



Drama Report

Production of feature
films and TV drama in
Australia in 2015/16

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Screen Australia is grateful to all those who 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.

Cover image: Leah Purcell and Jessica Mauboy on the set of *The Secret Daughter*.



Australian Government





Contents

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, 2011/12 to 2015/16. Foreign titles are included if they are shot (or substantially shot) in Australia, or have post, digital or visual effects (PDV) work carried out in Australia without shooting here.

See page 4 for definitions of 'Australian', 'domestic', 'co-production' and 'foreign'.

Feature films and TV dramas represent about 30 per cent of all audiovisual production in Australia. Other areas of activity include documentaries, light entertainment, commercials, music videos, corporate videos and TV productions such as sport, news and current affairs.

See the statistics section of the Screen Australia website for details at screenaustralia.gov.au/fact-finders/production-trends, and the relevant archives for pre-2011/12 data.

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Breath

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 started; budgets are not apportioned across the duration of the project. Total budgets are 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 PDV work in Australia began rather than 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 of 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 are not eligible for the Producer Offset. This also includes those projects accessing the PDV 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 regulations applying to broadcasters,

the report mainly focusses on 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 networks, where no independent production company is credited as producer or co-producer.

'PDV' (post, digital 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.

'Location Offset' is a 16.5 per cent rebate which supports the production of large-budget film and television projects shot in Australia.

'PDV Offset' is a 30 per cent rebate which supports work on post, digital and visual effects production (PDV) in Australia, regardless of where a project is shot.

'Producer Offset' is a 40 per cent rebate on the qualifying spend of qualifying Australian films and a 20 per cent rebate for other qualifying media.

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 30.



Highlights

\$843 million total production expenditure

1% below last year's all-time record but above the five-year average

29 Australian features \$194 million

59% increase from last year but below the five-year average

58 Australian TV dramas \$376 million

At a record high, boosted by strong adult mini-series production

31 foreign projects \$273 million

Down 37% from last year's record but above the five-year average

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 financial year.

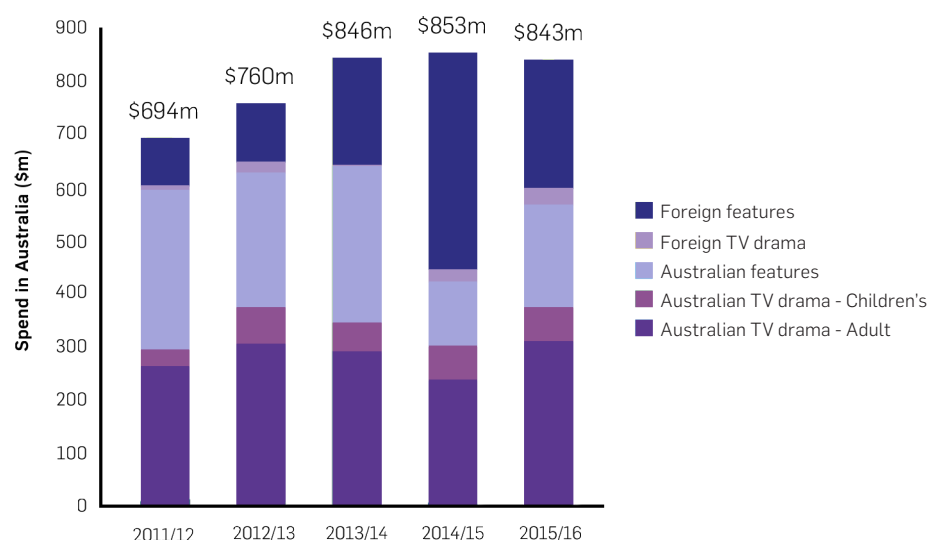
DRAMA EXPENDITURE IN AUSTRALIA

- **Total expenditure** in Australia by the 2015/16 drama slate was \$843 million, down by one per cent on last year's \$853 million.
- **Australian TV drama expenditure** hit a record high of \$376 million, driven by strong adult mini-series production. Children's TV drama expenditure increased slightly on last year.
- **Australian feature production expenditure** rose to \$194 million, supported by studio financed domestic film *Hacksaw Ridge* and the Australia/China co-production title, *Nest*.
- **Foreign activity** accounted for expenditure in Australia of \$273 million in 2015/16 – slightly lower than last year's record high, but still above the five-year average. There were seven features and two TV dramas that commenced shooting in Australia during this period along with 15 features and seven TV drama projects undertaking PDV in Australia without shooting here.

