



GOALPOST

PICTURES

A U S T R A L I A



Submission from
GOALPOST PICTURES to:

**“SUPPORTING
AUSTRALIAN
STORIES ON
SCREEN”**



Options Paper
prepared in March 2020 by
Screen Australia and the
Australian Communications
and Media Authority (ACMA)

Submission from **GOALPOST PICTURES** to:

“Supporting Australian stories on our screens” Options Paper prepared in March 2020 by Screen Australia and the Australian Communications and Media Authority (ACMA)

EXECUTIVE SUMMARY

Goalpost Pictures strongly supports an ongoing role for the Australian Government to provide a regulatory framework that ensures access to Australian stories by Australian audiences, and a fit-for-purpose suite of Tax Rebate incentives to the Australian screen production industry that underpins employment for Australians and business opportunities for Australian companies.

We strongly support the recently announced \$50M for a Temporary Interruption Fund, to be administered by Screen Australia, that will support Australian producers to secure finance and start filming again with the certainty of a scheme that addresses the risks of COVID-19.

We have reviewed the Screen Australia and Australian Communications and Media Authority (ACMA) Options Paper titled “Support Australian stories on our screens” and have prepared this submission to propose key measures that will enable Australian content to be produced into the future.

Most importantly, Goalpost Pictures strongly supports the retention of the **Producer Offset at 40%** for Australian feature films and documentaries made for theatrical release. The definition for theatrical can be adapted to cinema and other screens to reflect the current and future audience trends for consumption of screen content.

We support **Model 3 Significant** and propose that:

1. The suite of Tax Rebate incentives be made fit-for-purpose with the Producer Offset set at a rate of 40% for all Australian scripted content and the harmonising of other incentives at a rate of 30%;
2. Australian content investment requirements must be across all current and future broadcast and transmission services with a minimum volume of Australian scripted content agreed by content creators and service providers; and
3. The ABCTV and SBS/NITV transparently allocate appropriate funds across all scripted content including both adult and children’s drama.

Goalpost Pictures has also identified other initiatives that can further enhance the opportunities for Australian stories and propose:

1. Specific measures to support **Children’s Content**;
2. A **Cinema Exhibitors Scheme** for Australian Films; and
3. Expansion of the number of **International Co-production Treaties**.

ABOUT GOALPOST PICTURES

Goalpost Pictures is an independent Australian owned company that is recognised as a leading producer of television programs and feature films. Founding partners Rosemary Blight, Kylie du Fresne, Ben Grant and Cass O'Connor have worked together as a team for more than 20 years.

Like many Australian businesses Goalpost has been impacted by COVID-19, our recent world-wide number one movie *The Invisible Man* was mid-release when the cinemas closed in Australia and around the world.

We have utilised the recent downtime to further develop our slate of film and television projects so that as restrictions ease, we will be production ready. Australia is now a safe zone for production, and we have identified clear market opportunities for Goalpost to produce Australian films for the global market using the 40% Producer Offset.

Over the past decade Goalpost Pictures has produced seven Australia feature films, utilising over \$35.3M of Producer Offset incentive to leverage \$62.7M of market finance that generated \$135.5M of production that created over 6,500 Australian jobs.



Goalpost Pictures Australia Pty Ltd is an Australian company that operates in Sydney, New South Wales, ABN 35 131 231 171.

RESPONSE TO OPTIONS PAPER

Introduction

Goalpost Pictures has built a successful and viable business making scripted content for both cinema and television. The Producer Offset is the cornerstone of our business model, having been used to leverage market funds required to finance production. We support a fit-for-purpose suite of Tax Rebate incentives that will serve the Australian screen content sector's needs for the next decade and that must include the Producer Offset at a rate of 40% for all Australian scripted content.

There is a consensus that the current Australian content regulatory framework for content quotas should be modernised and applied to all content delivery platforms, in particular to subscription video on demand (SVOD) services which represent a growth trend for Australian audiences.

