



The Drama Report 2011/12

Production of feature films and
TV drama in Australia



\$623 million total production expenditure

Up 25 per cent on last year elevated by high-budget feature production

28 Australian features \$296 million

The slate was made up entirely of Offset features

45 Australian TV dramas \$279 million

Including 38 Offset TV dramas **\$216 million**

25 foreign projects \$49 million

Producer Offset total value \$142 million



Australian Government



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Screen Australia is grateful to all those that contributed data to the compilation of this report. The data provided has been drawn from a number of sources. While Screen Australia has undertaken all reasonable measures to ensure its accuracy, we cannot accept responsibility for inaccuracies and omissions.

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ABOUT THE REPORT

The Drama Report covers the production of feature films and TV drama programs (mini-series, telemovies and series/serials) by financial year.

It reports on the operation of the Producer Offset tax rebate for domestic Australian projects and official co-productions, incorporating data gathered through surveys and publicly available sources to give a comprehensive view of drama production activity in Australia and the Offset's contribution to the annual slate. Data is presented for the past five years, 2007/08 to 2011/12, the period since the introduction of the Offset.

Foreign titles are included if they are shot (or substantially shot) in Australia, or carry out post, digital or visual effects (PDV) work in Australia without shooting here.

See page 2 for definitions of 'Australian', 'domestic', 'co-production' and 'foreign'.

Feature films and TV dramas represent about 20 per cent of all audiovisual production in Australia. Other areas of activity include documentaries, light entertainment, commercials, music videos, corporate video and TV production such as sport, news and current affairs. See the statistics section of the Screen Australia website for details, www.screenaustralia.gov.au/research/prod_industry.aspx, and the relevant archives for pre-2007/08 data.



THE GREAT GATSBY ↑

KEY TERMS

Analysis of **'total budgets'** includes all projects that started shooting during the financial year, with the full budget allocated to the date principal photography starts; budgets are not apportioned across the duration of the project. This indicator is not reported for foreign PDV-only productions as the Australian work may represent only a small proportion of the overall budget.

As a subset of 'total budgets', the **amount spent in Australia** is also analysed; this is particularly relevant for co-productions and foreign productions. Again, all expenditure is allocated to the date principal photography or the date PDV work in Australia begins rather than according to the actual date of spending. Note: this is not the same as 'qualifying Australian production expenditure' (QAPE) for the purpose of the Producer Offset: some expenditure in Australia is not QAPE, and QAPE can include some expenditure on Australian elements outside Australia. QAPE is not reported here.

'Offset projects' are projects which have accessed the Producer Offset or, if not completed, will access it once completed (they have generally been issued with a Provisional Certificate). An Offset project may be either an eligible domestic production or an official co-production.

'Non-Offset projects' are domestic productions which for reasons such as format, level of production expenditure or use of previous tax incentives would not be eligible for the Producer Offset.

'Domestic' productions include:

- Offset projects other than co-productions
- non-Offset projects under Australian creative control (ie where the key elements are predominantly Australian and the project was originated and developed by Australians). This includes projects under Australian creative control that are 100 per cent foreign financed.

'Co-productions' are official co-productions (ie projects made pursuant to an agreement between the Australian Government and the government of another country).

Because official co-productions don't have to pass the 'significant Australian content' test for eligibility for the Producer Offset and may be classified as 'Australian' for the purposes of Australian content regulation applying to broadcasters, in most cases the report discusses domestic and co-production projects as a combined **'Australian'** slate.

'Foreign' productions are defined as those under foreign creative control, originated and developed by non-Australians. This includes foreign projects with an Australian production company operating in a service capacity.

In-house productions are projects by Australian TV stations where no independent production company is credited as producer or co-producer.

PDV (post-production, digital production and visual effects) refers to those activities that create audio and visual elements for film or TV drama other than by principal photography, pick ups or physical elements such as sets and props and includes animation. It also refers to the manipulation of those elements and includes sound and visual editing, digital effects, creation of computer-generated images (CGI), film laboratory work and duplication services. As such, it includes a variety of activities that not only take place after the shoot but also during the earlier stages of a project's overall production.

Please note: This report has been compiled by Screen Australia's Producer Offset & Co-production Unit, incorporating data gathered from administration of the Offset as well as data gathered by Screen Australia's Strategy & Research Unit through contact with production companies or from publicly available sources. PDV data is gathered through surveying PDV companies.

See also Methodology on page 19.

Overview

The annual slate of feature films and TV drama productions consists of Australian titles (including official co-productions) and foreign titles that start production or post, digital and visual effects (PDV) during a given year.

DRAMA EXPENDITURE IN AUSTRALIA

- **Total expenditure** in Australia by the 2011/12 drama slate was \$623 million, a 25 per cent increase on the previous year. Australian features accounted for 47 per cent of 2011/12 expenditure, Australian TV drama production for 45 per cent and foreign activity (primarily feature production) for 8 per cent.
- **Expenditure by the Australian slate** – domestic productions and official co-productions – totalled **\$574 million**, comprising 549 hours of TV drama (45 titles) spending \$279 million and 28 features spending \$296 million.
- **Australian feature production** is significantly up on last year and the five-year average, with more films in the slate overall, including the high-budget titles *The Great Gatsby* and *I, Frankenstein*.
- **Australian TV drama production** was down by 13 per cent on last year. However, expenditure on adult TV drama remained above the five-year average. Expenditure by children's drama has declined sharply on last year and the five-year average, partly due to a gradual decrease in the number of co-productions.
- **Foreign activity** accounted for expenditure in Australia of **\$49 million** in 2011/12, down from \$86 million last year when one high-budget US TV

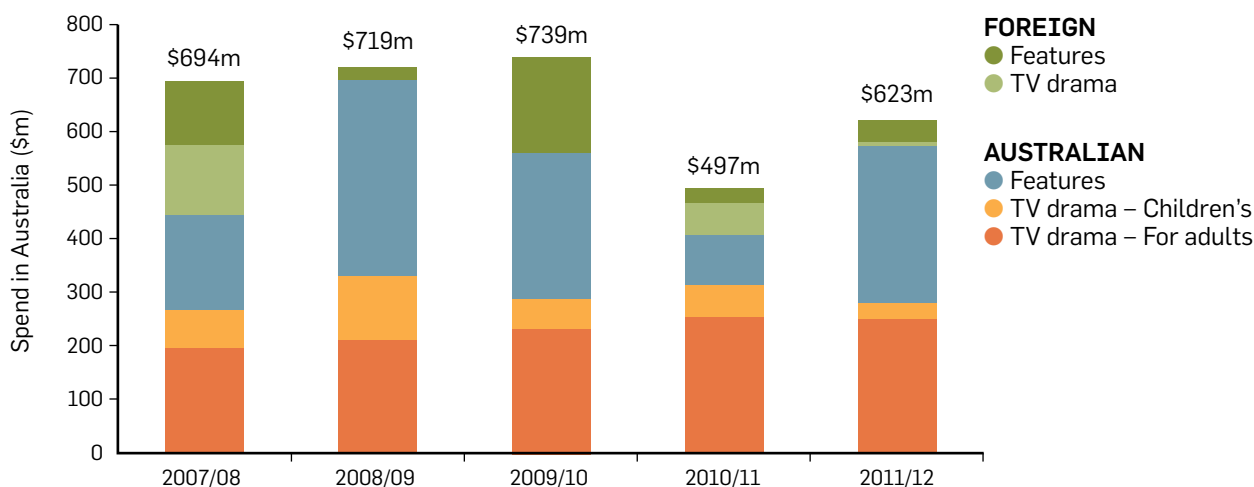
drama, *Terra Nova*, boosted the results. Three foreign features and five foreign TV dramas started shooting in Australia during the year, and there were also 17 foreign projects (all features) which undertook PDV in Australia without shooting here.

OPERATION OF THE PRODUCER OFFSET

- It has now been five years since the Producer Offset came into effect for production expenditure incurred from 1 July 2007.
- In 2011/12, all of the Australian feature slate and 84 per cent of the TV drama slate were Offset projects (ie they had accessed, or will access, the Producer Offset on completion).
- Over the past five years, 93 per cent of total spend for Australian features was from **Offset features**, while 75 per cent of Australian TV drama spend and 47 per cent of hours was from **Offset TV dramas**.

EXPENDITURE BY LOCATION

- NSW accounted for just over half, 51 per cent, of expenditure by this year's slate, Victoria for 34 per cent and Queensland for 10 per cent.



