

Streaming for Australia



How streaming services are making a meaningful cultural
and economic contribution to Australia's creative economy

NOVEMBER 2022

Stan.

NETFLIX

prime video

Disney+

Paramount+

Executive summary

We are committed to our customers, employees and operations in Australia, and to making a meaningful cultural and economic contribution to Australia's creative economy.

As businesses, we know our Australian subscribers are enthusiastic consumers of new and classic high quality content, both from Australia and around the world. We know that to attract and retain Australian audiences we need to reflect Australian culture back to our audiences.

That is why we are working with local production companies and broadcasters to commission and co-commission Australian content. In the short time we have been in Australia, we have collectively commissioned, co-commissioned or invested in well over 100 Australian programs.

Our presence in Australia has meant Australian creators are now actively connecting with global audiences and global capital. At the same time, we have injected significant new capital into the local production sector, creating additional opportunities for large and small Australian producers, and the broader creative economy.

Australia has all the right ingredients that make it a desirable place to operate our businesses:

professional cast and crew, talented writers and directors, a stable democracy and a strong economy, excellent locations and world-class post-production and visual effects facilities.

Regulatory intervention by government only makes sense when there is a problem to solve – and the Australian Communications and Media Authority (ACMA) data collected to date shows that in 2021 to 2022 financial year, Stan, Netflix, Prime Video, Paramount+ and Disney+ alone spent over \$668 million on Australian content and Australian related programming¹. The majority of that was spent on commissioning new Australian drama, kids content, documentaries, light entertainment, and other genres.

Our sector is invested in Australia and is investing in the local screen economy. We are voluntarily reporting our investments in new Australian content and the Australian production sector to the ACMA, and our investment data is being made available to the public for all to see. It speaks to year-on-year industry expansion – not contraction. We are committed to being here for the long haul.

Any intervention into this new and thriving sector risks disrupting successful co-production arrangements, introducing competitive disadvantages and inequities in the market, and encouraging a focus on 'quantity over quality'. Our subscribers value Australian content on our services – and we are providing it. Our subscribers also value the diverse range of content from every continent of the world that we are making available, and want the freedom to choose what they want to watch.

The Australian creative economy and the Australian production sector are not in jeopardy. On the contrary, the local screen sector is replete with opportunities. It is so well-supported by the Commonwealth, State and Territory governments that a recent survey from Screen Producers Australia identified that because there is so much activity there is significant pressure on the availability of below the line crew for productions². To address these increasing capacity constraints, we encourage the Commonwealth, State and Territory governments to consider policy initiatives focused on building Australia's local production workforce. Governments have already taken steps towards this, but further investment in skills is needed to build capacity, and enable our creative economy to continue to thrive and develop quality Australian content.



¹ ACMA (21 November 2022) Spending by subscription video on demand providers 2021–22 financial year

² Screen Producers Australia, "Local productions facing skills shortage," media release, April 26, 2021, screenproducers.org.au/news/local-productions-facing-skills-shortage

We might be young, but we are pulling our weight.

It is still early days for Australia's subscription streaming services sector, with most operating locally for five years or less.

Some streaming services, such as Paramount+, have been operating in Australia for just one year.

Even though the streaming services sector in Australia is relatively young, we are proud that our companies are making both a direct and indirect cultural and

economic contribution to Australia's growing content production sector and by virtue of that investment, supporting the broader creative economy.

We see our role as complementing the existing broadcast sector investment in the screen industry by injecting additional local investment into the sector, producing additional content that benefits local producers and our local and global audiences. Our sector also plays a new and important role in showcasing the best of Australian content to global audiences.

The Australian content sector is diverse – and we all have a role to play in keeping it healthy.

Australia's screen economy is fuelled by local investment and global businesses, all of which make the engine run efficiently and effectively.

Broadcasters are using limited and highly valuable spectrum. In recognition of this access to spectrum and the cultural importance of providing free, universal access to television services to all Australians, they have quota obligations that require them to invest in and commission Australian content. They also use their Broadcaster Video On Demand channels (**BVODs**) (via the internet) to support further viewing of this content. They provide an important safety net that means all Australians can watch free, quality Australian content.

The Commonwealth Government invests significantly in the audio-visual sector, with well over **\$1B per annum** of **direct funding** to the ABC, SBS, Screen Australia, the Australian Children's Television Foundation, Australian Film Television and Radio School, National Institute of Dramatic Arts and Ausfilm. It also provides generous **uncapped tax offsets for film and television productions** (in the 2021/22 financial year, Producer Offset certified rebates totalled \$274m)³.

Subscription TV provides a vast array of niche services with aggregated Australian and international channel offerings, using cable, satellite, and, more recently, the internet to deliver content. They have an expenditure obligation of 10% of program expenditure on new

Australian dramas for each drama channel. Out of a total channel offering of over 90 channels, 11 are drama channels⁴. Fetch TV is owned by Astro Malaysia Holdings and Foxtel is jointly owned by News Corp Australia and Telstra. \$18.72 million was spent by subscription TV licensees and channel providers on new Australian drama programs in the 2021–22 financial year⁵.

Producers who operate in Australia and participate in commercial arrangements with broadcasters, pay TV, and streaming services, and receive support from the States, Territories and the Commonwealth Government (via direct funding from Screen Australia, State and Territory funding agencies and uncapped tax offsets), are a mix of wholly Australian-owned businesses and large global production companies with an Australian presence.

Streaming services are a mix of large and small Australian-owned and operated businesses and international companies. Streaming services are bringing an ever more diverse line-up of content from every continent of the world to Australian audiences. Some services offer very distinct niche content such as Japanese anime, horror, documentaries or specific sports. Others offer a wide array of content, commissioning new content, co-commissioning Australian content that usually has its first run on a local broadcaster, and/or buying Australian library content for inclusion on their services both domestically and internationally.

³ Screen Australia, "Screen Drama Report, Production of feature films, TV and VOD drama in Australia in 2021/22", accessed November 10, 2022, screenaustralia.gov.au/getmedia/3a8f3011-211c-4f93-bd41-3b4767585dec/SA-DramaReport.pdf

⁴ "The world's best drama." Foxtel, last modified 2020, foxtel.com.au/watch/dramas.html

⁵ Subscription TV Australian drama expenditure results: 2021–22, ACMA, last modified November 4 2022, acma.gov.au/articles/2022-11/subscription-tv-australian-drama-expenditure-results-2021-22

We have all made an active decision to be here in Australia. We look similar, but we are not the same.

