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By email: programs@screenaustralia.gov.au

Dear Sir/Madam

SCREEN AUSTRALIA – DRAFT PROGRAM GUIDELINES

Free TV Australia has a close interest in the operation of Screen Australia's development and production support programs and welcomes the opportunity to comment on Screen Australia's draft production guidelines. We apologise for the delay in providing these comments.

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 2006/07 television broadcasters spent \$790 million on Australian programming, including \$96 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.

Proposed Enterprise Program

Free TV has concerns regarding the design of the proposed Development Enterprise Program. As described in the draft guidelines, there is the potential for this program to result in a concentration of production funding within a very limited group of production companies.

Care must be taken to ensure that any development funding does not provide a competitive advantage to any particular group of production companies, to the detriment of other, smaller companies seeking to establish themselves in the industry. The aim should be to encourage the development of a strong and diverse production industry.

Television Drama

We note that eligibility for the Television Drama component of production financing will not extend to projects developed by broadcasters and then sub-contracted to producers. The draft guidelines do not provide an explanation for this approach and if this approach is to be taken how it will be applied.

The draft guidelines note that the Television Drama Program is intended to assist in "the production of high-quality adult drama, providing a rich and diverse range of high-quality Australian programs to audiences both here and overseas."

It is not clear how the exclusion of a category of television production, such as those productions which are initially developed by broadcasters and with which an independent producer subsequently becomes involved, will contribute to this objective.

There are relevant examples of "high-quality adult drama" which have been developed and produced in this way. For example, the *Underbelly* series was initially conceived and developed within a commercial television broadcaster and Screentime was then brought on board to further develop and produce this project. As part of this process, Screentime was able to secure a significant stake with Screen Australia in this very successful and seminal project.

Given the vital role of television production, any Television Drama Program should take a broad view of the production industry. The underlying aim of the program should be to increase production and broaden underlying business arrangements and the development of projects (including the origin of concepts or ideas) should not be relevant. This will help encourage the development of innovative, flexible, sustainable and high quality productions and contribute to the overall Australian production industry.

The Television Drama Program guidelines would also benefit from further detail regarding the proposed project assessment process. For example, Screen Australia has indicated it will consider applications seeking 35% of budget before projects seeking 40% of budget. It is not clear why this consideration has been given more prominence than the substantive issues, such as recoupment potential, listed subsequently in the guidelines.

Screen Australia's guidelines should take a flexible approach to the development, financing, production and distribution of programming in Australia. This is particularly important in the face of recent financial developments in the world marketplace and rapid technological changes.

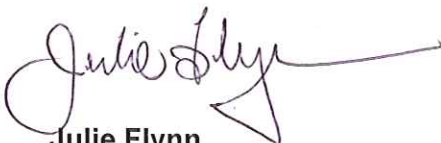
Children's Television

The draft production financing guidelines provide two tranches of funding each year for children's television drama, compared to three for adult television drama.

While this reflects the current process, the timing of the rounds has changed to August (previously July) and December. If the number of rounds does not increase to match adult television drama, then the timing between tranches should be more evenly spaced as a producer may risk losing presales while funding applications are considered between December and August.

Free TV welcomes further consultation on these issues where possible and would like to make further submissions on the draft Terms of Trade which work side by side with the production guidelines, once these are available for comment, as these could affect the operation of the production guidelines.

Yours sincerely



Julie Flynn
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Free TV Australia