All drama production

FIVE-YEAR SUMMARY 2007/08–2011/12

| | AUSTRALIAN ¹ | | | | | | FOREIGN ² | | TOTAL | |
|--|-------------------------|-----------|-------------------------|-----------|------------------|-----------|----------------------|-----------|------------|-----------|
| | OFFSET ¹ | | NON-OFFSET ¹ | | TOTAL AUSTRALIAN | | NO. TITLES | SPEND \$M | NO. TITLES | SPEND \$M |
| | NO. TITLES | SPEND \$M | NO. TITLES | SPEND \$M | NO. TITLES | SPEND \$M | | | | |

ANNUAL FEATURE SLATE

| | | | | | | | | | | |
|--------------|----|-----|----|----|----|-----|----|-----|----|-----|
| 2007/08 | 19 | 106 | 20 | 66 | 39 | 172 | 22 | 118 | 61 | 290 |
| 2008/09 | 24 | 359 | 14 | 10 | 38 | 368 | 13 | 21 | 51 | 389 |
| 2009/10 | 30 | 265 | 12 | 8 | 42 | 273 | 11 | 180 | 53 | 452 |
| 2010/11 | 15 | 88 | 6 | 2 | 21 | 89 | 14 | 31 | 35 | 121 |
| 2011/12 | 28 | 296 | 0 | 0 | 28 | 296 | 20 | 41 | 48 | 337 |
| 5-yr average | 23 | 223 | 10 | 17 | 34 | 240 | 16 | 78 | 50 | 318 |

ANNUAL TV DRAMA SLATE (SEE PAGE 8 FOR DETAILS OF PROGRAMS FOR ADULTS VS CHILDREN)

| | | | | | | | | | | |
|--------------|----|-----|----|-----|----|-----|---|-----|----|-----|
| 2007/08 | 27 | 161 | 19 | 108 | 46 | 269 | 1 | 134 | 47 | 403 |
| 2008/09 | 34 | 239 | 11 | 89 | 45 | 329 | 4 | 1 | 49 | 330 |
| 2009/10 | 27 | 227 | 10 | 60 | 37 | 287 | 2 | <1 | 39 | 287 |
| 2010/11 | 34 | 263 | 6 | 58 | 40 | 322 | 3 | 54 | 43 | 376 |
| 2011/12 | 38 | 216 | 7 | 63 | 45 | 279 | 5 | 8 | 50 | 286 |
| 5-yr average | 32 | 221 | 11 | 76 | 43 | 297 | 3 | 39 | 46 | 337 |

TOTAL ANNUAL FEATURE AND TV DRAMA SLATE³

| | | | | | | | | | | |
|--------------|----|-----|----|-----|----|-----|----|-----|-----|-----|
| 2007/08 | 46 | 267 | 39 | 174 | 85 | 442 | 23 | 252 | 108 | 694 |
| 2008/09 | 58 | 598 | 25 | 99 | 83 | 697 | 17 | 22 | 100 | 719 |
| 2009/10 | 57 | 492 | 22 | 68 | 79 | 560 | 13 | 180 | 92 | 739 |
| 2010/11 | 49 | 351 | 12 | 60 | 61 | 411 | 17 | 86 | 78 | 497 |
| 2011/12 | 66 | 512 | 7 | 63 | 73 | 574 | 25 | 49 | 98 | 623 |
| 5-yr average | 55 | 444 | 21 | 93 | 76 | 537 | 19 | 118 | 95 | 654 |

OFFSET TITLES

| | DOMESTIC ¹ | | CO-PRODUCTION ¹ | |
|--|-----------------------|-----------|----------------------------|-----------|
| | NO. TITLES | SPEND \$M | NO. TITLES | SPEND \$M |

FEATURES

| | | | | |
|--------------|----|-----|---|----|
| 2007/08 | 16 | 89 | 3 | 17 |
| 2008/09 | 22 | 346 | 2 | 13 |
| 2009/10 | 25 | 234 | 5 | 31 |
| 2010/11 | 11 | 51 | 4 | 37 |
| 2011/12 | 24 | 264 | 4 | 32 |
| 5-yr average | 20 | 197 | 4 | 26 |

TV DRAMA

| | | | | |
|--------------|----|------|---|------|
| 2007/08 | 21 | 141 | 6 | 20 |
| 2008/09 | 31 | 226 | 3 | 13 |
| 2009/10 | 25 | 214 | 2 | 13 |
| 2010/11 | 33 | 260 | 1 | 3 |
| 2011/12 | 36 | n.p. | 2 | n.p. |
| 5-yr average | 29 | 210 | 3 | 12 |

TOTAL

| | | | | |
|--------------|----|------|---|------|
| 2007/08 | 37 | 230 | 9 | 37 |
| 2008/09 | 53 | 572 | 5 | 26 |
| 2009/10 | 50 | 448 | 7 | 44 |
| 2010/11 | 44 | 311 | 5 | 40 |
| 2011/12 | 60 | n.p. | 6 | n.p. |
| 5-yr average | 49 | 407 | 6 | 38 |

Notes: Figures may not total exactly due to rounding.

n.p. Not for publication due to confidentiality reasons.

1. See page 2 for definitions.

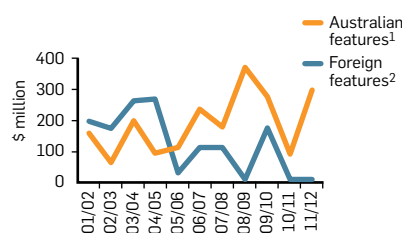
2. Includes both productions that started principal photography during the year and foreign productions undertaking only PDV work in Australia.

3. The annual slate is defined as productions that started principal photography during the year.

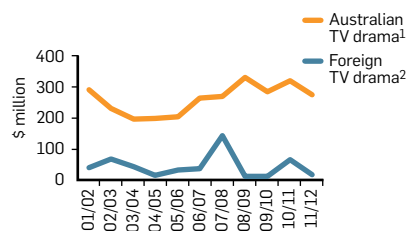
Total expenditure in Australia by the 2011/12 drama slate was \$623 million, comprising \$574 million by Australian projects and \$49 million by foreign productions (that started production or PDV during the year). Of the Australian slate, expenditure by Offset projects totalled \$512 million – \$296 million by Offset features and \$216 million by Offset TV drama.

PRODUCTION TRENDS

Annual feature slate: spend in Australia



Annual TV drama slate: spend in Australia



Notes:

1. Australian includes both domestic and co-production.

2. Graphs exclude PDV-only expenditure by foreign projects.

Australian feature slate

The 2011/12 Australian feature slate comprised **28 titles, accounting for expenditure in Australia of \$296 million.**¹

The value of Australian feature production in a particular year tends to be impacted by high-budget, principally foreign-funded titles, with the presence or absence of such films causing large fluctuations.

After no such films last year, the 2011/12 slate included *The Great Gatsby* and *I, Frankenstein*.

Co-productions remained at similar levels as the last few years, with four titles spending \$32 million in 2011/12.

Changes to eligibility for the Producer Offset which came into force during 2011/12 contributed to all feature films in this year's slate being classified as **Offset titles.**²

The feature slate was made up entirely of Offset projects.

ALL AUSTRALIAN FEATURES

| | OFFSET FEATURES ¹ | | | NON-OFFSET FEATURES ¹ | | | TOTAL | | |
|--------------|------------------------------|-------------------|-----------|----------------------------------|-------------------|-----------|------------|-------------------|------------|
| | NO. TITLES | TOTAL BUDGETS \$M | SPEND \$M | NO. TITLES | TOTAL BUDGETS \$M | SPEND \$M | NO. TITLES | TOTAL BUDGETS \$M | SPEND \$M |
| 2007/08 | 19 | 175 | 106 | 20 | 76 | 66 | 39 | 252 | 172 |
| 2008/09 | 24 | 397 | 359 | 14 | 11 | 10 | 38 | 408 | 368 |
| 2009/10 | 30 | 293 | 265 | 12 | 8 | 8 | 42 | 301 | 273 |
| 2010/11 | 15 | 120 | 88 | 6 | 2 | 2 | 21 | 122 | 89 |
| 2011/12 | 28 | 360 | 296 | 0 | 0 | 0 | 28 | 360 | 296 |
| 5-yr average | 23 | 269 | 223 | 10 | 19 | 17 | 34 | 289 | 240 |

OFFSET FEATURES

| | DOMESTIC ¹ | | | CO-PRODUCTION ¹ | | |
|--------------|-----------------------|-------------------|-----------|----------------------------|-------------------|-----------|
| | NO. TITLES | TOTAL BUDGETS \$M | SPEND \$M | NO. TITLES | TOTAL BUDGETS \$M | SPEND \$M |
| 2007/08 | 16 | 139 | 89 | 3 | 37 | 17 |
| 2008/09 | 22 | 372 | 346 | 2 | 25 | 13 |
| 2009/10 | 25 | 240 | 234 | 5 | 53 | 31 |
| 2010/11 | 11 | 54 | 51 | 4 | 67 | 37 |
| 2011/12 | 24 | 316 | 264 | 4 | 44 | 32 |
| 5-yr average | 20 | 224 | 197 | 4 | 45 | 26 |

Notes: Figures may not total exactly due to rounding.
1. See page 2 for definitions.

Notes:

- Note that features with budgets under \$500,000 are only included in the report if they have had a cinema release or major festival screening. Figures may therefore be revised upwards in future if releases are achieved for additional low-budget films that went into production in 2011/12.
- The Australian Government's 2011/12 Budget included a number of proposed reforms to the Producer Offset. Legislation to enact the proposed reforms was introduced into Parliament on 22 September 2011 and came into effect following the Royal Assent of the Tax Laws Amendment (2011 Measures No. 7) Act 2011. As an outcome of this legislation, Qualifying Australian production expenditure (QAPE) thresholds were reduced from \$1 million to \$500,000 for feature films.



THE SAPPHIRES ↑

FEATURE BUDGET RANGES

Like most years, the majority of features in the 2011/12 slate had budgets between \$1 million and \$6 million. The higher budget ranges included the two studio-backed films, three of the four co-productions and another three domestic titles.

The lowering of the QAPE threshold to access the Producer Offset in 2011/12 allowed three films with

budgets between \$500,000 and \$1 million to qualify for the first time. Previously these films would have been classified as non-Offset titles.

[Note that the 2007/08 slate saw several features in the higher budget ranges ineligible for the Offset as a result of their pre-Offset financing structure.]