| | LAUNCH DATE | NATURE OF BUSINESS |
|-------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | January 2015 | <p>Stan is Australia's leading local streaming service, wholly owned by one of the country's most trusted and culturally significant media companies, Nine Entertainment Co.</p> <p>Stan commissioned its first local production within two months of the streaming service's 2015 launch and, today, Stan is one of Australia's most significant and important commissioning services.</p> <p>Stan has commissioned local productions with budgets totalling more than \$460 million to date, and is ramping up its output even further to deliver around 30 per cent of its first-run slate from original productions.</p> |
|  | March 2015 | <p>Since the launch of Netflix in Australia in 2015, we have been an increasingly significant commissioner of Australian stories. In fact, we co-commissioned our first Australian title <i>Mako Mermaids</i>, prior to our Australian launch. Our substantial and growing production activity in Australia provides revenues, jobs and global exposure for Australian producers, creators, talent and crews, as well as Australia's animation, post-production and visual effects facilities.</p> <p>Australian content on Netflix is loved by Australians and Netflix members around the globe. For example, <i>Heartbreak High</i> spent three weeks in Netflix's global top 10, and amassed over 42 million view hours in just three weeks. <i>Surviving Summer</i>, a teen drama filmed and set in Victoria, became a top 10 title in 42 countries, was the Number 4 most watched title in the United States, and had over 20 million view hours globally in its first week. <i>A Perfect Pairing</i>, an original romantic comedy made and set in Queensland, reached Number 1 on Netflix worldwide. Original series <i>Clickbait</i>, filmed in Melbourne, and written and directed by Australians, quickly became a local and global success story. <i>Clickbait</i> made Netflix's top 10 list in almost 90 countries and became the number 1 watched title overall (both movies and series) in more than 20 countries in its month of release.</p> <p>We are particularly proud of our investment in Australian children's content. Netflix is now one of Australia's largest contributors to kids content, having invested over \$58 million into new kids programming from 2019 - 2021, such as <i>Surviving Summer</i>, <i>Izzy's Koala World</i>, <i>Alien TV</i>, <i>The Unlisted</i>, <i>The New Legends of Monkey</i>, <i>Dive Club</i>, <i>MaveriX</i>, <i>The Deep</i>, <i>The Bureau of Magical Things</i> and <i>Back to the Outback</i>.</p> |
|  | December 2016 | <p>Prime Video is an added benefit of Prime and offers customers a vast collection of award-winning Amazon Originals, hit movies, and popular TV shows - available to watch on hundreds of compatible devices. Since 2019, Prime Video has commissioned 23 Amazon Original series in Australia—<i>The Test S1-S2</i>, <i>Making Their Mark</i>, a series of 10 stand-up comedy specials by some of Australia's best comedians, <i>LOL: Last One Laughing Australia</i> with Rebel Wilson, <i>Back to the Rafters</i>, <i>Luxe Listings Sydney S1 - S3</i>, <i>The Moth Effect</i>, <i>Head Above Water</i>, award-winning feature-length documentary <i>Burning</i>, <i>Kick Like Tayla</i>, <i>Warriors On The Field</i>, and the first Australian Amazon Original movie <i>Five Blind Dates</i>. Customers can also enjoy hits like Oscar nominated film <i>Being the Ricardos</i>, Golden Globe award-winner <i>Borat Subsequent Moviefilm</i>, <i>The Boys S1-3</i>, <i>The Summer I Turned Pretty</i>, <i>The Lord of the Rings: The Rings of Power</i>, <i>The Terminal List</i>, <i>Thirteen Lives</i>, plus Emmy award-winners <i>Fleabag</i>, <i>The Marvelous Mrs. Maisel</i>, and other licensed content.</p> |
|  | November 2019 | <p>The Walt Disney Company (Disney) entertains, inspires and informs people around the world through the power of unparalleled storytelling and embracing innovative technology. Australia has long been a key market for Disney with numerous blockbuster films like <i>Thor</i> and <i>Pirates of the Caribbean</i> filmed in Australia, providing significant employment opportunities for thousands of Australians.</p> <p>Through the investment in Fox Studios Sydney and establishment of Industrial Light and Magic (ILM) in Sydney, Disney is continuing to build Australia's production capability and create a highly skilled domestic workforce. Disney remains committed to developing and producing high quality content for release on Disney+, theatrical and linear services.</p> |
|  | August 2021 | <p>Paramount+ is a global digital subscription video streaming service from Paramount that features a mountain of premium entertainment for audiences of all ages. As Australia's fastest growing streaming service, Paramount+ features an expansive library of original series, hit shows and popular movies across every genre as well as a robust offering of premier local content. In its launch in August 2021, Paramount+ commissioned 16 local productions.</p> <p>In Australia, Paramount employs 990 people and reaches over 15 million Australians every month via its free-to-air and pay television channels, and its digital video on demand services 10 Play and Australia's fastest growing streaming service Paramount+.</p> <p>Paramount is also a major production company that brings premium film and television projects to Australia, such as kids film <i>Dora and the Lost City of Gold</i> filmed on the Gold Coast, and Australian book-turned-series <i>Shantaram</i> filmed in Melbourne for Apple TV+.</p> |

There are many streaming services in Australia providing a wide range of content to Australian audiences.

As well as Stan, Netflix, Prime Video, Disney+ and Paramount +, there are many international streamers.

These include **Apple TV+**, **Britbox**, **iQiyi**, **hayu**, **iwonder**, **Acorn TV**, **Shudder**, **Funimation**, **Kanopy** and **Mubi**, that are providing diverse services to their Australian subscribers.

- **iQiyi**, a Chinese-owned streaming service, has over 100 million subscribers worldwide and has recently launched operations in Australia⁶.
- **AppleTV+** has global reach and offers a range of licensed and original content.
- **Britbox** is jointly owned by the BBC and ITV. It has over 2 million subscribers in US, Canada and Australia (and 550,000 in the UK)⁷.
- **Shudder** offers original and licensed content, as well as live streaming and podcasts, all exclusively in the horror and thriller genres.

And there are a growing number of Australian streaming services.

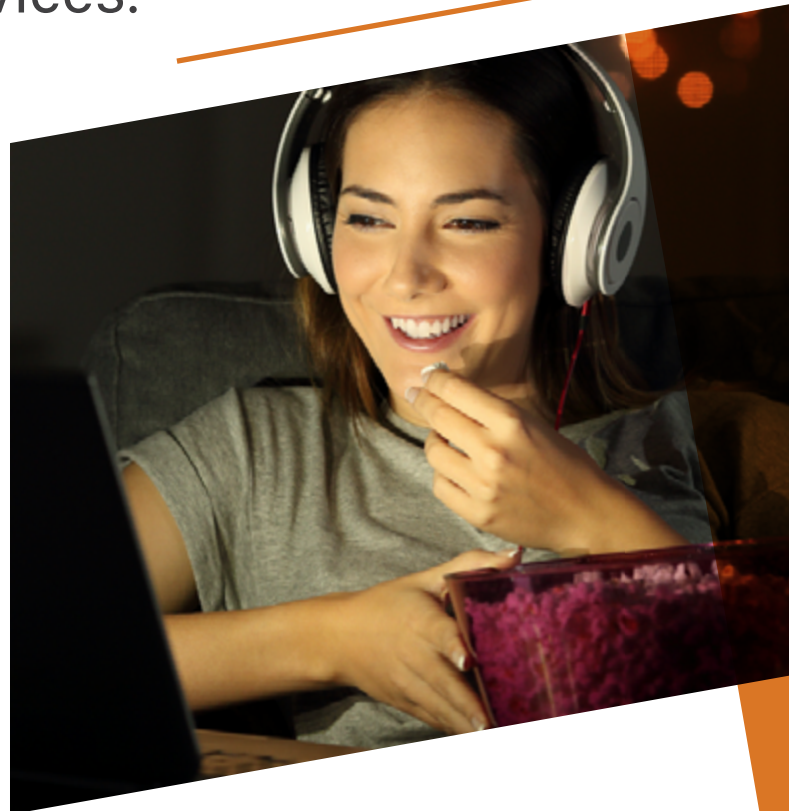
DocPlay is backed by Federal Government funding. Developed by Australian-based Madman Entertainment and Screen Australia, this niche streaming service consists of over 1000 documentary titles.