EXPENDITURE BY LOCATION

- Of the total 2015/16 drama expenditure, over half (55 per cent) was incurred in New South Wales, 26 per cent in Victoria and 12 per cent in Queensland.

Total expenditure 2015/16



Hacksaw Ridge

All drama production

Total expenditure in Australia by the 2015/16 drama slate was \$843 million, comprising \$570 million by Australian projects and \$273 million by foreign productions.

Five-year summary, 2011/12–2015/16

Year	Australian ¹										Foreign ²		Total		
	Offset ¹		Non-offset ¹		Domestic ¹		Co-production ¹		Total Australian		No. titles	Spend \$m	No. titles	Spend \$m	
	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m	No. titles	Spend \$m					
Annual feature slate															
2011/12	31	302	3	1	30	271	4	32	34	303	20	90	54	393	
2012/13	n.p.	n.p.	n.p.	n.p.	37	255	0	0	37	255	14	110	51	365	
2013/14	n.p.	n.p.	n.p.	n.p.	36	289	3	9	39	298	24	203	63	501	
2014/15	n.p.	n.p.	n.p.	n.p.	35	121	2	1	37	122	14	410	51	532	
2015/16	n.p.	n.p.	n.p.	n.p.	28	n.p.	1	n.p.	29	194	22	242	51	437	
5-yr av	32	234	3	1	33	222	2	12	35	235	19	211	54	446	
Annual TV drama slate (see page 11 for details of programs for adults vs children)															
2011/12	39	226	6	67	43	n.p.	2	n.p.	45	293	5	8	50	301	
2012/13	45	298	12	76	51	360	6	14	57	374	2	21	59	395	
2013/14	37	244	14	99	48	327	3	16	51	343	2	1	53	345	
2014/15	32	211	16	89	44	281	4	20	48	300	2	21	50	321	
2015/16	37	262	21	113	57	n.p.	1	n.p.	58	376	9	31	67	407	
5-yr av	38	248	14	89	49	323	3	15	52	337	4	16	56	354	
Total annual feature and TV drama slate³															
2011/12	70	528	9	68	73	n.p.	6	n.p.	79	596	25	98	104	694	
2012/13	n.p.	n.p.	n.p.	n.p.	88	615	6	14	94	629	16	131	110	760	
2013/14	n.p.	n.p.	n.p.	n.p.	84	616	6	25	90	642	26	204	116	846	
2014/15	n.p.	n.p.	n.p.	n.p.	79	401	6	21	85	423	16	431	101	853	
2015/16	n.p.	n.p.	n.p.	n.p.	85	536	2	34	87	570	31	273	118	843	
5-yr av	70	482	17	90	82	545	5	27	87	572	23	228	110	799	

Notes: Figures may not total exactly due to rounding.

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

1. See page 4 for definitions.

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

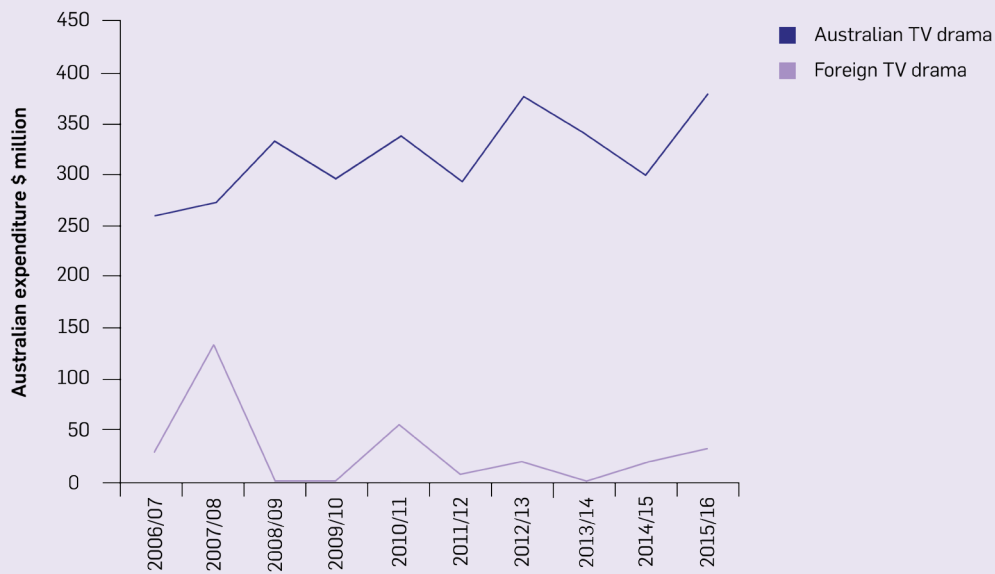
3. The annual slate is defined as productions that started principal photography during the year.