ALL AUSTRALIAN FEATURES (DOMESTIC AND CO-PRODUCTION)

| BUDGET RANGE | OFFSET | | | | | NON-OFFSET | | | | | TOTAL | | | | |
|--------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 |
| < \$1m | 0 | 0 | 0 | 0 | 3 | 8 | 11 | 9 | 6 | 0 | 8 | 11 | 9 | 6 | 3 |
| \$1-3m | 6 | 6 | 8 | 6 | 8 | 9 | 3 | 3 | 0 | 0 | 15 | 9 | 11 | 6 | 8 |
| \$3-6m | 7 | 11 | 7 | 2 | 8 | 0 | 0 | 0 | 0 | 0 | 7 | 11 | 7 | 2 | 8 |
| \$6-10m | 3 | 4 | 7 | 4 | 2 | 1 | 0 | 0 | 0 | 0 | 4 | 4 | 7 | 4 | 2 |
| \$10-20m | 2 | 1 | 5 | 2 | 5 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 5 | 2 | 5 |
| \$20m+ | 1 | 2 | 3 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | 3 | 2 | 3 | 1 | 2 |
| TOTAL | 19 | 24 | 30 | 15 | 28 | 20 | 14 | 12 | 6 | 0 | 39 | 38 | 42 | 21 | 28 |
| % < \$1m | 0% | 0% | 0% | 0% | 11% | 40% | 79% | 75% | 100% | 0% | 21% | 29% | 21% | 29% | 11% |
| % < \$3m | 32% | 25% | 27% | 40% | 39% | 85% | 100% | 100% | 100% | 0% | 59% | 53% | 48% | 57% | 39% |
| % < \$6m | 68% | 71% | 50% | 53% | 68% | 85% | 100% | 100% | 100% | 0% | 77% | 82% | 64% | 67% | 68% |
| % \$6m+ | 32% | 29% | 50% | 47% | 32% | 15% | 0% | 0% | 0% | 0% | 23% | 18% | 36% | 33% | 32% |
| % \$10m+ | 16% | 13% | 27% | 20% | 25% | 10% | 0% | 0% | 0% | 0% | 13% | 8% | 19% | 14% | 25% |

Notes: Features with budgets of less than \$500,000 are included in the report only if they have had a festival screening or cinema release, see page 19, Methodology.

SATELLITE BOY ↓



SOURCES OF FINANCE FOR AUSTRALIAN FEATURES

Contributions to the annual Australian feature slate (domestic and co-production), 2007/08–2011/12

| | CONTRIBUTION \$M | % OF TOTAL FINANCE | NO. FILMS INVESTED IN |
|---|------------------|--------------------|-----------------------|
| DIRECT GOVERNMENT SOURCES¹ | | | |
| 2007/08 | 41.4 | 16% | 20 |
| 2008/09 | 35.3 | 9% | 26 |
| 2009/10 | 51.0 | 17% | 26 |
| 2010/11 | 18.3 | 15% | 11 |
| 2011/12 | 36.8 | 10% | 23 |
| 5-yr average | 36.6 | 13% | 21 |
| AUSTRALIAN PRIVATE INVESTORS² | | | |
| 2007/08 | 44.8 | 18% | 23 |
| 2008/09 | 6.7 | 2% | 13 |
| 2009/10 | 33.9 | 11% | 26 |
| 2010/11 | 19.4 | 16% | 16 |
| 2011/12 | 12.3 | 3% | 14 |
| 5-yr average | 23.4 | 8% | 18 |
| PRODUCER OFFSET | | | |
| 2007/08 | 50.6 | 20% | 19 |
| 2008/09 | 136.1 | 33% | 24 |
| 2009/10 | 86.7 | 29% | 30 |
| 2010/11 | 31.2 | 26% | 15 |
| 2011/12 | 103.4 | 29% | 28 |
| 5-yr average | 81.6 | 28% | 23 |
| AUSTRALIAN FILM/TV INDUSTRY³ | | | |
| 2007/08 | 16.2 | 6% | 23 |
| 2008/09 | 18.6 | 5% | 30 |
| 2009/10 | 61.3 | 20% | 28 |
| 2010/11 | 7.8 | 6% | 10 |
| 2011/12 | 22.1 | 6% | 24 |
| 5-yr average | 25.2 | 9% | 23 |
| FOREIGN INVESTORS | | | |
| 2007/08 | 98.8 | 39% | 11 |
| 2008/09 | 211.3 | 52% | 15 |
| 2009/10 | 67.9 | 23% | 18 |
| 2010/11 | 44.9 | 37% | 9 |
| 2011/12 | 185.9 | 52% | 13 |
| 5-yr average | 121.8 | 42% | 13 |

Foreign investment in feature films can shift significantly from one year to the next, with high-budget, principally foreign-funded titles causing large fluctuations. Therefore, the presence or absence of such films impacts on the proportions of finance provided by various sources.

This year's feature slate comprised two of these high-budget productions. As a result, **foreign investors** provided the largest share, contributing \$186 million (52 per cent) to 13 of the 28 films made this year, including all four co-productions. The share of finance from foreign sources was also up on last year, and matched the high 2008/09 proportion, due to foreign-financed features.

The Producer Offset, cashflowed by producers in various ways, contributed 29 per cent of finance to the 28 Offset features in this year's slate. This ranged from 9 per cent to 39 per cent on a per film basis. Most of the Offset cashflow in 2011/12 came from the industry itself followed by private sources and bank loans and specific film industry funds. Other cashflow sources included the Federal Government's Export Finance and Insurance Corporation (EFIC) as well as state agencies (see 'Snapshot 2011/12' below).

Direct government sources accounted for 10 per cent of total finance for the slate, providing \$37 million to 23 features, up from \$18 million for 11 films last year. The majority of this funding came from Screen Australia, with \$26 million invested in 17 of the features that went into production during the year. The state agencies contributed \$10 million to 22 features, almost half of which came from Screen NSW. The Melbourne International Film Festival contributed to three titles and the Adelaide Film Festival contributed to one title.

The Australian film/TV industry (mainly distribution companies) contributed \$22 million to 24 Australian features. Private investors provided \$12 million to 14 features this year.

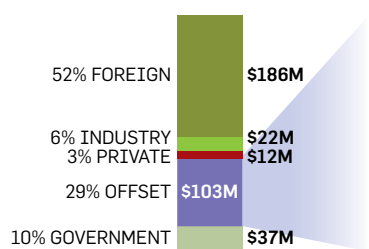
Notes: Figures may not total exactly due to rounding.

1. Includes direct funding from Australian state and federal agencies and funding bodies (see page 19). Equity investments only – distribution guarantees, loans and underwriting are not included.
2. Private investment sources including the final titles accessing 10BA and 10B tax incentives.
3. Finance provided by Australian-based producers and production companies, distribution companies, free-to-air broadcasters (commercial and public) and subscription TV channels. The Producer Offset, cashflowed in various ways, is listed separately.

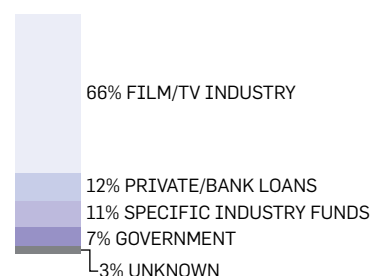
Foreign investors contributed the largest share of finance, 52 per cent, to the total feature slate.

SNAPSHOT 2011/12

FINANCE SOURCES, 2011/12



OFFSET CASHFLOW SOURCES



Australian TV drama slate

ALL AUSTRALIAN TV DRAMA PROGRAMS

| | OFFSET TV DRAMA ¹ | | | | NON-OFFSET TV DRAMA ¹ | | | | TOTAL | | | |
|----------------------------|------------------------------|--------------------|-------------------|-----------|----------------------------------|--------------------|-------------------|-----------|------------|--------------------|-------------------|-----------|
| | NO. TITLES | HOURS ² | TOTAL BUDGETS \$M | SPEND \$M | NO. TITLES | HOURS ² | TOTAL BUDGETS \$M | SPEND \$M | NO. TITLES | HOURS ² | TOTAL BUDGETS \$M | SPEND \$M |
| PROGRAMS FOR ADULTS | | | | | | | | | | | | |
| 2007/08 | 16 | 181 | 108 | 108 | 12 | 338 | 89 | 88 | 28 | 519 | 197 | 196 |
| 2008/09 | 21 | 171 | 144 | 144 | 6 | 314 | 73 | 73 | 27 | 486 | 218 | 218 |
| 2009/10 | 22 | 205 | 187 | 186 | 5 | 244 | 47 | 47 | 27 | 448 | 234 | 233 |
| 2010/11 | 28 | 247 | 215 | 214 | 3 | 240 | 47 | 47 | 31 | 487 | 261 | 261 |
| 2011/12 | 35 | 213 | 211 | 193 | 3 | 257 | 56 | 56 | 38 | 470 | 267 | 249 |
| <i>5-yr average</i> | 24 | 203 | 173 | 169 | 6 | 279 | 62 | 62 | 30 | 482 | 235 | 231 |

PROGRAMS FOR CHILDREN

| | | | | | | | | | | | | |
|---------------------|----|-----|-----|----|---|----|----|----|----|-----|-----|-----|
| 2007/08 | 11 | 130 | 85 | 53 | 7 | 62 | 35 | 20 | 18 | 192 | 120 | 74 |
| 2008/09 | 13 | 146 | 115 | 95 | 5 | 39 | 18 | 16 | 18 | 186 | 133 | 111 |
| 2009/10 | 5 | 59 | 49 | 41 | 5 | 60 | 28 | 13 | 10 | 118 | 76 | 54 |
| 2010/11 | 6 | 65 | 52 | 49 | 3 | 29 | 13 | 12 | 9 | 94 | 65 | 61 |
| 2011/12 | 3 | 46 | 40 | 23 | 4 | 34 | 13 | 7 | 7 | 79 | 53 | 30 |
| <i>5-yr average</i> | 8 | 89 | 68 | 52 | 5 | 45 | 21 | 14 | 12 | 134 | 89 | 66 |

