

THE ABC IS ASKING FOR MORE BUT CONTRIBUTING LESS

Screen Producers Australia (SPA) regularly engages with our members on the industrial issues affecting independent screen production businesses. The ABC plays a vital role in the Australian screen industry.

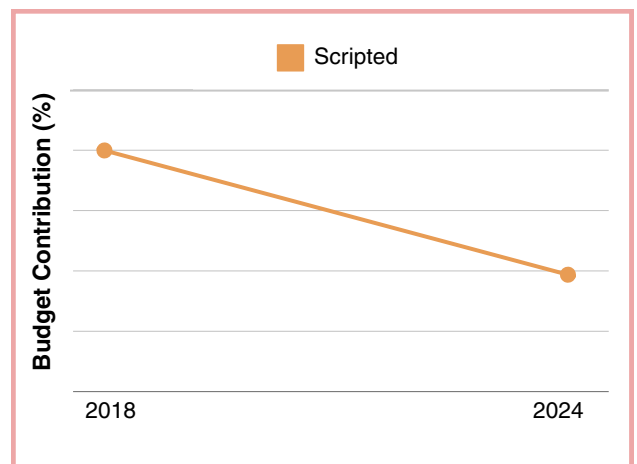
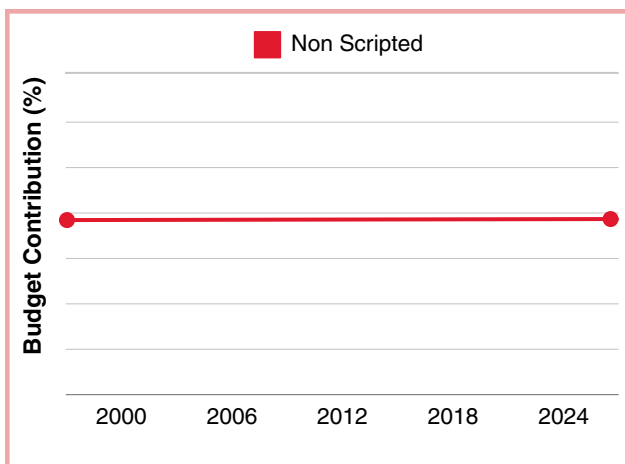
However, recent feedback from SPA members has highlighted growing concerns about the ABC's deal terms, which are placing increasing pressure on Australia's independent production sector. The ABC is asking for more but contributing less.

Producers need fair and sustainable deal terms that reflect the true costs of production and allow the sector to thrive.

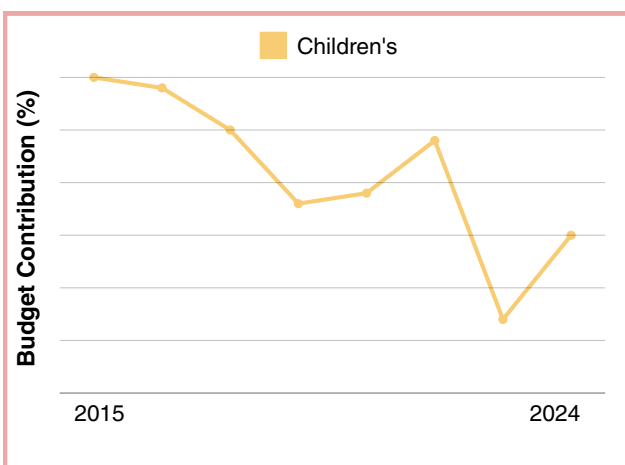
WHAT DOES THE ABC GIVE?

CONTRIBUTION TO BUDGET NOT INCREASED FOR DECADES

- ABC licence fees for non-scripted and factual programs have not increased for more than 20 years.
- For scripted shows, the ABC's overall contribution to budgets has significantly declined. Before the pandemic, the ABC's contribution made up around 65% of scripted show's budget. Now, it's commonly about 30%.



CHILDREN'S CONTENT UNDERFUNDED



- The ABC is the only substantial commissioner of children's content in Australia.
- The cost per hour of producing children's scripted content is now equivalent to adult scripted shows, but licence fees for children's content are half the adult rate.
- It is extremely difficult to make children's content in Australia. While each are financed differently, the trend is a decline in the ABC's overall contribution to the budget from above 30% to usually well below 25% of the budget.

WHAT DOES THE ABC GET?

While the ABC's overall contribution to budgets has slowed or been reduced, the ABC is demanding more rights for less money, creating unsustainable conditions for producers.

INITIAL LICENCE PERIODS EXTENDED

- For scripted and children's shows, the initial licence period has increased from 3 years to 5 years, during which the producer cannot allow other Australian broadcasters or platforms to use the program.

Genre	2023	2024	Impact on Producers
Scripted	3 years	5 years	✗
Children's	3 years	5 years	✗
Non Scripted	5 years	5 years	○

HOLDBACKS EXTENDED

- Holdbacks limit a producer's ability to generate additional income from their IP by preventing them from selling or licencing the program to other platforms, broadcasters, or distributors during the holdback period.
- The ABC now demands that producers hold back the program from being sold or broadcast elsewhere for at least 5 years, up from 12-18 months for scripted and non-scripted programs, and 3 years for children's programs.

Genre	2023	2024	Impact on Producers
Non Scripted	12 months	5 years, then ongoing until end of returning series	✗
Scripted	18 months	5 years	✗
Children's	3 years	5 years	✗

WHY IS THIS A PROBLEM?

These unfavourable deal terms are creating significant barriers for production businesses:

(1) Financing challenges for producers

The ABC's longer holdback periods and increased exclusivity block producers from on-selling their programs to other platforms or broadcasters, which is critical for recouping costs and sustaining their businesses. Producers also struggle to secure financing when the ABC's terms block other potential investors from using the content. International platforms tend to be reluctant to invest in an Australian program unless they can also have an Australian release, or at least will offer significantly less finance.

(2) Ongoing impacts on the wider screen industry

As costs rise and the commissioner's share of budget falls, the whole business model comes under strain. Producers are expected to waive their own fees; and they rarely recoup their own development costs. It means reduced income for producers while in production and, with longer licence periods and holdbacks, delayed or foregone revenue later. The business model has become unsustainable.

For further information, please contact info@screenproducers.org.au