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To whom it may concern

SCREEN AUSTRALIA – DRAFT STATEMENT OF INTENT 2008/09

Free TV Australia welcomes the opportunity to comment on the Screen Australia Draft Statement of Intent 2008/09 (SOI).

Commercial free to air broadcasters have made and continue to make a significant contribution to the production industry. Figures from the Australian Communications and Media Authority show that in 2006 television broadcasters spent \$869 million on Australian programming, including \$125 million on Australian drama. The Australian Film Commission's National Production Survey for 2006-07 shows that, as in previous years, amongst the Australian film/TV industry the largest contribution to the combined TV drama slate (and the largest from any sector) came from the commercial free to air broadcasters.

Free TV has a close interest in the establishment and operation of the new Screen Australia and encourages an ongoing commitment to transparency, cooperation and consultation.

Enterprise and professional development

Free TV welcomes discussion regarding a possible enterprise and professional development scheme (page 3 of the draft SOI). Television production already plays a central role in helping to develop and grow Australian screen business ventures.

Given the vital role of television production, any enterprise and professional development scheme should take a broad view of the production industry and should encompass all screen businesses involved in television production, regardless of their size. This will help encourage the development of strong and viable production entities and contribute to the overall Australian production industry.

Structure of Screen Australia

Free TV welcomes the appointment of a Screen Australia leadership group which reflects the diverse nature of the production industry. In particular, we welcome the appointment of Board members and management staff with significant experience in television production.

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However, we believe the important role of television productions should also be reflected in the structure of the Screen Australia organisation.

On page 4 of the draft SOI, it is proposed that a single production financing group be established within Screen Australia, which would cover all production categories, including feature films, documentaries, TV drama and children's programs.

Free TV has previously stated its support the establishment of a separate work-stream for television as distinct from films to recognise the distinct characteristics and needs of these two sectors.

Producer Offset

Free TV notes that there is a requirement for the Government to review the Producer Offset within twelve months of commencement. Whilst this issue is not specifically discussed in the draft SOI, Free TV would like to support the ongoing review and assessment of the efficacy of the Producer Offset.

Specifically, Free TV strongly supports the extension of the full 40% Producer Offset to films made for television. Such productions typically have a strong commercial focus and play an important role in the overall Australian production industry.

The Explanatory Memorandum to the *Tax Laws Amendment (2007 Measures No. 5) Act 2007* noted the Offset is intended to assist the industry be more competitive and responsive to audiences and to help build stable and sustainable production companies (page 184). The extension of the full offset to television film productions would be consistent with these policy objectives.

Television film productions are highly responsive to audience needs, have the ability to reach a very wide audience and have a strong commercial focus. Extending the full tax offset would further encourage this sector of the industry, which plays an important role in developing expertise, providing experience and establishing strong and viable screen businesses.

Free TV welcomes further consultation on these issues and on the upcoming review of the Producer Offset.

Yours sincerely



Julie Flynn
Chief Executive Officer