PRODUCTION TRENDS

Features – Spend



TV Drama – Spend



Notes:

1. Australian includes both domestic and co-production.
2. Foreign productions include both productions that started principal photography during the year and productions undertaking only PDV work in Australia.



Australian feature slate

All Australian features

	Domestic features ¹			Co-production features ¹			Total		
	No. titles	Total budgets \$m	Spend \$m	No. titles	Total budgets \$m	Spend \$m	No. titles	Total budgets \$m	Spend \$m
2011/12	30	328	271	4	44	32	34	372	303
2012/13	37	305	255	0	0	0	37	305	255
2013/14	36	325	289	3	35	9	39	360	298
2014/15	35	127	121	2	4	1	37	131	122
2015/16	28	n.p.	n.p.	1	n.p.	n.p.	29	207	194
5yr av	33	253	222	2	22	12	35	275	235

The 2015/16 Australian feature slate comprised 29 titles, accounting for expenditure in Australia of \$194 million - an increase from last year, supported by two large budget films – the US studio-financed *Hacksaw Ridge* and the Australia/China co-production *Nest*.

Australian feature film activity on the rise thanks to the studio-financed film *Hacksaw Ridge* and the high budget co-production *Nest*

FEATURE BUDGET RANGES

As usual, the majority of Australian films in this year's slate were made for under \$6 million (22 films, 76 per cent of the total slate) with the greatest concentration of films between \$1-3 million (11 films, 38 per cent of the total slate).



All Australian features (domestic and co-production)

	Domestic					Co-production					Total				
	11/12	12/13	13/14	14/15	15/16	11/12	12/13	13/14	14/15	15/16	11/12	12/13	13/14	14/15	15/16
< \$1m	7	14	9	6	n.p.	0	0	0	0	n.p.	7	14	9	6	2
\$1-3m	9	9	8	18	n.p.	0	0	0	2	n.p.	9	9	8	20	11
\$3-6m	7	7	10	6	n.p.	1	0	1	0	n.p.	8	7	11	6	9
\$6-10m	2	3	6	1	n.p.	1	0	0	0	n.p.	3	3	6	1	3
\$10m+	5	4	3	4	n.p.	2	0	2	0	n.p.	7	4	5	4	4
TOTAL	30	37	36	35	28	4	0	3	2	1	34	37	39	37	29
% < \$1m	23%	38%	25%	17%	n.p.	0%	0%	0%	0%	n.p.	21%	38%	23%	16%	7%
% < \$3m	53%	62%	47%	69%	n.p.	0%	0%	0%	100%	n.p.	47%	62%	44%	70%	45%
% < \$6m	77%	81%	75%	86%	n.p.	25%	0%	33%	100%	n.p.	71%	81%	72%	86%	76%
% \$6m+	23%	19%	25%	14%	n.p.	75%	0%	67%	0%	n.p.	29%	19%	28%	14%	24%
% \$10m+	17%	11%	8%	11%	n.p.	50%	0%	67%	0%	n.p.	21%	11%	13%	11%	14%

Notes:

1. Features with budgets of less than \$500,000 are included in the report only 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 2015/16. See page 30, Methodology.

SOURCES OF FINANCE FOR AUSTRALIAN FEATURES

Foreign investors contributed the highest proportion of finance to this year's feature slate, providing \$68.8 million to 16 titles, accounting for 33 per cent of total finance. The presence of both a studio-backed film and a high budget co-production boosted contributions from foreign sources.

The Producer Offset, cashflowed by producers in various ways, accounted for \$65 million or 31 per cent of total finance. Most of this year's Offset cashflow came from private/bank loans, followed by the film and television industry itself (see 'Snapshot 2015/16' below).