TOTAL TV DRAMA SLATE³

| | | | | | | | | | | | | |
|---------------------|----|-----|-----|-----|----|-----|-----|-----|----|-----|-----|-----|
| 2007/08 | 27 | 311 | 193 | 161 | 19 | 400 | 123 | 108 | 46 | 710 | 317 | 269 |
| 2008/09 | 34 | 318 | 259 | 239 | 11 | 354 | 92 | 89 | 45 | 672 | 351 | 329 |
| 2009/10 | 27 | 263 | 235 | 227 | 10 | 303 | 75 | 60 | 37 | 566 | 310 | 287 |
| 2010/11 | 34 | 312 | 266 | 263 | 6 | 269 | 60 | 58 | 40 | 581 | 326 | 322 |
| 2011/12 | 38 | 259 | 251 | 216 | 7 | 291 | 69 | 63 | 45 | 549 | 320 | 279 |
| <i>5-yr average</i> | 32 | 292 | 241 | 221 | 11 | 323 | 84 | 76 | 43 | 616 | 325 | 297 |

OFFSET TV DRAMA

| | DOMESTIC ¹ | | | | CO-PRODUCTION ¹ | | | |
|----------------------------|-----------------------|--------------------|-------------------|-----------|----------------------------|--------------------|-------------------|-----------|
| | NO. TITLES | HOURS ² | TOTAL BUDGETS \$M | SPEND \$M | NO. TITLES | HOURS ² | TOTAL BUDGETS \$M | SPEND \$M |
| PROGRAMS FOR ADULTS | | | | | | | | |
| 2007/08 | 16 | 181 | 108 | 108 | 0 | 0 | 0 | 0 |
| 2008/09 | 21 | 171 | 144 | 144 | 0 | 0 | 0 | 0 |
| 2009/10 | 22 | 205 | 187 | 186 | 0 | 0 | 0 | 0 |
| 2010/11 | 28 | 247 | 215 | 214 | 0 | 0 | 0 | 0 |
| 2011/12 | 34 | 208 | 202 | n.p. | 1 | 5 | 9 | n.p. |
| <i>5-yr average</i> | 24 | 202 | 171 | 168 | <1 | 1 | 2 | 1 |

PROGRAMS FOR CHILDREN

| | | | | | | | | |
|---------------------|----|-----|----|----|---|----|----|----|
| 2007/08 | 5 | 59 | 33 | 33 | 6 | 72 | 52 | 20 |
| 2008/09 | 10 | 114 | 88 | 82 | 3 | 33 | 27 | 13 |
| 2009/10 | 3 | 39 | 28 | 28 | 2 | 20 | 21 | 13 |
| 2010/11 | 5 | 52 | 46 | 46 | 1 | 13 | 6 | 3 |
| 2011/12 | 2 | 26 | 23 | 18 | 1 | 20 | 17 | 5 |
| <i>5-yr average</i> | 5 | 58 | 44 | 41 | 3 | 31 | 24 | 11 |

TOTAL TV DRAMA SLATE³

| | | | | | | | | |
|---------------------|----|-----|-----|------|---|----|----|------|
| 2007/08 | 21 | 239 | 141 | 141 | 6 | 72 | 52 | 20 |
| 2008/09 | 31 | 285 | 232 | 226 | 3 | 33 | 27 | 13 |
| 2009/10 | 25 | 244 | 215 | 214 | 2 | 20 | 21 | 13 |
| 2010/11 | 33 | 299 | 260 | 260 | 1 | 13 | 6 | 3 |
| 2011/12 | 36 | 234 | 226 | n.p. | 2 | 25 | 26 | n.p. |
| <i>5-yr average</i> | 29 | 260 | 215 | 210 | 3 | 32 | 26 | 12 |

Notes: Figures may not total exactly due to rounding.
n.p. Not for publication due to confidentiality reasons.

1. See page 2 for definitions.

2. Commercial broadcast hours rather than actual running time.
Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).

3. The annual slate is defined as productions that started principal photography during the year.

Overall, the 2011/12 Australian TV drama slate comprised 549 hours of programs (45 titles), accounting for expenditure in Australia of \$279 million. Expenditure was down by 13 per cent on last year and hours were down by 6 per cent. 89 per cent of expenditure was by the adult drama slate and the remainder by programs for children.

There has been solid growth in the value of total budgets in the adult TV drama slate, reaching a five-year high in 2011/12. There was a slight drop in Australian expenditure this year, with one mini-series shot entirely overseas, and foreign expenditure on the first adult TV drama co-production since 2005/06. The decrease in hours continues the shift away from long-form production (series/serials) to

short-form, higher-value production (mini-series and telemovies). Telemovie production was the highest since 1999/2000.

Children's drama production has gradually been decreasing after strong results in 2007/08 and 2008/09. Expenditure by children's drama has declined sharply on last year and the five-year average, partly due to a gradual decrease in the number of co-productions.

There were 38 Offset titles, accounting for 77 per cent of expenditure and 47 per cent of hours. Long-form TV drama (over 65 episodes/hours) is not eligible for the Offset, and the QAPE per hour must reach minimum thresholds in order to qualify.

The value of total budgets in the adult TV drama slate reached a five-year high.

BY FORMAT

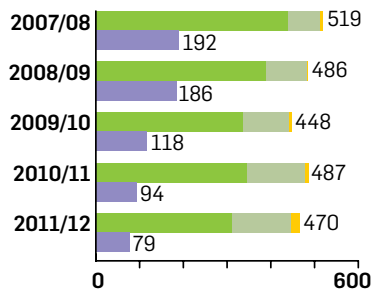
ADULT PROGRAMS:

■ SERIES/SERIALS ■ MINI-SERIES ■ TELEMOVIES

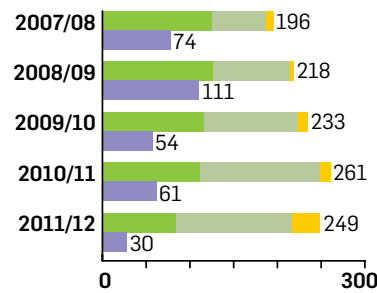
CHILDREN'S PROGRAMS:

■ CHILDREN'S PROGRAMS

HOURS PRODUCED



SPEND (\$M)



HOUSE HUSBANDS ↑

PROGRAMS FOR ADULTS

The adult TV drama slate comprised 38 titles (470 hours) with total budgets of \$267 million and expenditure in Australia of \$249 million. Overall, the adult TV drama levels for the 2011/12 slate were above the five-year average in terms of total budgets and expenditure. The decrease in hours continues the shift away from long-form production of series/serials, with a move towards higher production-value, short-form programs such as mini-series and telemovies.

The 2011/12 slate included *Mrs Biggs: The Untold Story Behind the Great Train Robbery*, the first adult TV co-production since 2005/06. The overseas expenditure for this program (in keeping with the nature of co-productions), and the Australian mini-series *Top of the Lake*, shot entirely in New Zealand, account for the slight decline in expenditure from last year. Multi-part programs typically account for the majority of TV drama hours and expenditure in Australia. Production of 'mini-series' – generally 'quality' programs with up to 13 hours of one-hour

episodes – has been rising over the past five years, accounting for 139 hours and \$132 million in 2011/12, compared to 71 hours and \$61 million in 2007/08.

Series and serials, although still accounting for the lion's share of TV drama hours, have been declining over the last five years. Total hours, budgets and spend for this year's series/serials slate remained below the five-year average, the lowest since 2007/08. This can be attributed to some multi-season series ceasing production last year, including *Rescue Special Ops* and *Rush*. However, new seasons for titles introduced last year have been slated for 2012/13 and beyond, including *Housos* and *Twentysomething*.

Telemovie production continues to grow with 10 titles spending \$33 million. The production of telemovies in 2011/12 in terms of the number, hours, budgets and spend, was the highest on record since 1999/2000. Titles from this year's slate include *Underground: The Julian Assange Story*, *Beaconsfield*, *Jack Irish: Bad Debts* and *Jack Irish: Black Tide*.

| | NO. | HOURS ¹ | TOTAL BUDGETS (\$M) | TOTAL SPEND (\$M) | AV. COST/HR (\$M) |
|---|--------|--------------------|---------------------|-------------------|-------------------|
| SERIES/SERIALS (in-house production in brackets) | | | | | |
| 2007/08 | 16 (4) | 442 | 126 | 125 | 0.285 |
| 2008/09 | 15 (4) | 390 | 126 | 126 | 0.324 |
| 2009/10 | 13 (4) | 340 | 127 | 127 | 0.375 |
| 2010/11 | 13 (3) | 348 | 110 | 110 | 0.317 |
| 2011/12 | 12 (3) | 313 | 85 | 85 | 0.270 |
| 5-yr average | 14 (4) | 366 | 115 | 115 | 0.314 |
| MINI-SERIES (no in-house productions) | | | | | |
| 2007/08 | 8 | 71 | 61 | 61 | 0.861 |
| 2008/09 | 10 | 93 | 87 | 87 | 0.934 |
| 2009/10 | 10 | 102 | 95 | 95 | 0.931 |
| 2010/11 | 13 | 132 | 138 | 138 | 1.046 |
| 2011/12 | 16 | 139 | 150 | 132 | 1.080 |
| 5-yr average | 11 | 107 | 106 | 103 | 0.970 |
| TELEMOVIES (no in-house productions) | | | | | |
| 2007/08 | 4 | 6 | 10 | 10 | 1.707 |
| 2008/09 | 2 | 3 | 4 | 4 | 1.402 |
| 2009/10 | 4 | 7 | 11 | 11 | 1.680 |
| 2010/11 | 5 | 8 | 13 | 13 | 1.742 |
| 2011/12 | 10 | 18 | 33 | 33 | 1.794 |
| 5-yr average | 5 | 8 | 14 | 14 | 1.665 |

Notes: Figures may not total exactly due to rounding.