Kanopy is a streaming service to which public libraries and universities subscribe, that launched in Perth in 2008 and later relocated to San Francisco. It has over 30,000 films and documentaries in its content library, including some Australian content. It was sold to KKR in 2021 in a 9 figure US transaction⁸.

AnimeLab was launched in Australia in 2014 by Melbourne-based Madman Anime Group. It is now branded as Funimation. Madman Anime was sold to Sony Music Entertainment in 2019 and specialises in Japanese anime.

Binge is a local streaming service offered by Streamotion, a part of the Foxtel group. It offers a variety of content, focusing on films, TV series, reality and lifestyle and documentaries.

And there are other local operators also looking for an opportunity to grow their businesses, including **Kayo**, **Flash**, and **OzFlix**.



⁶ Zanda Wilson, "Chinese streaming platform iQiyi to launch Australian operations", *Mumbrella*, last modified April 19, 2021, mumbrella.com.au/chinese-streaming-platform-iqiyi-to-launch-australian-operations-678504

⁷ Karolina Kaminska, "Britbox tops two million subs, sets South Africa launch date", *C21 Media*, last modified July 28, 2021, c21media.net/news/britbox-tops-two-million-subs-outside-uk

⁸ "Olivia Humphrey," *Advance*, accessed November 26, 2021, advance.org/profile/olivia-humphrey

Australian audiences are spoilt for choice.

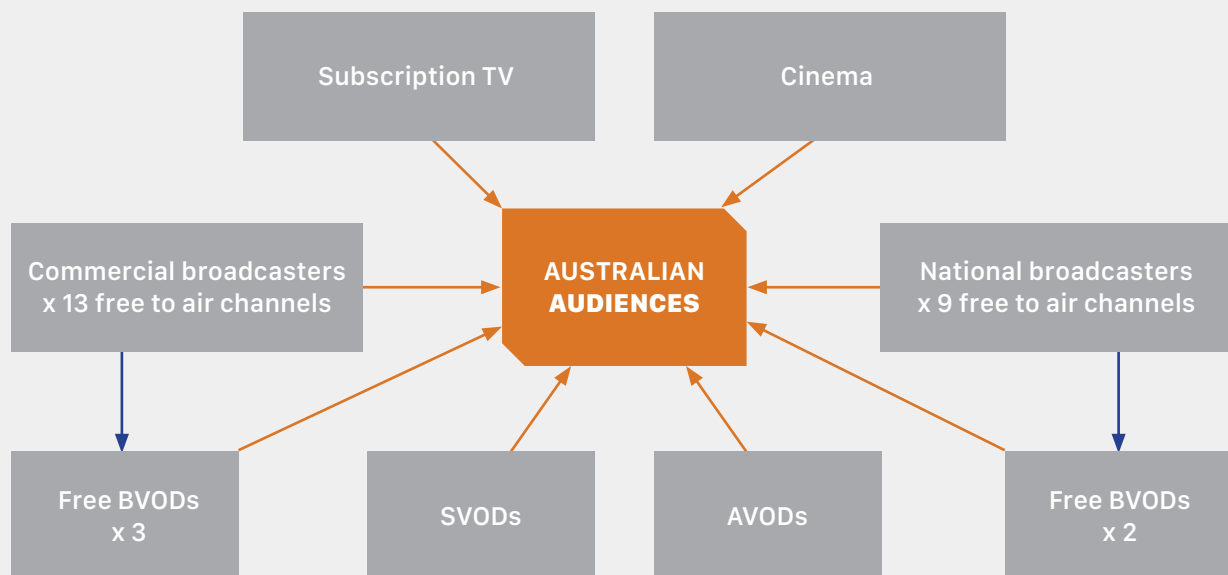
Australian audiences have never enjoyed access to so many content choices, across a wide variety of content services.



In addition to an ever-growing range of nascent streaming services:

- Television broadcast services have multiplied – with **22 free multi-channels** to choose from.
- BVOD services owned and operated by all the major broadcasters – ABC, SBS, Nine, Seven and Ten – provide **free on-demand** Australian content.
- Subscription TV services, Foxtel and Fetch are providing audiences with **aggregated content** with a wide variety of local and international channel offerings across an array of genres.
- Prime Video has partnered with 12 other streaming services, including Paramount+ and hayu, to offer Prime members the option of subscribing to these additional 'channels' within their existing Prime Video experience. This gives other streaming services the opportunity to reach new Australian audiences, and gives Australian customers the convenience of discovering and enjoying a wider variety of services and content within a single account login and user experience.

THE MARKET IS BUOYANT FOR AUDIENCES. THE OPTIONS ARE PLENTIFUL. THE SERVICES ARE DIVERSE.



The Australian screen content sector is buoyant for producers and the broader creative economy.

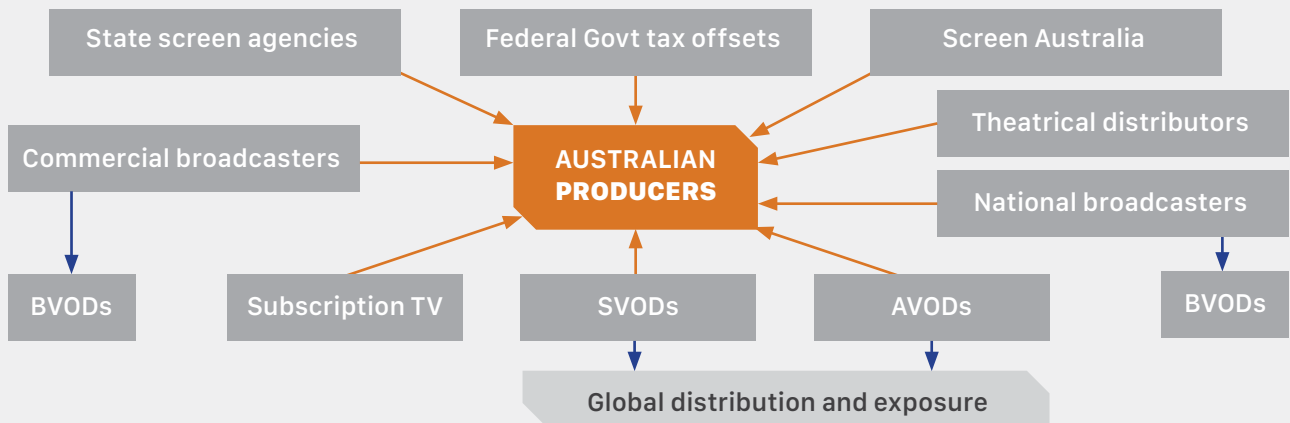
In the past ten years, the global content market has exploded.