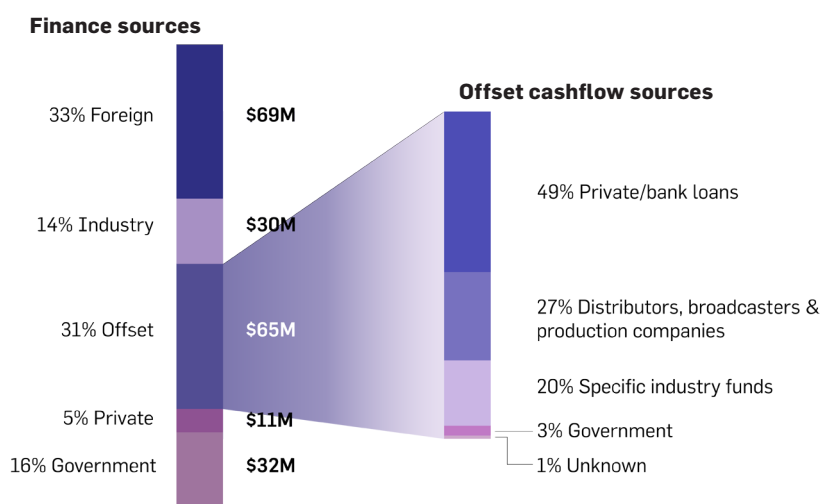
Direct government sources contributed 16 per cent of total finance for the slate, providing \$32.4 million to 22 features, up from last year's \$25.5 million for 27 films. The majority came from Screen Australia, investing \$18 million in 16 of the features that started production during the year, on par with last year's amount given to 21 features. The state agencies provided \$14 million to 22 features.

This was significantly higher than both the \$6 million for 21 features last year and the 5-year average, as a handful of titles received substantial amounts of state agency support. Financial contributions from each of the state agencies fluctuate year-to-year, in line with production schedules in each state. This year, around 81 per cent of total state agency finance came from Screenwest, Screen NSW and Film Victoria. The Melbourne International Film Festival financed three titles, the Adelaide Film Festival one title and the Australian Children's Television Foundation provided funding to two features.

The Australian film/TV industry (mainly distribution and production companies) contributed \$29.8 million to 28 Australian features, accounting for 14 per cent of total finance.

Australian private investment was down somewhat on last year, adding \$11 million to the total finance for 21 films.

SNAPSHOT 2015/16



Notes: Figures may not total exactly due to rounding.

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

1. Includes direct funding from Australian state and federal agencies and funding bodies (see page 30). Equity investments only – distribution guarantees, loans and underwriting are not included.

2. 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 feature slate (domestic and co-production), 2011/12–2015/16

	Contribution \$m	% of total finance	No. films invested in
DIRECT GOVERNMENT SOURCES¹			
2011/12	37.2	10%	25
2012/13	35.4	12%	25
2013/14	29.7	8%	25
2014/15	25.5	19%	27
2015/16	32.4	16%	22
5-yr av	32.0	12%	25
AUSTRALIAN PRIVATE INVESTORS			
2011/12	8.8	2%	16
2012/13	7.3	2%	24
2013/14	15.7	4%	24
2014/15	15.0	11%	25
2015/16	11.4	5%	21
5-yr av	11.6	4%	22
PRODUCER OFFSET			
2011/12	106.0	29%	31
2012/13	90.0	29%	n.p.
2013/14	93.5	26%	n.p.
2014/15	39.8	30%	n.p.
2015/16	65.0	31%	n.p.
5-yr av	78.9	29%	32
AUSTRALIAN FILM/TV INDUSTRY²			
2011/12	26.4	7%	28
2012/13	81.1	27%	30
2013/14	36.7	10%	32
2014/15	25.5	19%	35
2015/16	29.8	14%	28
5-yr av	39.9	15%	31
FOREIGN INVESTORS			
2011/12	193.4	52%	19
2012/13	91.5	30%	17
2013/14	184.4	51%	20
2014/15	24.9	19%	13
2015/16	68.8	33%	16
5-yr av	112.6	41%	17

Australian TV drama slate

The 2015/16 Australian TV drama slate comprised 58 titles generating 561 hours, and spending \$376 million in Australia. This was the strongest year of production to date with the number of titles, total budgets and expenditure reaching record highs. The records were driven by increased levels of adult mini-series production.

One co-production title started production in 2015/16, the children's animation *Beat Bugs* (Australia/Canada).