1. Commercial broadcast hours rather than actual running time. Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).



JACK IRISH →

PROGRAMS FOR CHILDREN

The Australian children's drama slate comprised 79 hours of programs with total budgets of \$53 million in 2011/12, lower in hours and total budgets and expenditure than last year. 2007/08 and 2008/09 saw elevated levels of children's drama, and with the cyclical nature of this type of production, the last three years have to some extent been balancing the earlier high levels.

Domestic production declined sharply in total hours, budget and spend on last year and the five-year average. Co-productions have traditionally been strong for children's TV drama. However, they have been gradually decreasing, with just one co-production this year compared to seven in 2007/08.

Within the 260 hours of C programming, commercial television licensees must broadcast at least 25 hours of first-release Australian children's drama per year, and at least 96 hours over a three-year period. All three commercial free-to-air television networks have been complying with this broadcasting requirement. In terms of production, the Seven and Ten networks have been consistent in producing children's drama during the last three years. The Nine Network, which has not produced any children's TV drama in the last two years, since its high levels of production in 2007/08 and 2008/09, is expected to recommence production in 2012/13.

Another contributing factor to the low levels in 2011/12 was a decrease in children's drama production from the ABC, which focused on non-drama children's programs. In addition, their much anticipated title *Resistance* failed to complete its financing.

The 2012/13 slate looks set to recover with a number of programs earmarked for production from the commercial free-to-air networks and the ABC, including *Dennis and Gnasher series 2* (Nine) and *Dance Academy series 3* (ABC).

| | NO. | HOURS ¹ | TOTAL BUDGETS (\$M) | TOTAL SPEND (\$M) | AV. COST/HR (\$M) |
|----------------------|-----------|--------------------|---------------------|-------------------|-------------------|
| DOMESTIC | | | | | |
| 2007/08 | 11 | 107 | 58 | 46 | 0.537 |
| 2008/09 | 15 | 153 | 106 | 98 | 0.693 |
| 2009/10 | 8 | 99 | 56 | 40 | 0.564 |
| 2010/11 | 8 | 81 | 59 | 57 | 0.724 |
| 2011/12 | 6 | 60 | 36 | 25 | 0.602 |
| <i>5-yr average</i> | <i>10</i> | <i>100</i> | <i>63</i> | <i>53</i> | <i>0.624</i> |
| CO-PRODUCTION | | | | | |
| 2007/08 | 7 | 85 | 62 | 27 | 0.737 |
| 2008/09 | 3 | 33 | 27 | 13 | 0.821 |
| 2009/10 | 2 | 20 | 21 | 13 | 1.068 |
| 2010/11 | 1 | 13 | 6 | 3 | 0.452 |
| 2011/12 | 1 | 20 | 17 | 5 | 0.865 |
| <i>5-yr average</i> | <i>3</i> | <i>34</i> | <i>27</i> | <i>12</i> | <i>0.789</i> |
| TOTAL | | | | | |
| 2007/08 | 18 | 192 | 120 | 74 | 0.625 |
| 2008/09 | 18 | 186 | 133 | 111 | 0.715 |
| 2009/10 | 10 | 118 | 76 | 54 | 0.647 |
| 2010/11 | 9 | 94 | 65 | 61 | 0.687 |
| 2011/12 | 7 | 79 | 53 | 30 | 0.667 |
| <i>5-yr average</i> | <i>12</i> | <i>134</i> | <i>89</i> | <i>66</i> | <i>0.668</i> |

Notes: Figures may not total exactly due to rounding.
 1. Commercial broadcast hours rather than actual running time. Individual program duration has been rounded to 15, 30 or 60 minutes as appropriate (including commercial breaks).

YOU'RE SKITTING ME ↓



SOURCES OF FINANCE FOR AUSTRALIAN TV DRAMA

The Australian film/TV industry provided the majority of finance for this year's Australian TV drama slate (62 per cent), contributing \$200 million to 44 titles. As usual, the largest proportion of this (and the largest from any sector) came from the commercial free-to-air broadcasters. The balance came from public broadcasters, subscription TV, distributors and production companies.

The **Producer Offset**, cashflowed by producers in various ways, contributed 12 per cent of finance to the overall slate, adding \$38 million to the 38 Offset titles. The Offset contribution ranged from 4 per cent to 20 per cent on a per project basis. The industry itself was the largest source of Offset cashflow, with the larger production companies tending to find the funds from their own resources (see 'Snapshot 2011/12' below).

Direct government sources contributed \$31 million to 33 programs in the 2011/12 TV drama slate, accounting for 10 per cent of total finance. This was down on last year's high of \$44 million, but close to the five-year average.

Screen Australia was the principal source of government finance, with \$22 million invested in 19 titles, slightly down from the \$24 million in 20 titles last year. The state agencies contributed \$9 million to 30 titles, also down on last year's \$14 million to 26 titles, with contributions predominantly from Film Victoria and Screen NSW. Additional finance came from the Australian Children's Television Foundation.

Foreign investors provided \$50 million, well above last year's \$28 million but close to the five-year average of \$49 million. The lower figure from 2010/11 can be attributed to only one co-production title being in production, compared to two this year and an average of three in the last five years.

Private investors contributed \$150,000 to one title in the 2011/12 TV drama slate.

Notes: Figures may not total exactly due to rounding.

1. Includes direct funding from Australian state and federal agencies and funding bodies (see page 19). Equity investments only – distribution guarantees, loans and underwriting are not included.

2. Private investment sources including the final titles accessing 10BA and 10B tax incentives.

3. Finance provided by Australian-based producers and production companies, distribution companies, free-to-air broadcasters (commercial and public) and subscription TV channels. The Producer Offset, cashflowed in various ways, is listed separately.

Contributions to the annual Australian TV drama slate (domestic & co-production), 2007/08–2011/12

| | CONTRIBUTION \$M | % OF TOTAL FINANCE | NO. PROGRAMS INVESTED IN |
|---|------------------|--------------------|--------------------------|
| DIRECT GOVERNMENT SOURCES ¹ | | | |
| 2007/08 | 18.4 | 6% | 16 |
| 2008/09 | 42.0 | 12% | 26 |
| 2009/10 | 28.3 | 9% | 21 |
| 2010/11 | 43.9 | 13% | 30 |
| 2011/12 | 30.9 | 10% | 33 |
| <i>5-yr average</i> | <i>32.7</i> | <i>10%</i> | <i>25</i> |

| AUSTRALIAN PRIVATE INVESTORS ² | | | |
|--|------------|-----------|----------|
| 2007/08 | 7.5 | 2% | 2 |
| 2008/09 | 7.2 | 2% | 2 |
| 2009/10 | 0.3 | <1% | 2 |
| 2010/11 | 0.0 | 0% | 0 |
| 2011/12 | 0.2 | <1% | 1 |
| <i>5-yr average</i> | <i>3.0</i> | <i>1%</i> | <i>1</i> |

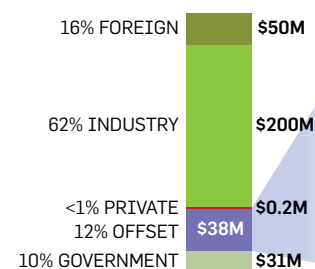
| PRODUCER OFFSET | | | |
|------------------------|-------------|------------|-----------|
| 2007/08 | 26.6 | 8% | 27 |
| 2008/09 | 39.6 | 11% | 33 |
| 2009/10 | 42.0 | 14% | 26 |
| 2010/11 | 45.9 | 14% | 34 |
| 2011/12 | 38.2 | 12% | 38 |
| <i>5-yr average</i> | <i>38.5</i> | <i>12%</i> | <i>32</i> |

| AUSTRALIAN FILM/TV INDUSTRY ³ | | | |
|---|--------------|------------|-----------|
| 2007/08 | 192.1 | 61% | 46 |
| 2008/09 | 213.2 | 61% | 45 |
| 2009/10 | 192.9 | 62% | 37 |
| 2010/11 | 207.8 | 64% | 40 |
| 2011/12 | 200.5 | 62% | 44 |
| <i>5-yr average</i> | <i>201.3</i> | <i>62%</i> | <i>42</i> |

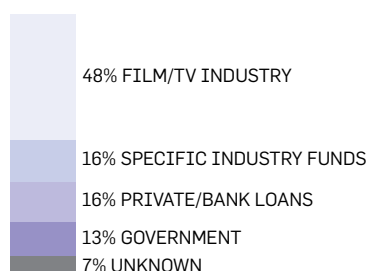
| FOREIGN INVESTORS | | | |
|--------------------------|-------------|------------|-----------|
| 2007/08 | 71.9 | 23% | 17 |
| 2008/09 | 48.5 | 14% | 15 |
| 2009/10 | 46.6 | 15% | 12 |
| 2010/11 | 28.3 | 9% | 18 |
| 2011/12 | 50.1 | 16% | 17 |
| <i>5-yr average</i> | <i>49.1</i> | <i>15%</i> | <i>16</i> |

SNAPSHOT 2011/12

FINANCE SOURCES, 2011/12



OFFSET CASHFLOW SOURCES



Foreign production

FEATURES

Three foreign features started shooting in Australia in 2011/12: *From Sydney with Love* (India), *Destination Kathmandu* (Nepal) and *Hayabusa: The Long Journey Home* (Japan), allocating \$3 million to expenditure in this country. This was a slight increase on last year. There have been no high-budget US films over the last two years, which have traditionally boosted expenditure by foreign features in previous years. High-budget US feature *Wolverine* is currently shooting in NSW and will feature in next year's drama production figures.