Australian producers have never enjoyed creative exposure or local and global financial opportunities on this scale.

"Current employment conditions are a boon for jobs and our world-class crews."

Matthew Deaner – CEO of SPA⁹

THE AUSTRALIAN SCREEN CONTENT SECTOR IS BUOYANT FOR PRODUCERS. THE OPTIONS ARE PLENTIFUL. THE SERVICES ARE DIVERSE.

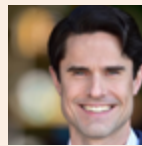


"I'm meeting as many people and trying to hear as many ideas as I can. Whether it's drama, comedy, unscripted, reality [or other genres], I am genuinely looking at all of it."



Que Min Luu – Director of Content, Australia and New Zealand, Netflix

"Prime Video is committed to supporting Australian Amazon Originals and we are always on the lookout for new creative talent and fresh ideas across scripted and unscripted formats."



Tyler Bern – Head of Content Prime Video Australia

'Historic opportunity for Australia to finally fulfil its potential as a film production centre'

Baz Luhrmann – Australian director, writer and producer¹⁰

"Hitting well over the \$2 billion mark is an incredible milestone for our sector, and it's truly a bumper year for Australian scripted content - to have local productions make up 66% of this spend is extraordinary. Distinctly Australian stories continue to captivate audiences here and overseas, with Heartbreak High reaching the top 10 on international Netflix charts, and shows from Bluey to Bump taking the world by storm.....Our focus now is to work together with the industry to address gaps in skills and capacity that have come as a result of the production boom, to ensure we are in the best position to keep up the pace and further boost the potential of Australian stories and storytellers"

Graeme Mason, Screen Australia CEO¹¹

⁹ Screen Australia, "Local productions facing skills shortage," media release, April 26, 2021, assets-us-01.kc-usercontent.com/89c218af-4a5a-00a2-9d83-3913048b3bc7/b6bb5dc4-89c3-4ff6-bff6-881ce08547cb/20210426%20-%20Media%20Release%20-%20Crewing%20issues.pdf

¹⁰ Brook Turner, "How Baz Luhrmann aims to make Australia the new Hollywood," AFR, August 19, 2021, [afr.com/life-and-luxury/arts-and-culture/how-baz-luhrmann-aims-to-make-australia-the-new-hollywood-20210623-p583hy](https://www.afr.com/life-and-luxury/arts-and-culture/how-baz-luhrmann-aims-to-make-australia-the-new-hollywood-20210623-p583hy)

¹¹ Drama Report 2021/22: Record \$2.29 billion spent on drama production in Australia, media release, November 10, 2022, screenaustralia.gov.au/sa/media-centre/news/2022/11-10-drama-report-2021-22

Why we love Australia.

Australia has all the right ingredients that make it a highly desirable place to operate our businesses:

- ✓ Quality cast and outstanding crew.
- ✓ Talented writers and directors.
- ✓ Stable governments with a strong economy.
- ✓ Excellent locations - that can be both iconic or made to look like anywhere in the world.
- ✓ World-class post-production and visual effects facilities.
- ✓ English-language.

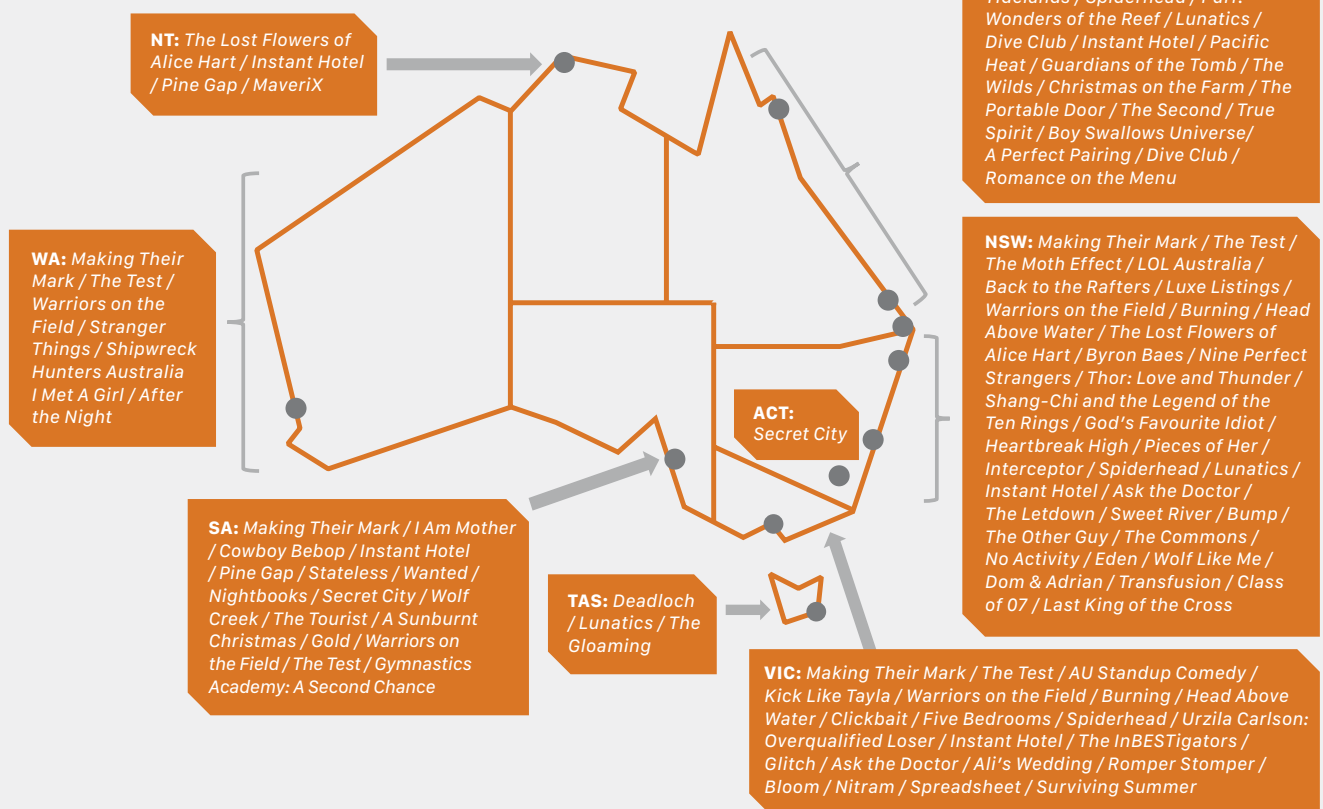
With these attributes, it is no surprise that we are committed to growing our businesses and employing more Australians.

We are doing this by building partnerships with local broadcasters and local producers, and supporting and developing a creative talent pool of Australian writers, actors, directors, producers, crew and post-production talent. We are investing in quality local content so we can attract and retain our Australian audiences, and investing in studios and highly specialised training facilities.



WE ARE WORKING ACROSS AUSTRALIA

Creative hubs are popping up all over Australia



We are telling great Australian stories and we will continue to showcase Australia and our people to the world.