Of the 58 total titles, 37 utilised the Producer Offset. These titles accounted for 70 per cent of expenditure and 35 per cent of hours. Not all TV drama projects are eligible to apply for the Offset. Only the first 65 hours of a title (across all seasons) are eligible, and the QAPE per hour must reach minimum thresholds in order to qualify.



Doctor Doctor

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												
2011/12	35	213	221	203	3	257	61	61	38	470	282	264
2012/13	36	257	259	250	4	245	55	55	40	502	314	305
2013/14	33	200	234	223	7	272	68	68	40	472	302	291
2014/15	26	145	179	177	9	257	60	60	35	402	239	237
2015/16	34	184	247	245	10	262	68	65	44	446	315	310
5-yr av	33	200	228	220	7	259	62	62	39	458	290	281
PROGRAMS FOR CHILDREN												
2011/12	4	47	41	23	3	33	12	6	7	79	53	30
2012/13	9	88	63	48	8	71	31	21	17	159	94	69
2013/14	4	40	33	21	7	91	53	31	11	131	86	53
2014/15	6	54	49	34	7	62	46	29	13	116	95	64
2015/16	3	14	17	17	11	101	83	49	14	115	101	66
5-yr av	5	48	41	29	7	72	45	27	12	120	86	56
TOTAL TV DRAMA SLATE³												
2011/12	39	260	262	226	6	290	73	67	45	549	335	293
2012/13	45	345	322	298	12	316	85	76	57	661	407	374
2013/14	37	240	267	244	14	363	121	99	51	603	388	343
2014/15	32	199	229	211	16	319	105	89	48	518	334	300
2015/16	37	197	264	262	21	364	151	113	58	561	416	376
5-yr av	38	248	269	248	14	330	107	89	52	578	376	347

Notes: Figures may not total exactly due to rounding.

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

1. See page 4 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.

All Australian TV drama (by domestic/co-production)

	Domestic ¹				Co-production 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												
2011/12	37	465	273	n.p.	1	5	9	n.p.	38	470	282	264
2012/13	38	490	301	300	2	12	12	5	40	502	314	305
2013/14	39	465	284	283	1	7	17	8	40	472	302	291
2014/15	34	396	227	227	1	6	12	10	35	402	239	237
2015/16	44	446	315	310	0	0	0	0	44	446	315	310
5-yr av	38	452	280	276	1	6	10	5	39	458	290	281
PROGRAMS FOR CHILDREN												
2011/12	6	60	36	24	1	20	17	5	7	79	53	30
2012/13	13	117	71	60	4	43	23	9	17	159	94	69
2013/14	9	99	63	44	2	33	24	8	11	131	86	53
2014/15	10	80	65	54	3	36	30	10	13	116	95	64
2015/16	13	102	n.p.	n.p.	1	13	n.p.	n.p.	14	115	101	66
5-yr av	10	91	60	47	2	29	25	9	12	120	86	56
TOTAL TV DRAMA SLATE³												
2011/12	43	525	309	n.p.	2	25	26	n.p.	45	549	335	293
2012/13	51	606	372	360	6	55	35	14	57	661	407	374
2013/14	48	564	347	327	3	40	41	16	51	603	388	343
2014/15	44	476	292	281	4	42	42	20	48	518	334	300
2015/16	57	548	n.p.	n.p.	1	13	n.p.	n.p.	58	561	416	376
5-yr av	49	544	341	323	3	35	35	15	52	578	376	337