We strongly support the recently announced \$50 million Australian Government Temporary Interruption Fund that offers certainty of insurance cover for the screen industry. This means that productions can now insure themselves against the risk of suspension or abandonment in connection with a COVID-19 related event, secure finance and commence production as the COVID-19 restrictions ease.

Response to Questions & Options

Goalpost Pictures' response to the Options Paper is based on the opportunities that are now present for Australian screen content businesses to recommence production as COVID-19 restrictions ease. The generation of Intellectual Property that can be exploited domestically and exported to international markets creates employment opportunities in Australia, including in regional Australia, and over time nurtures talent escalation of key creatives.

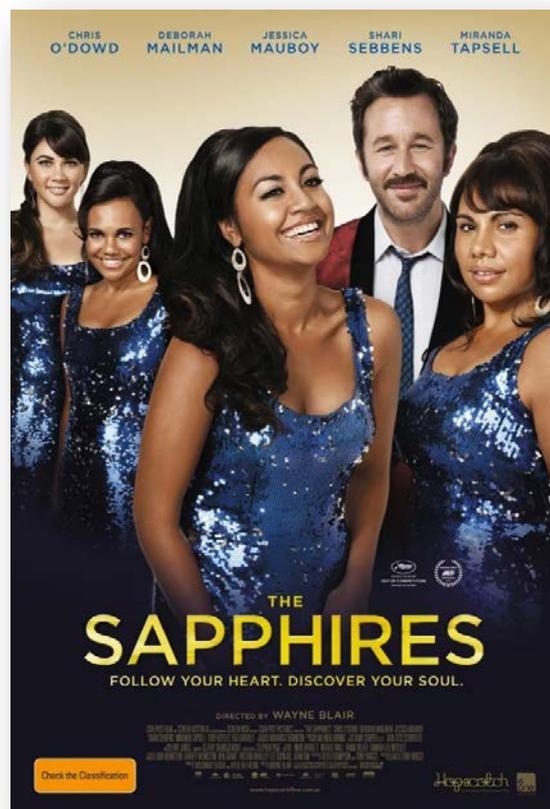
The Australian Government regulatory framework and Tax Rebate incentives are keys to supporting Australian screen content businesses.

The simple truth is that without Australian content investment requirements broadcast and transmission services will not commission Australian content and without government Tax Rebate incentives the Australian screen content sector will cease to exist with the loss of tens of thousands of Australian jobs.

Goalpost Pictures does not support either Status Quo (Model 1), or complete Deregulation (Model 4). Of the remaining two models, we support aspects of each but neither to the exclusion of the other.

Our responses are set out under four headings:

1. Regulatory Parity;
2. National Public Broadcasters;
3. Tax Rebates Incentives; and
4. Other Issues



1. Regulatory Parity is a platform-neutral regulatory framework for Australian stories and content on Commercial content providers (FTA & Subscription Broadcasters and SVODs).

Goalpost Pictures supports regulation that requires Australian content investment across all current and future broadcast and transmission services. We would welcome further discussion on Options A & B and believe it is vital that a minimum volume of Australian scripted content be agreed to by content creators and service providers.

Goalpost Pictures supports these additional regulations that would increase Australian production opportunities:

1. Winding back the practice of allowing New Zealand content to count towards existing broadcaster requirements;
2. Compelling Public Broadcasters, Free-to-Air Broadcasters, Subscription Broadcasters and SVODs to screen first release Australian feature film content; and
3. Compelling SVOD to screen first release Australian children's content should they screen international children's content.

2. National Public Broadcasters

Goalpost Pictures strongly supports ongoing Australian Government support of ABCTV and SBS/NITV and the protection of funding for drama, comedy, documentary and children's content.

ABCTV and SBS/NITV must allocate appropriate funds across all scripted content including adult and children's drama. We support additional funding for SBS/NITV to commission both Indigenous and multicultural children's content for their programming.

Goalpost Pictures supports minimum expenditure obligations and transparent reporting requirements for ABCTV and for SBS/NITV, including for scripted drama and comedy, documentary and children's content.