We understand the cultural value of making and telling Australian stories, and we know that Australian voices should be reflected on our screens – especially Australian drama, documentary and children's content.

Recognising the importance of promoting the Australian identity, we are investing in and growing our local presence, partnering with local producers to build a local production slate from the ground up and providing content makers with seamless access to a worldwide audience.

Our presence is delivering local content that reflects the local culture.

Australian owned and operated streaming service Stan has, since launch, commissioned local productions with budgets totalling more than **\$460 million**, and is ramping up its output even further to deliver around 30 per cent of its first-run slate from original productions. Stan Originals have attracted widespread critical acclaim and enjoyed considerable commercial success – evidenced through world class local productions including *The Tourist*, which won three awards at the Monte Carlo Television Festival including Best Series, *Bali 2002*, *Wolf Like Me*, *Bump*, Logie Award-winners *Bloom* and *Romper Stomper*, and *Nitram* for which lead actor, Caleb Landry Jones, won best actor at the Cannes Film Festival. The investments made by Stan have translated into some of the highest production values seen in Australian television and the productions have attracted significant investment in the local sector from some of the world's biggest platforms and distributors.

Since 2019, Prime Video has commissioned **23 Australian Amazon Original series** including three documentaries *The Test S1-S2*, *Making Their Mark* and *Head Above Water*, the scripted original drama series *Back to the Rafters*, the upcoming 2023 scripted originals *Deadloch*, *The Lost Flowers of Alice Hart*, *Class of '07*, and real estate reality series *Luxe Listings Sydney S1-S3*. In September this year Prime Video announced **seven new Australian Amazon Original series that will premiere in 2023**, its biggest Australian content slate ever, underlining the global streaming service's commitment to the production of Australian content for customers in Australia and worldwide.

The Amazon Original *The Wilds S2*, filmed at picturesque Deadman's Beach, Frenchman's Beach, South Gorge, Flinders Beach and on Southern Moreton Bay. It is estimated to have provided a direct economic injection of more than \$800,000 to the island and Redlands Coast economy. The production saw about 200 cast and crew staying on the island during this time, resulting in about 4,000 hotel nights with local accommodation providers. The show, which was co-produced by Amazon Studios and ABC Signature Studios, engaged Brisbane-based production company Hoodlum Entertainment as its



service company in Australia.

In addition to extensive local co-commissions and investments, as well as large scale productions such as *Spiderhead*, *Pieces of Her*, *Clickbait* and *Interceptor*, Netflix has commissioned a number of locally developed shows, including *Heartbreak High*, *Surviving Summer*, *Gymnastics Academy: A Second Chance*, *Tidelands*, *Izzy's Koala World* and *Byron Baes*. We're looking forward to releasing several new titles including comedy/drama series *Wellmania* starring Celeste Barber, a limited series adaptation of Trent Dalton's iconic Australian novel, *Boy Swallows Universe*, a Jessica Watson biopic *True Spirit* and a new season of *Heartbreak High*.

Disney has invested in a slate of locally-made dramas – *The Clearing*, *The Artful Dodger*, and *Last Days of the Space Age* – as well as new Australian documentaries – *Matildas: The World At Our feet*, *Fearless: The Inside Story of the AFLW*, and *Shipwreck Hunters Australia* – and lifestyle programs with much loved Australian icons – *What's Your Toy Story*, and *Donna Hay Christmas*.

Paramount+, which launched in August 2021 is Australia's fastest growing streaming service. It has already commissioned 16 local productions spanning drama, reality, comedy and documentary. The diverse slate includes titles such as feature films *The Appleton Ladies' Potato Race*, *More Than This* and *6 Festivals*, drama series *Last King of The Cross*, *Five Bedrooms* and *Spreadsheet*, international co-commission with CBS Studios of *NCIS: SYDNEY*, innovative reality shows *The Bridge*, *Undressed* and *Couples Therapy*, Paramount+ Original Stand-Up Comedy Specials and documentary series *Sky Blue: Inside Sydney FC*.

Our presence is creating new opportunities.

We are making high quality content in Australia, and exporting it to the world.

We are also bringing international projects to Australian shores; creating local jobs, using local production companies, local studios and post-production and visual effects facilities.



CASE STUDY: THE LOST FLOWERS OF ALICE HEART

The Lost Flowers of Alice Hart tells the compelling story of a young girl, Alice Hart, whose violent childhood casts a dark shadow over her adult

life. After a family tragedy in which she loses both her abusive father and beloved mother in a mysterious fire, 9-year-old Alice is taken to live with her grandmother June on a flower farm, where she learns that there are secrets within secrets about her and her family's past. The new seven-part series from Prime Video, Made Up Stories and Endeavour Content filmed from October 2021 – 2022 will launch on Prime Video in more than 240 countries and territories worldwide.

Filmed in New South Wales and the Northern Territory, the series stars Academy Award-nominee and Golden Globe-winner Sigourney Weaver, is executive produced by, Australian actors Asher Keddie, Leah Purcell, and Alysia Debnam-Carey and is based on the international best-selling book by Australian author Holly Ringland.

Flowers of Alice Hart received financial support through Screen NSW's Made in NSW fund and NSW's Post, Digital and Visual Effects (PDV) Rebate with additional support from Screen Territory's Production Attraction Incentive Program.



CASE STUDY: HEARTBREAK HIGH

Featuring a cast of diverse Australian actors, and heaps of Aussie slang, Netflix's modern take on the 90s classic *Heartbreak High* has become a hit both at home and overseas.

Heartbreak High was in Australia's top 10 TV shows on Netflix for five weeks after its release, and spent three weeks in the global top 10 TV shows (hitting #6, #5, #8 and amassing over 42.6 million hours viewed in the three weeks). *Heartbreak High* was a top 10 show in 43 countries around the world on Netflix, including US, Europe, Africa and Asia.

"It needed to be Australian or it wasn't allowed on screen."

Rita Carmody, Costume Designer, *Heartbreak High*¹²



CASE STUDY: WOLF LIKE ME

Stan Original series *Wolf Like Me* brought together Australia's top acting,

directing and production talent working alongside some of the biggest names in film and television from around the world. Australian actress Isla Fisher starred alongside Josh Gad. The show was produced by Made Up Stories and written and directed by Australian Abe Forsythe. Filmed in NSW, *Wolf Like Me* was co-commissioned by Stan and NBCUniversal's Peacock streaming service, which exhibited the title in the United States, while Endeavor Content handled the international distribution of the series.



CASE STUDY: LAST KING OF THE CROSS

Last King of The Cross is an Australian original 10 x 1-hour drama series produced by Helium Pictures commissioned by Paramount+ with Cineflix Rights as the exclusive international distribution partner. Inspired by John Ibrahim's best-selling autobiography, *Last King of The Cross* is an operatic story of two brothers, Sam and John Ibrahim who organise the street but lose each other in their ascent to power. This, tracks John Ibrahim's rise from a poverty-stricken immigrant with no education, no money, and no prospects, to Australia's most infamous nightclub mogul in Sydney's Kings Cross – a mini-Atlantic City, barely half a mile long with every form of criminality on offer.