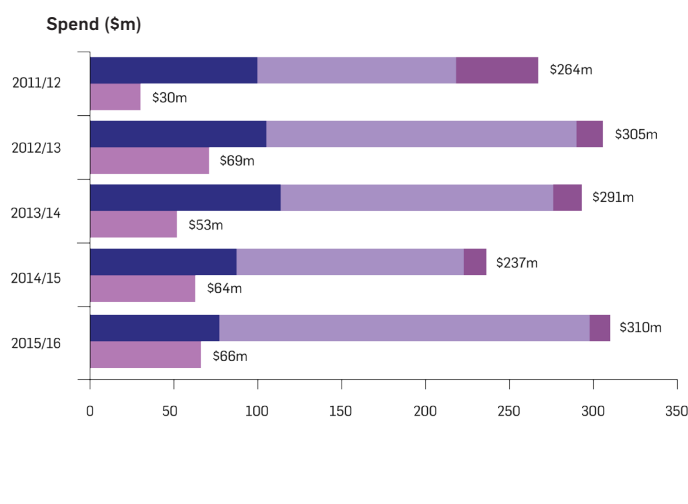
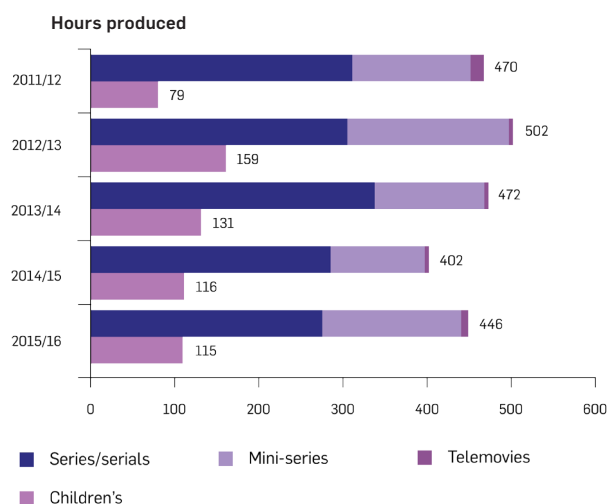
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1. See page 4 for definitions.

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.



PROGRAMS FOR ADULTS

The adult TV drama slate comprised 44 titles which generated 446 hours of production. They had total budgets of \$315 million, \$310 million of which was allocated to expenditure in Australia. All indicators were up on last year, with the number of titles produced, budgets and expenditure at record highs, driven by strong mini-series production.

Although the volume of hours was up on last year, it still lingered below the five-year average and reinforced the move away from long-form series and serials toward short-form series and mini-series.

Production of **mini-series** generally entails 'quality' programs with up to 13 one-hour episodes. The 2015/16 mini-series levels were the strongest ever recorded in terms of the number of titles produced, total budgets and Australian expenditure. The majority of

titles in the slate had total durations under 10 hours and there wasn't a single title made up of 13 hours. The cost per hour for mini-series continued to rise. 2015/16 mini-series included returning seasons of *The Code*, *The Doctor Blake Mysteries*, *Janet King*, *Rake* (all ABC), *House Husbands* (Nine), *Offspring* (Ten), *A Place to Call Home*, *Top of the Lake* and *Wentworth* (all Foxtel). There were also several new titles in the mix, a screen adaptation of Christos Tsiolkas' *Barracuda* (ABC), *Deep Water* (SBS), *The Secret Daughter* (Seven), *Doctor Doctor*, (Nine), *The Wrong Girl* (Ten) and *Secret City* (Foxtel). See page 22 for the full list

The **series/serials** category encompasses long-form programs (more than 13 hours total duration), as well as multi-part programs with episodes shorter than one commercial broadcast hour. Production of this format

decreased even further from last year. 2015/16 marked the first year where the slate did not comprise any series titles over 20 hours other than the two long-running serials *Home and Away* (Seven) and *Neighbours* (Ten). Previous years have included at least one long-form series, such as *Packed to the Rafters* (2007/08-2011/12), *Winners & Losers* (2010/11-2013/14), *Wonderland* (2012/13-2013/14) and *Open Slather* (2014/15). Therefore, most of the series in this year's slate were half-hour comedy formats with total durations below eight hours and the remainder had episode lengths below 30 minutes. They included returning seasons of *Black Comedy*, *Soul Mates* and *Upper Middle Bogan* and new titles *The Divorce* and *Rosehaven* (all ABC), *Here Come the Habibs* (Nine) and *Pacific Heat* (Foxtel). See page 22 for the full list.

This year's slate featured three series made for broadcaster catch-up or Subscription Video On Demand (SVOD) services – *DAFUQ?*, *The Katering Show series 2* (ABC iview) and *No Activity series 2* (Stan). See page 22 for more information on drama made for online delivery.

Telemovie production levels were similar to last year, with the same number of titles produced, but slight decreases in total budgets and expenditure. This year's slate included Presto's *Home and Away: An Eye for an Eye* - plus *Top Knot Detective* (SBS), *Mary: The Making of a Princess* (Ten) and two-part telemovie *Hoges: The Paul Hagan Story* (Seven).

Overall, the Seven and Ten Networks continued to account for the lion's share of adult TV drama hours produced, principally due to their flagship serials, *Home and Away* and *Neighbours*. Production for the ABC continued to be strong this year, accounting for the largest share of total budgets of any single broadcaster since 2011/12.