Although spend for foreign location production has decreased in the last two years, this has coincided with the highest spend in PDV work over the last five years. In addition to some companies which have been able to sustain an international reputation for quality, such as Rising Sun Pictures and Animal Logic, other factors that have contributed to this strong result include the increase of the PDV Offset from 16.5 per cent to 30 per cent last year, and the earlier lowering of the threshold from \$5 million to \$500,000.

Seventeen foreign features commenced PDV work in Australia this year without shooting here, accounting for \$38 million in local expenditure, up from \$31 million last year. The 2011/12 titles included *The Avengers*, *Prometheus*, *Ted*, *Mission Impossible: Ghost Protocol* and *The Hunger Games*.

| | NO. ¹ | TOTAL BUDGETS (\$M) ² | SPEND IN AUST. (\$M) ¹ |
|--------------|------------------|----------------------------------|-----------------------------------|
| 2007/08 | 7 (+15) | 190 | 105 (+13) |
| 2008/09 | 6 (+7) | 10 | 2 (+19) |
| 2009/10 | 5 (+6) | 250 | 169 (+10) |
| 2010/11 | 2 (+12) | 8 | 1 (+31) |
| 2011/12 | 3 (+17) | 23 | 3 (+38) |
| 5-yr average | 5 (+11) | 96 | 56 (+22) |

Notes:

See page 2 for definition of foreign.

1. Figures preceded by '+' are for foreign productions undertaking only PDV work in Australia.
2. Total budgets include only foreign titles shot in Australia – total budgets for foreign PDV-only titles are not available.

TV DRAMA

Foreign TV drama activity accounted for a total of \$8 million in Australian expenditure in 2011/12, well down on last year. However, expenditure was still above the previous two years, as high-budget foreign TV drama productions boosted the results. High-budget US TV drama *Terra Nova* featured in last year's figures. Five foreign titles started shooting in Australia in 2011/12: the US series pilot *The Frontier*, series *Jiang Ai (Cherish Your Love Forever)* (China), *Miracle of Love* (Thailand), *Bade Achhe Lagte Hain* (India), and the Sri Lankan telemovie *Mini Muthu*. No drama titles commenced PDV work in Australia without shooting here.

| | NO. ¹ | TOTAL BUDGETS (\$M) ² | SPEND IN AUST. (\$M) ¹ |
|--------------|------------------|----------------------------------|-----------------------------------|
| 2007/08 | 1 (+0) | 150 | 134 (+0) |
| 2008/09 | 2 (+2) | 2 | 1 (+<1) |
| 2009/10 | 2 (+0) | 15 | <1 (+0) |
| 2010/11 | 2 (+1) | 68 | 54 ³ |
| 2011/12 | 5 (+0) | 13 | 8 (+0) |
| 5-yr average | 2 (+1) | 49 | 39 (+<1) |

Notes:

1. Figures preceded by '+' are for foreign productions undertaking only PDV work in Australia.
2. Total budgets include only foreign titles shot in Australia – total budgets for foreign PDV-only titles are not available.
3. Figures combined for confidentiality reasons.



UNDERGROUND: THE JULIAN ASSANGE STORY ↑



SATELLITE BOY ↑

PDV work on foreign features in Australia reached a five-year high at \$38 million.

Drama production by location

EXPENDITURE BY STATE

The largest proportion of drama production activity in 2011/12 occurred in NSW, accounting for just over half of the slate (51 per cent), mainly due to the high budget-feature *The Great Gatsby* and TV dramas such as *Tricky Business*, *Puberty Blues*, *Underbelly: Badness*, *Packed to the Rafters series 5* and *Rake series 2*. The co-production feature *Mothers* also contributed to NSW expenditure. Victorian activity contributed 34 per cent of total production expenditure, with the domestic high-budget feature *I, Frankenstein* and TV dramas *Miss Fisher's Murder Mysteries*, *Offspring series 3*, *The Doctor Blake Mysteries*, *Winners & Losers series 2* and *House Husbands*.

After two strong years, expenditure in Queensland dropped to 10 per cent this year, with no significant foreign activity in this year's slate. Last year saw the TV drama *Terra Nova* (US), and 2009/10 the feature film *The Chronicles of Narnia: The Voyage of the Dawn Treader* (US). Australian titles producing in Queensland this year included TV dramas *Reef Doctors* and *Mako Mermaids*, co-production features *The Railway Man* and *Deception*, and local features *Mental* and *Bad Karma*.

Activity in South Australia was mainly related to foreign PDV work, including *The Hunger Games*, *Gravity* and *Prometheus*, while West Australian production has picked up again with features *Drift* and *Satellite Boy* and TV drama *The Great Mint Swindle*.



Feature film and TV drama production activity (\$m) by location of expenditure

| \$M | NSW | QLD | SA | VIC | WA | TAS/NT/ACT |
|---------|-----|-----|----|-----|----|-----------------|
| 2007/08 | 249 | 135 | 33 | 256 | 22 | 1 |
| 2008/09 | 451 | 47 | 29 | 164 | 18 | 4 |
| 2009/10 | 192 | 224 | 22 | 277 | 23 | 1 |
| 2010/11 | 204 | 140 | 20 | 125 | | 8 ¹ |
| 2011/12 | 315 | 65 | 16 | 212 | | 15 ¹ |

| % | NSW | QLD | SA | VIC | WA | TAS/NT/ACT |
|---------|-----|-----|----|-----|----|-----------------|
| 2007/08 | 36% | 19% | 5% | 37% | 3% | <1% |
| 2008/09 | 63% | 7% | 4% | 23% | 3% | 1% |
| 2009/10 | 26% | 30% | 3% | 37% | 3% | <1% |
| 2010/11 | 41% | 28% | 4% | 25% | | 2% ¹ |
| 2011/12 | 51% | 10% | 3% | 34% | | 2% ¹ |

Notes: 1. Figures combined for confidentiality reasons.

LOCATION OF PRODUCTION COMPANY

As an indication of where production activity is being generated, the report also allocates the budget of each Australian feature and TV drama program to where the production company is based in Australia, rather than where the shoot takes place.

Feature film and TV drama activity generated by NSW-based companies significantly increased in 2011/12, and continued to account for the majority of production (79 per cent), due to high-budget features *The Great Gatsby* (Bazmark Film Pty Ltd) and *I, Frankenstein* (NSW-based company IFrankenstein Productions Pty Ltd).

Total budgets for feature film and TV drama production (\$m) by location of Australian production company

| \$M | NSW | QLD | SA | VIC | WA | ACT/TAS/NT |
|---------|-----|-----|----|-----|----|------------|
| 2007/08 | 402 | 51 | 5 | 89 | 22 | 0 |
| 2008/09 | 521 | 25 | 4 | 184 | 19 | 3 |
| 2009/10 | 404 | 18 | 23 | 131 | 33 | 2 |
| 2010/11 | 287 | 67 | 3 | 90 | 1 | 0 |
| 2011/12 | 538 | 39 | 3 | 98 | 2 | 0 |

| % | NSW | QLD | SA | VIC | WA | ACT/TAS/NT |
|---------|-----|-----|-----|-----|-----|------------|
| 2007/08 | 71% | 9% | 1% | 16% | 4% | 0% |
| 2008/09 | 69% | 3% | 1% | 24% | 2% | <1% |
| 2009/10 | 66% | 3% | 4% | 21% | 5% | <1% |
| 2010/11 | 64% | 15% | 1% | 20% | <1% | 0% |
| 2011/12 | 79% | 6% | <1% | 14% | <1% | 0% |