The production filmed in and around Sydney in 2022 including detailed sets constructed in the western Sydney, to recreate war torn Lebanon, 1980s/90s Sydney and the Kings Cross façade. The production employed 350 Australian cast, 300 crew and over 1,800 separate extras cast calls, resulting in 2,500 different costume looks across the series. The series will stream exclusively on Paramount+ in Australia in 2023.

¹² How to dress like you go to Heart Break High, The Oz, 26 September 2022, theaustralian.com.au/the-oz/lifestyle/how-heartbreak-high-is-nailling-gen-zs-style/news-story/2324f3eb21782458b1e0dbdd20fd7252

We are breathing life into classic Australian content.

Our streaming services play host to 1000s of classic Australian titles that we are licensing and distributing through our services in Australia and around the world.

This gives producers an additional revenue stream and actors a supplementary income source so they can share in the commercial success of a program well after filming.

It has the added benefit of introducing a new generation of Australians to some of our favourite stories and it gives local content more views and exposure.

"The level of production at the moment is unprecedented. It's a winning combination of a competitive funding incentive, the way Australia has managed the COVID pandemic successfully, and the terrific reputation of our industry."

Kate Marks – CEO, Ausfilm¹³



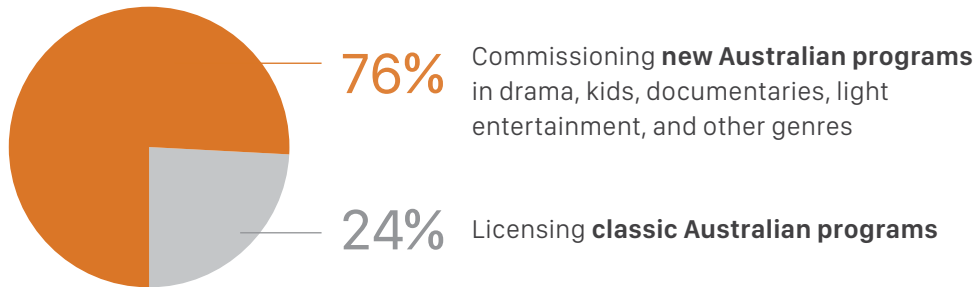
¹³ Megan Lehmann, "‘Hollywood Australia’ a \$1.5bn movie blockbuster extravaganza," *The Australian*, February 10, 2021, theaustralian.com.au/nation/hollywood-australia-a-15bn-movie-blockbuster-extravaganza/news-story/a7de218cd519de8410e8450778b8c27b

We are providing data on our investments in Australia.

We have a good story to tell – and we are happy to share our data because the evidence demonstrates that the opportunities for producers and the broader creative economy are growing and that our investment is – and will continue – to grow over time.

Over \$668m spent on Australian content and Australian related programming¹⁴

Expenditure



At 30 June 2022, there were **2,345 Australian program titles** (7,714 hours) available on the 5 SVOD services¹⁵

| | | |
|------------------------------------|-------------------|-------------------|
| Australian drama programs | 458 titles | 2225 hours |
| Australian children's drama titles | 44 titles | 274 hours |
| Australian children's non-drama | 47 titles | 126 hours |
| Australian documentaries | 92 titles | 282 hours |
| Australian light entertainment | 101 titles | 326 hours |
| Australian other programming | 41 titles | 942 hours |

Data provided by us to the ACMA over several years will be the best means by which to determine if market forces are working or if regulatory intervention is needed.

Screen Australia's 32nd annual Drama Report, shows an all-time high expenditure in Australia on scripted screen production over 2021/22 of **\$2.29 billion**, made up of a record spend on Australian titles of **\$1.51 billion**, plus **\$777 million** spent on foreign productions¹⁶.



¹⁴ ACMA (21 November 2022) Spending by subscription video on demand providers 2021–22 financial year

¹⁵ Ibid

¹⁶ Drama Report 2021/22: Record \$2.29 billion spent on drama production in Australia, Screen Australia, 10 November 2022, screenaustralia.gov.au/sa/media-centre/news/2022/11-10-drama-report-2021-22

We are making an economic contribution to the production sector and the creative economy as investors and partners.

We are partnering with **more than 35 Australian production companies** and local broadcasters, making significant investments in new projects, commissions and co-commissions, and to date **we have invested over \$500 million** in new and established Australian talent.

We are also investing in Australia's world-class post-production facilities and studio spaces and developing writers' rooms.

ACMA data collected shows that in 2021 to 2022 financial year, Stan, Netflix, Prime Video, Paramount+ and Disney+ alone spent over \$668 million on Australian content and Australian related programming. The majority of that was spent on commissioning new Australian drama, kids

content, documentaries, light entertainment, and other genres¹⁷.

Netflix has commissioned, co-commissioned or acquired over 75 movies and shows, filmed all across Australia. Netflix has also announced upcoming Australian titles such as *Boy Swallows Universe*, *Wellmania*, *Irreverent*, *True Spirit*, *Kangaroo Valley* and second seasons of *Heartbreak High* and *Surviving Summer*.

Prime Video's slate of Australian Originals include partnerships with Seven Studios for *Back to the Rafters*, Made up Stories for *The Lost Flowers of Alice Hart*, Matchbox Pictures for *Class of 07*, and Bunya Productions on *The Moth Effect*.



¹⁷ Ibid

We are employers and trainers.

Hundreds of Australians are employed directly, and thousands work with us indirectly, in well-paid skilled roles during the pre-production, production, and post-production phases.

With our productions located across Australia, we are providing indirect support to an array of local businesses and their employees across capital cities and in many parts of regional Australia.

We are also providing support to training and development programs, internships for students and mid-career talent, and promoting inclusivity for practitioners in the cities and regions.

Our contribution has a ripple effect: it grows the creative talent pool and fosters innovation.



AFTRS



BUNYA
PRODUCTIONS



DISNEY'S INDUSTRIAL LIGHT AND MAGIC: AN ECOSYSTEM DEIGNED TO ATTRACT AND RETAIN TALENT

- Industrial Light and Magic (ILM) is a leading-edge technology initiative that fosters significant long-term employment and specialised skills development.
- ILM in partnership with the NSW government co-invested up to AUD \$6 million in the Sydney-based Jedi Academy, helping to create as many as 500 jobs over 5 years.
- Roles include computer graphic artists, technical directors, engineers, systems and technical innovation, and project and client managers.



INDUSTRIAL
LIGHT & MAGIC

We are supporters and sponsors.

The COVID-19 pandemic continued to impact production throughout the 2021/22 financial year. As noted in the Screen Australia 2021/22 Drama report, producers reported a range of factors that constrained production, however, most productions were able to adapt to the challenging circumstances¹⁸.

Two Stan productions, *Eden* and *Bump*, were amongst the first titles to go into production in Australia during the COVID-19 pandemic. In August 2021, Netflix announced a partnership with Screenworks and the NSW Government to support new career pathways in the screen industry for regional Australians.

Stan's partnership with the Australian Children's Television Foundation will include the production and development of Australian live action projects for young and family audiences. Stan also has several active development initiatives in place with state screen agencies.