Subscription television again had its strongest production year on record with *Secret City* and animated adult title *Pacific Heat* as well as season returns – *Top of the Lake*, *Wentworth* and *A Place to Call Home* (licensed from the Seven Network).

The highest financial contribution from a single broadcaster came from the ABC, followed by the Seven and Ten Networks.

Australian TV drama (by format)

	No.	Hours ¹	Total budgets (\$m)	Total spend (\$m)	Av. cost/hr (\$m)
SERIES/SERIALS (in-house productions in brackets)					
2011/12	12 (3)	313	100	100	0.318
2012/13	13 (2)	308	106	105	0.344
2013/14	20 (3)	332	117	117	0.352
2014/15	14 (2)	284	85	85	0.299
2015/16	15 (1)	274	78	78	0.286
5-yr av	15 (2)	302	97	97	0.321
MINI-SERIES (in-house productions in brackets)					
2011/12	16	139	150	132	1.080
2012/13	22 (2)	186	194	187	1.043
2013/14	15 (1)	132	169	158	1.281
2014/15	15 (2)	109	138	136	1.268
2015/16	23	162	222	220	1.368
5-yr av	18 (1)	146	175	167	1.199
TELEMOVIES (in-house productions in brackets)					
2011/12	10	18	33	33	1.794
2012/13	5	8	14	14	1.805
2013/14	5 (1)	8	16	16	2.037
2014/15	6	9	16	16	1.876
2015/16	6	10	15	11	1.534
5-yr av	6 (<1)	10	19	18	1.798

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).

Expenditure on children's TV drama increased on last year and the five-year average, while hours decreased due to a fall-off in co-productions.



PROGRAMS FOR CHILDREN

The 2015/16 Australian **children's drama** slate comprised 115 hours of programs with total budgets of \$101 million and Australian expenditure of \$66 million. Total budgets and expenditure remained strong. The number of hours produced declined and was below the five-year average, due to a fall-off in co-productions.

There was one co-production in the slate, *Beat Bugs* with Canada. There's been an average of two co-productions in the slate over the last five years.

In 2015/16, children's TV drama programs made for the ABC accounted for the largest share of both hours and expenditure, while the Seven Network had the largest share of total budgets. The ABC was attached to four live action programs, *Little Lunch series 2*, *Nowhere Boys: Two Moons Rising*, *Tomorrow When the War Began*, *You're Skitting Me series 3* and one animation, *Kazoops*. The Seven Network had co-production title *Beat Bugs* and *The Wild Adventures of Blinky Bill*. A telemovie and series of *Fanshaw & Crudnut* as well as a second series of *The Skinner Boys* were made for the Nine Network. There were also *KuuKuu Harajuku series 2* and *Lexi & Lottie* for Network Ten and *Balloon Barnyard* for Disney Channel. NITV's first children's drama commission, *Little J & Big Cuz*, was also in production.

Children's TV drama production tends to fluctuate from year to year, and the broadcasting compliance regulations for the commercial free-to-air networks ensure a balance over time. Within the 260 hours of Children's (C) programming, commercial television licensees must broadcast at least 25 hours of first-release Australian children's drama programs each year and at least 96 hours over a three-year period. In the last financial year, the Seven Network provided production finance to 26 hours (two titles), consistent with last year and similar to its activity in previous years. The Nine Network financed 28 hours (three titles), an increase from 12 hours for two titles last year. Network Ten financed 26 hours (two titles) a slight decrease from last year's 34 hours for three titles.

Children's TV drama (by domestic/co-production)

	No.	Hours ¹	Total budgets (\$m)	Total spend (\$m)	Av. cost/hr (\$m)
DOMESTIC					
2011/12	6	60	36	24	0.599
2012/13	13	117	71	60	0.606
2013/14	9	99	63	44	0.637
2014/15	10	80	65	54	0.809
2015/16	13	102	n.p.	n.p.	n.p.
5-yr av	10	91	60	47	0.661
CO-PRODUCTION					
2011/12	1	20	17	5	0.865
2012/13	4	43	23	9	0.543
2013/14	2	33	24	8	0.730
2014/15	3	36	30	10	0.827
2015/16	1	13	n.p.	n.p.	n.p.
5-yr av	2	29	25	9	0.880
TOTAL					
2011/12	7	79	53	30	0.665
2012/13	17	159	94	69	0.589
2013/14	11	131	86	53	0.660
2014/15	13	116	95	64	0.815
2015/16	14	115	101	66	0.879
5-yr av	12	120	86	56	0.714

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).