Titles in the 2011/12 slate

| AUSTRALIAN FEATURES | |
|------------------------------------|--|
| DOMESTIC ³ | |
| 100 Bloody Acres | Cyan Films |
| 1500 Steps | Earl Street Pictures |
| 52 Tuesdays | Closer Productions |
| Animals | Film'D Media |
| Around the Block | Kick Pictures, Tree (Australia) |
| The Astronaut | Gil & Stine International Pty Ltd |
| Bad Karma | Limelight International Media Entertainment Pty Ltd, Zero Gravity Management |
| Being Venice | Dragonet Films Pty Ltd |
| Blinder | Milwaukee Productions Pty Ltd |
| Convict | Gold Marquee Film & Entertainment |
| Dead Europe | See-Saw Films Pty Ltd, Porchlight Films Pty Ltd |
| Drift | World Wide Mind Films |
| Fatal Honeymoon | Cascade Films Pty Ltd |
| Forbidden Ground | Armzfx Pty Ltd, Scarlet Fire Films |
| The Great Gatsby | Bazmark Film Pty Limited |
| Housos vs Authority | No Authority Films Pty Ltd |
| How to Rob A Bank in 10 Easy Steps | GMA Films, Madsav Films |
| I, Frankenstein | IFrankenstein Productions Pty Ltd |
| Inner Demon | Demon Girl Productions Pty Ltd |
| The Jungle | Mysterious Light Pty Ltd |
| Kath & Kimderella | Twenty First Century Foxy Morons Pty Ltd, RTP Film Productions |
| Last Dance | FG Film Productions (Australia) Pty Ltd, Ulah Pty Ltd |
| The Last Man on Earth | Piratedog Productions |
| Lorem Ipsum | Lorem Ipsum |
| Mental | Mental Productions Pty Ltd |
| Model Behaviour | NH Productions |
| Mystery Road | Mystery Road Films Pty Ltd |
| Not Suitable for Children | 20 Something Survival Guide Pty Ltd |
| Only the Young Die Good | Southside Productions |
| The Playbook | Shearwater Entertainment |
| The Rocket | Red Lamp Films Pty Ltd |
| The Sapphires | Goalpost Pictures Australia |
| Satellite Boy | Satellite Films Pty Ltd |
| Save Your Legs! | Another Man's Box (Vic) Pty Ltd |
| The Three Ages of Sasha | Rok Starr Films, Argeesa Cine Productions |
| Throwback | Sapphire Pictures |
| Wail Away | LipkinFilms |
| CO-PRODUCTIONS | |
| Deception (Australia/Canada) | Limelight International Media Entertainment Pty Ltd |
| Lore (Australia/Germany) | Porchlight Films Pty Ltd |

| | |
|--------------------------------|---|
| Mothers (Australia/France) | The Grandmothers Pty Ltd |
| The Railway Man (Australia/UK) | Pictures in Paradise, Archer Street Ltd |

FOREIGN FEATURES

| | |
|-------------------------------|---|
| Destination Kathmandu (Nepal) | Sunrise EnterSunrise Group Investments, Janapukar Media House |
| From Sydney With Love (India) | Films and Casting Temple Pty Ltd, Pramod Films |

| | |
|---|-----------------------------------|
| Hayabusa: The Long Journey Home (Japan) | Nagoya Broadcasting Network (NBN) |
|---|-----------------------------------|

PDV-ONLY

| | |
|--|--|
| The Avengers (US) | Paramount Pictures, Marvel Entertainment, Marvel Studios |
| Chained (US) | Myriad Pictures, Envision Media Arts, RGB Productions |
| Emperor (US) | Krasnoff Foster Productions, Fellers Film |
| The Flowers of War (PRC) | New Picture Film Co, EDKO Film, New Picture Company |
| Gravity (US/UK) | Warner Bros Pictures, Heyday Films, Reality Media |
| Hanyut/Alamayer's Folly (Malaysia) | Tanah Licin Sdn Bhd |
| The Hobbit: An Unexpected Journey (US/New Zealand) | New Line Cinema Corporation, Metro-Goldwyn-Mayer (MGM), Wingnut Films |
| The Hunger Games (US) | Lions Gate Films, Colour Force |
| Journey 2: The Mysterious Island (US) | Contrafilm, New Line Cinema, Walden Media |
| Lego: The Piece of Resistance (US) | Warner Bros Pictures |
| The Lucky One (US) | Warner Bros Pictures, Village Roadshow Pictures, DiNovi Pictures, Langley Park Productions |
| Mission Impossible: Ghost Protocol (US) | Paramount Pictures, Skydance Productions, Bad Robot, FilmWorks, Stilling Films, TC Productions |
| Prometheus (US) | Twentieth Century Fox Film Corporation, Dune Entertainment, Scott Free Productions, Brandywine |
| Red Tails (US) | Twentieth Century Fox Film Corporation, Lucasfilm, Partnership Pictures |
| Saving General Yang (HK/PRC) | Pegasus Motion Picture Film, Screen Film Group, Huayi Brothers |
| Shankar's I (India) | Aascar Film |
| Ted (US) | Universal Pictures, Media Rights Capital, Fuzzy Door Productions, Bluegrass Films, Smart Entertainment |

Note:

³ Includes all Australian features that started principal photography in 2011/12. Features with budgets under \$500,000 are only included in the statistics if they have had a festival screening or cinema release, see page 19, Methodology.

| AUSTRALIAN TV DRAMA | |
|---------------------------------------|---|
| DOMESTIC | |
| Series/Serials | |
| At Home With Julia | Quail Television Pty Ltd, Australian Broadcasting Corporation |
| Good News World | GNW TV Pty Ltd |
| Home and Away series 25 | Seven Network Operations Limited |
| Laid series 2 | Laid 2 Pty Ltd |
| Lowdown series 2 | High Wire Films |
| Micro Nation | Freehand Productions Pty Ltd |
| A Moody Christmas | Jungleboys |
| Neighbours series 29 | FremantleMedia Australia |
| Packed to the Rafters series 5 | Seven Productions |
| Please Like Me | Pigeon Fancier Productions, Australian Broadcasting Corporation |
| The Strange Calls | Hoodlum Entertainment and Hoodlum Active |
| Winners & Losers series 2 | Seven Network |
| Mini-series | |
| Brothers in Arms | Screentime Pty Ltd |
| Devil's Dust | FremantleMedia Australia |
| The Doctor Blake Mysteries | December Media Pty Ltd |
| House Husbands | Playmaker 1 SPV Pty Ltd |
| Howzat! Kerry Packer's War | Southern Star Entertainment Pty Ltd |
| Offspring series 3 | Southern Star Entertainment Pty Ltd |
| Miss Fisher's Murder Mysteries | Every Cloud Productions |
| Puberty Blues | Southern Star Entertainment Pty Ltd |
| Rake series 2 | Essential Media and Entertainment |
| Redfern Now | Blackfella Films Pty Ltd |
| Reef Doctors | Jonathan M Shiff Productions Pty Ltd |
| | Jahm Pictures, Time Productions |
| Time of Our Lives | No 1 Pty Ltd |
| Top of the Lake | See-Saw Films Pty Ltd |
| Tricky Business | Screentime Pty Ltd |
| Underbelly: Badness series 5 | Screentime Pty Ltd |
| Telemovies | |
| Beaconsfield | Southern Star John Edwards |
| Cliffy | Clock End Films Pty Limited |
| Dangerous Remedy | Summer Offensive Pty Ltd |
| Dripping in Chocolate | Southern Star Entertainment Pty Ltd |
| The Great Mint Swindle | Cordell Jigsaw Productions, Zinc Finger Films |
| Jack Irish: Bad Debts | Essential Media and Entertainment |
| Jack Irish: Black Tide | Essential Media and Entertainment |
| Mabo | Tradewind Films Pty Ltd, Blackfella Films Pty Ltd |
| Mystery of a Hansom Cab | Burberry Entertainment Pty Ltd |
| Underground: The Julian Assange Story | Matchbox Pictures Pty Ltd |

| Children's | |
|--|---|
| Bananas in Pyjamas series 6 | Southern Star Entertainment Pty Ltd, Southern Star Singapore |
| Exchange Student Zero | Bogan Entertainment Solutions |
| In Your Dreams | Southern Star Entertainment Pty Ltd |
| Mako Mermaids | Jonathan M Shiff Productions Pty Ltd |
| Teenage Fairytale Dropouts | SLR Productions |
| You're Skitting Me | Jigsaw Entertainment Pty Ltd, Australian Children's Television Foundation |
| CO-PRODUCTIONS | |
| Adult | |
| Mrs Biggs: The Untold Story, Behind the Great Train Robbery (Australia/UK) | ITV Studios Global Entertainment, Seven Productions, February Films Pty Ltd |
| Children's | |
| Vicky the Viking (Australia/France) | ASE Studios Pty Ltd |
| FOREIGN TV DRAMA | |
| Bade Achhe Lagte Hain (India) | Balajii Telefilms |
| The Frontier (US) | Sony Pictures Television |
| Jiang Ai (Cherish Your Love Forever) (China) | Beijing Century Spring Media, Beijing Gallop Horse Film & TV Production, Le Grand Films |
| Mini Muthu (Sri Lanka) | Sandamalie Moragolla, Sanjaya Moragolla, Dr Asela Panditha |
| Miracle of Love (Thailand) | Ecom Locations Facilitation Company |



BEACONSFIELD ↑

PDV services

This section incorporates data from a separate survey of companies providing post-production, digital and visual effects (PDV) services.

The data focuses on income to companies in the PDV sector and is presented according to when income was earned. It is therefore not comparable with the data in

the main body of the report. For example, the income to PDV companies shown here for 2011/12 came from expenditure not only by projects which began in 2011/12 (the '2011/12 slate' referred to in the main body of the report) but also by projects continuing production from previous years.

Income from PDV work on features and TV drama has averaged \$153 million annually over the past five years.

