. Stay tuned as we look back on this year's conference later in the month.

WE ♥ OUR MEMBERS - We're again celebrating the success of our members' great productions this month, along with welcoming more new members to the Screen Producers Australia family.

BREAKFAST BRIEFING WITH JEREMY PODESWA, EMMY AWARD NOMINATED 'GAME OF THRONES' DIRECTOR

FRI 18 DEC: Join us for a spectacular finale to our Breakfast Briefings for the year: **In Conversation with Jeremy Podeswa**, award-winning feature film and television director nominated three times for the Emmy Award for Best Director, Dramatic Series for HBO's ***Boardwalk Empire*** ("Anastasia") and ***Game of Thrones*** ("Unbowed, Unbent, Unbroken"), and for Best Director, Movie or Mini-Series for HBO's ***The Pacific*** (for which he was also nominated for the Directors Guild of America Award).

DATE: Friday, 18 December 2015
TIME: 8.00am to 9.30am
VENUE: Fox Studios Australia, 38 Driver Avenue, Moore Park NSW 2021

TICKETS SELLING FAST - CLICK HERE TO BOOK NOW!

ADVOCACY UPDATE

The Weekly With Charlie Pickering, Guesswork Television (Winner, AACTA Award for Best Light Entertainment TV Series)

We've had a busy month talking with the new **Minister of Communications and the Arts, Mitch Fifield** as we position a number of policy issues ahead of the upcoming election year.

New TV Offset to Boost Economy

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