We support innovative initiatives to engage with local producers. Prime Video, Netflix and Stan are supporting Screen Producers Australia's (SPA) Pitch On Demand initiative¹⁹, a premium pitch initiative that will fast-track opportunities for local creatives to pitch authentic, meaningful, and imaginative projects.

We support the local industry by sponsoring conferences and events, including the Asia Pacific Screen Awards, Asia Pacific Screen Forum, and the Australian Documentary Conference.



"I'm excited to welcome Kingdom of the Planet of the Apes to Australia. This production will support jobs and give our leading digital and visual effects workers the opportunity to showcase their talents to global audiences. Having a small part of the Disney universe right here in Australia is a significant boost to our local industry."



The Hon Tony Burke MP, Minister for the Arts²⁰

"I am delighted that Netflix has chosen to join forces with Screenworks to deliver these tailored traineeships, which I know will ensure that regional voices are front and centre in the screen industry."



The Hon. Don Harwin, NSW Minister for the Arts²¹

"This partnership will directly address crewing skills gaps that have been identified in the region including for roles such as camera and light operators, production accountants and location managers."



The Hon. Geoff Lee,
NSW Minister for Skills and Tertiary Education²²

"We are delighted that Australia continues to be a top destination of choice for international studios and production companies, thanks to our globally competitive screen production incentives. These incentives demonstrate the success of this program in continuing to attract international productions to Australia. This ensures there is a consistent pipeline to help support and grow our film and television sector."



Kate Marks, AusFilm CEO²³

¹⁸ Screen Australia, "Screen Drama Report, Production of feature films, TV and VOD drama in Australia in 2021/22", accessed November 10, 2022, screenaustralia.gov.au/getmedia/3a8f3011-211c-4f93-bd41-3b4767585dec/SA-DramaReport.pdf, p.38

¹⁹ Stan and The South Australian Film Corporation, "Streaming giant, Stan, to foster original South Australian productions in new development fund," media release, 13 May, 2021, safilms.com.au/latest-news/safc-and-stan-launch-new-development-fund-for-scripted-series

²⁰ The Hon Tony Burke MP, "Disney Studios Australia's latest production, Kingdom of the Planet of the Apes, to support 400 local screen jobs," media release, October 10, 2022, minister.infrastructure.gov.au/burke/media-release/disney-studios-australias-latest-production-kingdom-planet-apes-support-400-local-screen-jobs

²¹ Screenworks, "New partnership with Screenworks & Netflix provides career pathways in booming screen industry," media release, August 9, 2021, screenworks.com.au/2021/08/media-release-new-partnership-with-screenworks-netflix-provides-career-pathways-in-booming-screen-industry/

²² Ibid

²³ AusFilm, "Australia lands UK series ten pound poms to NSW with location incentive," media release, May 19, 2022, ausfilm.com.au/press/australia-attracts-uk-series-ten-pound-poms-to-nsw-with-location-incentive/

There is no case for policy intervention: market forces are already delivering local investment.

MYTH

There is a shortage of Australian content production

FACT

The screen sector has never been healthier in Australia - with strong investment and production activity

There is no evidence of a lack of Australian content being produced.

The greatest challenge facing the production of Australian content is the capacity of the industry to meet the demand.

Screen Producers Australia has observed greatly increased rates arising from the number of concurrent shoots²⁴.

There is a high demand for experienced, skilled, and qualified roles – this speaks to the health and quality of industry participants, and the opportunities that are available to younger Australians as the creative economy expands and some people within the industry retire.



QUEENSLAND IS BOOMING

"Locally made, interstate and international productions are big business for Queensland and right now our screen industry is thriving."



Premier the Hon. Annastacia Palaszczuk announcing that a new production facility will be built by Screen Queensland in Cairns on 18 October 2021²⁵

Streamers are not investing in the production of local content

The numbers show significant investment by streamers

The ACMA data reveals an investment of over \$668 million in the financial year 2021/22 made by Stan, Netflix, Prime Video, Paramount+ and Disney+.

The financial year 2021/2022 ACMA data also for the first time includes Paramount+ investments in local content. Their record investment for a first year of operation in Australia included drama titles such as *Five Bedrooms*, *Spreadsheet*, *Last King of the Cross* and teenage dramas *6 Festivals* and *More Than This*.

²⁴ Screen Producers Australia, "Local productions facing skills shortage," media release, April 26, 2021, screenproducers.org.au/news/local-productions-facing-skills-shortage

²⁵ Premier and Minister for the Olympics, "Lights, camera action! New home for filmmakers in Far North Queensland," media release, October 18, 2021, statements.qld.gov.au/statements/93529

The influx of overseas productions is a temporary "sugar hit"

The global content sector is booming

There is no evidence to suggest the recent activity in Australia is a "sugar hit". Global investment in screen production is forecast to grow strongly and Australia is well-placed to capitalise on this growth as a result of the reopening of Australia's borders and the Federal Government's announcement in July 2020 of an additional \$400 million for the Location Incentive program, which runs until 2026, coupled with the additional support provided to the sector by the state film agencies. These programs are not just supporting international productions, but also ambitious locally-developed titles such as *Clickbait*, and *Irreverent*.



NAUTILUS TO INJECT AN ESTIMATED \$96 MILLION INTO QUEENSLAND'S ECONOMY

"Premier Annastacia Palaszczuk welcomed the global media and entertainment giant Disney back to Queensland for another big-budget, high-end production which would bring millions into the local economy and create hundreds of jobs. The production Nautilus will inject an estimated \$96 million into Queensland's economy and create approximately 240 jobs for our highly skilled local cast and crew, plus 350 extras.



The Walt Disney Company filmed *Pirates of The Caribbean: Dead Men Tell No Tales* in Queensland, as well as *Thor: Ragnarök* via their subsidiary Marvel Studios, so we are thrilled that one of the biggest names in the global screen industry has once again chosen our state.

With the series set to release to a massive global audience of Disney and sci-fi fans, via the enormously popular streaming platform Disney+, the potential for multiple seasons is a particularly exciting prospect for our local screen workforce, not to mention the huge flow-on benefits to Queensland's economy as my Government continues to strategically invest in our post-COVID recovery."

Premier the Hon. Annastacia Palaszczuk²⁶

²⁶ Premier Annastacia Palaszczuk, "Epic Disney+ sci-fi adventure series Nautilus set to be filmed in Queensland", media release, August 24, 2021, statements.qld.gov.au/statements/93020

Regulation is needed to support a thriving, competitive content sector

Regulation risks distorting the sector and causing unintended consequences

Key film territories have high levels of investment and low levels of policy restrictiveness²⁷. Protectionist policies could have the effect of reducing investment and competition, may lead to higher costs burdens on consumers and domestic and foreign companies, and do not necessarily mean audiences will watch the content created²⁸.