Income from Australian PDV work on features and TV drama (\$m), 2007/08–2011/12

| SM | AUSTRALIAN | | | FOREIGN | | TOTAL |
|---------------------|------------|---------------|------------------|-------------------|-------------------|-------------|
| | DOMESTIC | CO-PRODUCTION | TOTAL AUSTRALIAN | SHOT IN AUSTRALIA | PDV ONLY IN AUST. | |
| FEATURES | | | | | | |
| 2007/08 | 50 | 2 | 52 | 9 | 10 | 71 |
| 2008/09 | 92 | 3 | 95 | 1 | 9 | 105 |
| 2009/10 | 134 | 15 | 149 | 1 | 16 | 165 |
| 2010/11 | 93 | 2 | 94 | <1 | 36 | 130 |
| 2011/12 | 43 | 2 | 45 | 0 | 40 | 85 |
| <i>5-yr average</i> | <i>82</i> | <i>4</i> | <i>87</i> | <i>2</i> | <i>22</i> | <i>111</i> |
| TV DRAMA | | | | | | |
| 2007/08 | 34 | 9 | 43 | <1 | 0 | 43 |
| 2008/09 | 42 | 7 | 48 | 1 | <1 | 50 |
| 2009/10 | 41 | 5 | 46 | 0 | 0 | 46 |
| 2010/11 | 38 | 1 | 39 | 0 | 1 | 40 |
| 2011/12 | 30 | 1 | 30 | <1 | 0 | 30 |
| <i>5-yr average</i> | <i>37</i> | <i>4</i> | <i>41</i> | <i><1</i> | <i><1</i> | <i>42</i> |
| TOTAL | | | | | | |
| 2007/08 | 85 | 10 | 95 | 9 | 10 | 114 |
| 2008/09 | 133 | 10 | 143 | 3 | 9 | 155 |
| 2009/10 | 175 | 20 | 195 | 1 | 16 | 211 |
| 2010/11 | 131 | 2 | 134 | <1 | 37 | 171 |
| 2011/12 | 73 | 2 | 75 | <1 | 40 | 115 |
| <i>5-yr average</i> | <i>119</i> | <i>9</i> | <i>128</i> | <i>3</i> | <i>22</i> | <i>153</i> |
| % share | 78% | 6% | 84% | 2% | 15% | 100% |

Note: Figures may not total exactly due to rounding.

In 2011/12, total income from PDV work on Australian and foreign drama titles declined to \$115 million, which was significantly down on both 2010/11 and the five-year average, due to a drop in the number of domestic features in production last year.

Services to Australian productions accounted for the majority (84 per cent) of this work (average \$128 million annually) over the last five years, with titles including features *Australia*, *Legend of the Guardians: The Owls of Ga'Hoole*, *Happy Feet Two* and *The Sapphires*.

However, income from foreign PDV only titles remained strong in 2011/12, reaching a five-year high of \$40 million, the second consecutive year above \$30 million. Several factors have contributed to this recent growth. The increase of the PDV Offset from 16.5 per cent to 30 per cent last year and the earlier lowering of the threshold from \$5 million to \$500,000 gave Australian PDV companies with a solid domestic reputation the chance to work on a number of large-

budget, high-profile international productions. The resulting activity provided both a platform in which to showcase their talent and the opportunity to establish an international profile and a reputation for quality work. Based on survey data, 14 projects would have been eligible for the PDV Offset in 2011/12.

In 2011/12, companies such as Animal Logic, Fuel VFX, Rising Sun Pictures and Itoura had the opportunity to work on big-budget productions, including features *The Avengers*, *Prometheus*, *Mission Impossible: Ghost Protocol*, *Ted* and *The Hunger Games*, as well as complete production on last year's slate of titles, including *Ghost Rider: Spirit of Vengeance*. Other new large-scale feature productions such as *Lego: The Piece of Resistance*, *The Incredible Burt Wonderstone* and *Gravity* will see post-production work continue into 2012/13.

This international reputation for quality has allowed PDV companies to take a more proactive approach by establishing relationships and joint ventures

with international partners while others are able to leverage strong relationships with Australians working internationally. For example, Kojo's relationship with Australian director Scott Hicks resulted in post-production being undertaken in Australia for the US feature *The Lucky One*.

The wide range of PDV-only work on recent foreign features and TV dramas carried out by Australian companies includes visual effects, sound mixing, foley

and ADR, as well as traditional post-production activities, such as editing. Visual effects make up approximately 91 per cent of the value of PDV income earned on PDV-only foreign features and TV drama over the last five years. The remaining 9 per cent was made up of digital and non-digital post-production, including sound post-production and other digital production such as scanning and digital colour grading.

Income from Australian PDV work on features and TV drama by state (\$m), 2007/08–2011/12

| | NSW | VIC | QLD | SA | WA, TAS,NT, ACT | TOTAL |
|---------------------|------------|------------|-----------|-----------|-----------------|-------------|
| 2007/08 | 68 | 15 | 22 | 6 | 2 | 114 |
| 2008/09 | 109 | 27 | 5 | 10 | 4 | 155 |
| 2009/10 | 158 | 23 | 8 | 20 | 1 | 211 |
| 2010/11 | 101 | 45 | 3 | 20 | 2 | 171 |
| 2011/12 | 67 | 32 | 2 | 13 | <1 | 115 |
| 5-yr average | 101 | 29 | 8 | 14 | 2 | 153 |
| % share | 66% | 19% | 5% | 9% | 1% | 100% |

Note: Figures may not total exactly due to rounding.

INCOME BY STATE

A substantial proportion of PDV work in Australia is undertaken in NSW, which accounted for 66 per cent (\$101 million annually) of spending on PDV in the five years 2007/08 to 2011/12. NSW companies provided PDV services for features such as *The Sapphires*, *The Great Gatsby*, *The Avengers* and *Happy Feet Two*.

The balance of PDV work over the period was spread between Victoria at 19 per cent (average \$29 million) of the total, followed by South Australia (9 per cent; \$14 million), Queensland (5 per cent; \$8 million) and the remaining states and territories (1 per cent; \$2 million). PDV is an area of film activity where the smaller states have been able to consistently compete with their larger counterparts with an estimated 45 per cent of expenditure on PDV-only projects being spent in South Australia in 2011/12, compared with 37 per cent in NSW.

Titles undertaking PDV in Victoria included features *Kath & Kimderella*, *Emperor*, *Ted* and *Ghost Rider: Spirit of Vengeance*. Queensland projects included TV dramas *K9*, *Oakie's Outback Adventures* and *Lightning Point*. PDV projects undertaken in South Australia included the features *The Hunger Games*, *Gravity* and *Prometheus*.

PUBERTY BLUES ↓



ABOUT THE PDV DATA

Companies identified by Screen Australia as providing PDV services for features and TV drama were surveyed, and this data was used to supplement the main report data. PDV is defined as a set of activities rather than a stage in the production process (see Key terms on page 2).

To provide a sense of the ongoing business activity of PDV companies in a given financial year (rather than according to an annual slate of productions or titles), income has been assigned to the year it was earned rather than allocated to the start of the shoot or PDV in Australia. As a result, the figures in this

section may include projects that commenced shooting or PDV work in the previous financial years and cannot be compared with figures in the main body of the report, which are based on principal photography or PDV start date.

Note that this data relates to the production of features and TV drama only and so does not cover all PDV activity in Australia. The most recent data from the Australian Bureau of Statistics indicates that Australian companies received income of \$427.6 million in 2006/07 from the provision of PDV services across all audiovisual production, with 43 per cent accounted for by feature films and TV drama. Other areas of PDV activity include commercials and other TV productions.

METHODOLOGY

- Compiled by Screen Australia's Producer Offset & Co-production Unit, using data collected in the administration of the Producer Offset, incorporating production data gathered by the Strategy & Research Unit through contact with production companies and from publicly available sources. PDV data is gathered through surveying PDV companies.
- The following federal and state government funding agencies provide data on titles they have funded and, in the case of state agencies, titles shot and/or post-produced in their state: Screen Australia (including the former Film Finance Corporation Australia and the Australian Film Commission), Screen NSW, Film Victoria, South Australian Film Corporation, Screen Queensland, ScreenWest, Screen Tasmania and Screen Territory.
- In some cases, estimates have been made where data was not available.
- Foreign projects are included in the report when a substantial amount is shot in Australia or when PDV work is undertaken in Australia. Where only one or two episodes of a foreign series are shot in Australia or where the spend is less than 10 per cent of the total budget, only the budgets for the episodes shot in Australia are included in the total.
- Features with budgets under \$500,000 are only included if they have had a screening at a festival or cinema release.
- Spending in Australia may include some expenditure on foreign production elements – for example, fees for non-Australian actors or other individuals while working in Australia. Likewise spending in a particular state may include fees for elements from outside the state such as foreign or interstate cast or crew.
- When analysing sources of finance, the ABC and SBS are categorised as film and TV industry, rather than as government sources. This reflects industry perception of the public broadcasters as part of the broadcast sector rather than government film agencies. In addition to the federal, state and territory film agencies (listed above), government sources may include direct finance from other government agencies and departments, including the Australian Children's Television Foundation and the Adelaide and Melbourne Film Festival Funds.
- Funding figures from government agencies may not correlate with the figures in this report because this report includes projects according to the start date of principal photography rather than contract dates.
- Contributions to TV drama by broadcasters in this report do not correlate with expenditure reported by the Australian Communications and Media Authority (ACMA) in the *Broadcasting Financial Results* (BFR). This report analyses finance sources in place at the start of production while the BFR reports expenditure by the commercial free-to-air broadcasters on screened programs during the year and includes amortisation costs for programs purchased in previous years and programs purchased after completion. For pay TV, ACMA reports annual expenditure by drama channels on 'eligible Australian drama', including licence fees, production expenses and limited pre-production costs. Expenditure on features may be apportioned across financial years. For both free-to-air and pay TV, the ACMA figures can include expenditure on New Zealand programs, following the 'Australian content' definition.
- Sketch comedy programs are included in line with ACMA's definition of TV drama under the Australian Content Standard.
- In categorising titles as either mini-series or series, Screen Australia has followed the definitions set out in Division 10BA of the *Income Tax Assessment Act 1936*.
- Series of telemovies are counted by the number of individual titles.
- Data is updated on an ongoing basis, with the result that some discrepancies with previously published reports may appear. The discrepancies reflect new information or adjustments to methodology.
- Figures may not total exactly due to rounding.



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