

16 April 2013



Mr Kilian Perrem  
 Inquiry Secretary  
 House Standing Committee on Economics  
 PO Box 6021  
 Parliament House  
 CANBERRA ACT 2600

Dear Mr Perrem

**Re: Screen Producers Association of Australia submission to the Inquiry into the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013**

The Australian Subscription Television and Radio Association (ASTRA) expresses its support for the submission by the Screen Producers Association of Australia (SPAA) to the House Standing Committee on Economics Inquiry into the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013, in relation to the proposed definition of 'documentary' in Schedule 1 of the Bill.

ASTRA is the peak industry body for subscription television (STV) in Australia. ASTRA was formed in September 1997 when industry associations representing subscription (multi-channel) television and radio platforms, narrowcasters and program providers came together to represent the new era in competition and consumer choice. ASTRA's membership includes the major STV operators, as well as channels that provide programming to these platforms.

In 2011–12, the Australian STV industry invested \$667 million in new Australian content across all genres of programming, an increase of 13% from 2010–11. Deloitte Access Economics estimates the overall direct contribution made by STV to the Australian economy at \$1.4 billion in 2011–12 and at least \$7 billion overall since the start of STV in 1995.

The STV sector aligns strongly with SPAA on many of the key concerns regarding the proposed definition of 'documentary' and the Government's approach to its implementation:

1. **Further consultation is required.** A definition of documentary should not be introduced into tax legislation until a far more extensive review is undertaken of contemporary understanding of what constitutes a 'documentary' as opposed to other forms of factual programming. The proposed definition is derived from definition in the Australian Content Standard, which was developed over 15 years ago specifically for the purposes of regulating content on one particular platform (commercial free-to-air (FTA) television) – there has been little subsequent examination of its continued appropriateness or relevance. Neither the definition, nor the guidelines developed by the Australian Communications and Media Authority to aid in its interpretation, took into account issues relating to the production of factual programming on platforms other than commercial FTA television, such as STV.
2. **The proposed amendments do not recognise the evolution in factual program making.** The styles and formats of factual programming have evolved significantly over the past two decades, while audience expectations regarding the form, style and substance of factual programming are also evolving, meaning producers and broadcasters are constantly exploring new and innovative ways of delivering factual



programming that is engaging and entertaining, and in formats that are relevant and accessible to changing audience demands. ASTRA is concerned that the underlying theme of the legislation and accompanying explanatory material is that the more a factual program is produced with an eye to its 'entertainment' potential, the less likely it would be regarded as a documentary for the purposes of the Producer Offset scheme.

- 3. The proposed definition is likely to undermine the intention of the Producer Offset Scheme.** As noted in the Explanatory Memorandum for the Tax Laws Amendment (2007 Measures No. 5) Bill 2007, the Producer Offset is intended to "assist the industry to be more competitive and responsive to audiences" by providing "a real opportunity for producers to retain substantial equity in their productions and build stable and sustainable production companies," aiming to "increase private sector investment in the industry." These public policy intentions are distinct from the policy objectives laid out for Screen Australia for direct investment in Australian productions. ASTRA suggests the Committee could consider the possibility of differentiating the eligibility criteria for factual programming supported by the Producer Offset and those projects that are directly funded by Screen Australia. ASTRA urges Parliament not to introduce a definition of 'documentary' so narrow that it undermines the public policy purpose of the Producer Offset scheme.

These concerns are detailed in the attached ASTRA submission made in January 2013 to the Exposure Draft of Schedule 1 of the Bill. Please feel free to contact me on (02) 9776 2684 if you wish to discuss further anything in the above.

Yours sincerely

Andrew Maiden  
CEO