Regulation would adversely impact existing market dynamics and upset the complementary role streaming services play:

- Driving up the costs of productions
- Making it harder for FTA broadcasters to differentiate themselves as the market leaders in local content
- Limiting the amount of quality Australian content that is freely available to all Australians on FTA
- Reducing incentives for investment and co-commissioning arrangements that help FTA meet quotas and enable Australian audiences to see first run quality content for free on FTA
- Incentivising quantity over quality
- Reducing the diversity of content available, creating a “cookie cutter” approach across the whole audio-visual market
- Leading to less Australian content being made by Australian owned and operated companies

FREE TV SUBMISSION TO THE MEDIA REFORM GREEN PAPER

Significant risks to the local content production ecosystem, that the implementation of investment obligations on streaming services, would likely give rise to:

- Significantly increased pressure on already scarce production facilities as well as production resources such as cast and crew
- Significant production cost inflation
- A potential decrease in diversity of content available to Australian consumers
- A move to more ‘globalised’ local content to the detriment of production of local cultural material
- Disincentivising co-productions between streaming services and broadcasters.

²⁷ Frontier Economics, *The economic impact of video on-demand services in South Korea*, 10, accessed November 26, 2021, mpa-apac.org/KR-Frontier-The-Economic-Impact-of-VOD-in-Korea

²⁸ Ibid, 11

Obligations should only be based on new original content

Comprehensive investment in Australia's creative economy should be recognised

Australia's creative economy is expansive and multi-faceted and as such "Australian content" should be defined flexibly to take into account contributions and investment made to support the broad ecosystem.

It encapsulates Australian producers, talented actors, skilled crew, caterers, drivers, makeup artists, accountants, art departments, stunt men and women, world-class post, digital and visual effects, designers, cinematographers, writers, directors, showrunners, an array of studio facilities and extraordinary locations, and a long tail of classic original content.

We are engaging right across the sector – investing in and supporting all aspects of the industry, including Disney Studios and Disney's Industrial Light and Magic hub for visual effects and with development and training opportunities in regional NSW.

Regulation is needed to help the industry grow

Erecting regulatory barriers to entry could have the unintended consequence of stifling the growth of streaming services

With additional regulation, Australian entrepreneurs looking to start-up innovative, niche streaming services like AnimeLab (now Funimation), Kanopy and DocPlay may find it challenging to secure seed funding and venture capital in Australia, and may decide not to launch new services in Australia.

The internet also enables the creation of many specific verticals which increase consumer choice, but regulation will be particularly difficult to manage for them. A specialised horror service like Shudder shouldn't be obliged to provide access to children's content, for example, as what makes the internet so incredible is the range of options it creates for viewers. Regulation is likely to reduce those choices.



Regulation will not create equivalence.

Every content maker located anywhere in the world has access to the internet, but streaming services and other internet-only based businesses will never have access to valuable broadcast spectrum.

Australian FTA broadcasters operate within a protected local framework, and by virtue of that favourable position, they still attract the most audience viewing hours²⁹. Streaming services operate in a vigorously competitive environment³⁰, which is always subject to the risk of audience churn.

With low regulatory barriers to entry, the streaming sector is increasingly dynamic and subject to regular disruption.

Streaming services do not want to be broadcasters – and shouldn't be treated like broadcasters. We respect the fact that broadcasters want to maintain their unique and entrenched role in the Australian psyche as the

home of 'live and free' Australian content. We see our role in the distribution of Australian content as being a complementary offering that sits adjacent to the local FTA broadcast sector; we want to augment content optionality that Australians can choose to subscribe to – not replace or overtake it.

FTA broadcasters have held a privileged position in the Australian content landscape for over half a century that is well understood by Australian audiences. FreeTV has been vocal in its opposition to local content regulations being placed on streaming services; it believes it is critical that Australian FTA broadcasters maintain a point of difference from other operators in the broader content distribution sector. Local content obligations would threaten the distinctiveness of FTA broadcasters and place greater pressure on their business models³¹.

A 'one-size fits all' solution could lead to homogenised content selection.

Local content should not be homogenised. Diversity and choice in the screen content sector should be supported and encouraged.

FreeTV shares this view:

"Broadcasters are uniquely placed to tell local Australian stories of cultural significance and the existing regulatory framework requires us to do that"³² and that investment obligations on streaming services could "increase pressure on these platforms to homogenise their local offering with that of broadcasters resulting in less diversity and choice in the ecosystem overall."³³

By regulating streaming services, there is a risk that Australian content will not be freely available to all Australians. This will create an asymmetric market with the unintended consequence that could mean Australians with the financial means to afford streaming services will have access to big budget local dramas, documentaries, and children's content, while those who can't afford multiple subscription services will not.



²⁹ According to the Deloitte 2021 Media Survey (p.32), commercial broadcasters attract 14 viewing hours per week, comprised 8 hours live, 4 hours live passive and 2 hours on their BVOD services

³⁰ Ibid

³¹ FreeTV Australia, *Submission to the Media Reform Green paper*, 74–75, accessed November 26, 2021, freetv.com.au/media-reform-green-paper

³² Ibid, 74–75

³³ Ibid, 74

“Harmonised” regulation across content providers will not benefit audiences or the creative economy – it does not exist now, and is not an end in itself.

- FACT:** Homogenising output from diverse business models has never been, and should not be, the objective of regulation.
-
- FACT:** Differentiation of business models is good for consumers, businesses, and competition.
-
- FACT:** Incentives bring opportunities, capital, talent and inspire quality content; quotas and levies promote a culture of ‘you must buy my product to fulfil your quota obligation’ that could deliver poor outcomes for audiences.
-
- FACT:** Regulation could impede industry growth by discouraging local entrepreneurs from starting up a niche service; and international streaming services may decide not to enter launch their services in Australia – choosing to avoid local regulatory imposts.
-
- FACT:** The producer offset for theatrical release films is treated differently to the offset available for all other screen content.
-
- FACT:** Quotas, incentives and offsets (producer offset, location offset and PDV offset) are not applied consistently across the entire audio-visual sector.
-
- FACT:** Classification of content is not treated equally. Different delivery services are subject to different rules.
-
- FACT:** The creative economy has not been adversely impacted by the existing market conditions and the regulatory diversity.
-
- FACT:** Quotas and levies will not necessarily lead to more investment.
-
- FACT:** Quotas and levies will not necessarily lead to more Australians watching more Australian content.
-

The way forward.

Over the past five years, the global content sector has exploded, with new players entering – and exiting – the streaming space. The sector is, in a relative sense, still very much in its infancy, particularly in terms of those streaming services that have made the decision to have a local presence here in Australia.

Because the viability and sustainability of the streaming industry is subject to high volatility and low regulatory barriers to entry, it is our view that we should be given an opportunity, through our voluntary reporting to the ACMA, to prove that our commitment to Australia and our investment in local content is real and on-going.

We are confident that our significant local investment will be borne out in the data provided to the ACMA. It is therefore important to take the time to consider the evidence, derived from data sets supplied by us and compiled by the ACMA over several years, before assessing whether there is a problem that requires a

policy solution. Until such time, we believe that regulatory intervention would be premature and detrimental.

Based on all the evidence available today, it is evident that market forces are working – we are delivering Australian stories and local investment.

We are proud of the investments our companies have made supporting Australian stories on our screens, working with the local production sector, local broadcasters, and the post-production facilities. We are pleased that our presence in Australia is giving young practitioners a chance to realise their dreams of working in the screen industry. We relish the opportunity to showcase a broad array of new Australian content on our services, and support often forgotten but loved classics.