3. Tax Rebate Incentives

Goalpost Pictures agrees that the current provisions of the suite of Tax Rebate incentives need reform to remain fit-for-purpose for the next decade and beyond.

To maintain existing production excellence and to capitalise on the unique opportunity of our COVID-19 safe production zone, we strongly support the retention of the Producer Offset at a rate of 40% for Australian feature films and the increase to a 40% Producer Offset for Australian all scripted content, defined as scripted adult drama, children's content, comedy, documentary and factual content.

We do not support a cultural uplift as it would be an additional red tape measure that is not warranted; content must pass a Significant Australian Content (SAC) test to be eligible for the Producer Offset, this test is a satisfactory test of cultural importance.

Goalpost Pictures strongly supports the introduction of trigger mechanisms that will ensure that reforms to the Tax Rebate incentive scheme can be cost neutral. We propose Departmental modelling of mechanisms, including:

1. a cap on the 40% Producer Offset for Australian feature length content (defined as single episode over 80 minutes in length) at \$30M of QAPE, thereafter the applicable rate is 20%;
2. a cap on the 40% Producer Offset for Australian scripted content (defined as multi episode) at \$30M of QAPE or \$3M per hour of QAPE, thereafter the applicable rate is 20%;
3. a cap on the 30% Location Offset for International productions at \$30M of QAPE or \$3M per hour of QAPE, thereafter the applicable rate is 20%; and
4. the uniform application of guidelines and exclusions across the suite of Tax Rebate incentives, including eligibility thresholds, per hour caps, above-the-line caps and production company overhead caps.

Goalpost Pictures argues strongly that feature film production represents a significant world-wide post Covid-19 opportunity that gives Australian producers a clear advantage to be first to market. Without the certainty of the Producer Offset at 40% Australian feature length content could be lost to Australians for ever.

We believe there is an opportunity for the Australian Government to modernise the payment systems of the Tax Rebate incentives with a progressive payment scheme administered by the Australian Taxation Office (ATO) through the existing Business Activity Statement (BAS) system.

During the COVID-19 crisis the ATO has processed the Job Keeper payments efficiently through the BAS system.

Goalpost Pictures supports linking access to the suite of Tax Rebate incentives to Terms of Trade that protect the commercial interest of Australian producers and creatives.

4. Other Issues

1. Goalpost Pictures argues strongly for ongoing government regulation to ensure that Australian children can access diverse and high-quality child-centric Australian **Children's Content** in different genres across platforms that screen any children's content.

Acknowledging that Free to Air broadcasters will no longer commission children's content, it make sense that SBS/NITV should receive additional funding to create both Indigenous and multicultural children's content into their programming and that any SVOD platforms that screen international children's content should be required to screen first release Australian children's content.

The production of Australian children's content is a proven talent escalator for both cast and crew who then go on to work on both adult drama and feature films both here in Australia and overseas.

2. Goalpost Pictures proposes that the Australian Government urgently consider the introduction of a **Cinema Exhibitors Scheme** for all Australian cinemas where the cost of Covid-19 socially distanced vacant seating is met by the Government.

This scheme could be simply administered through the digital ticketing systems for a limited time until restrictions are lifted, and the economy recovers and be available for sessions of Australian films. We believe this would be a significant stimulus for both cinema exhibitors and film distributors, and ultimately Australian film stakeholders.

3. Goalpost Pictures argues that the Australian Government should expand the number of **international co-production treaties** to maximise the export potential of Australian stories and support the growth of the Australian screen industry. Existing co-production treaties should also be harmonised and modernised to ensure, where possible, consistency across all treaties.

Conclusion

Goalpost Pictures strongly supports the ongoing role of the Australian Government in the screen content sector and we remain available to contribute to the reform process and, as a part of this process, we urge the Australian Government to **maintain the 40% Producer Offset for Australian feature length content**.

Thank you for the opportunity to participate.

CONTACT DETAILS

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