SOURCES OF FINANCE FOR AUSTRALIAN TV DRAMA

The Australian film/TV industry provided just over half of the total finance for this year's Australian TV drama slate (53 per cent), contributing \$219 million to 57 titles. The largest proportion (and the largest from any sector) came from the commercial free-to-air networks. The largest contribution from a single broadcaster came from the ABC, which provided finance to 21 titles. Subscription television financed six titles and wasn't far behind last year's record contribution to the TV drama slate. SBS, SVOD players, distributors and production companies provided the rest of the finance.

The **Producer Offset** contributed \$46 million to 37 titles and made up 11 per cent of the total TV drama finance. The industry continued to be the dominant source of Offset cashflow, with the larger production companies tending to find the funds from their own resources (see 'Snapshot 2015/16' on page 16).

The **PDV Offset** added \$11 million to the slate and was utilised by twelve Australian TV drama titles.

Direct government sources supported 47 programs for \$45 million and accounted for 11 per cent of total finance. This was up on last year's \$33 million (10 per cent), with contributions from both federal and state funding bodies above their five-year averages. Screen Australia was the major source of government funds, providing \$27 million to 31 titles, a rise from \$21 million for 22 titles last year. Screen Australia supported 53 per cent of the titles starting principal photography in 2015/16, compared to an average of 40 per cent over the previous four years. The state agencies contributed \$13 million to 44 titles, a slight increase from \$11 million provided to 30 titles last year. The majority (71 per cent) came from Film Victoria and Screen NSW. Other government funding was provided by the Australian Children's Television Foundation (ACTF) to four children's drama titles and the Department of Immigration & Border Protection funded *Journey*.

Foreign investors provided \$92 million to 34 titles - the highest amount of foreign finance since 2001/02, boosted by a small number of titles with substantial amounts of foreign investment.

Private investment increased a little, but continued to be the lowest contributor to overall TV drama finance.

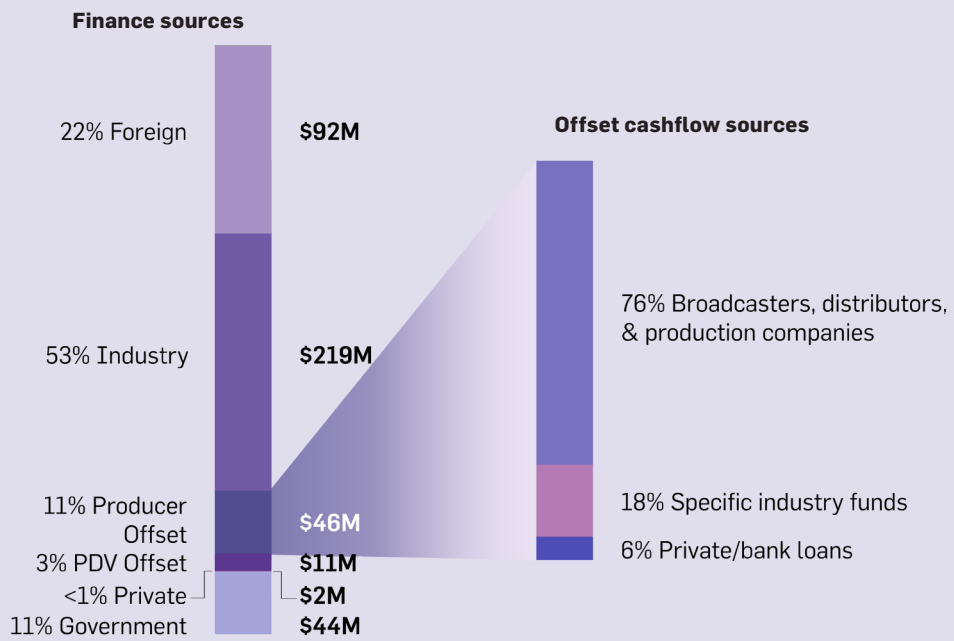
Contributions to the annual Australian TV drama slate (domestic and co-production), 2011/12–2015/16

	Contribution \$m	% of total finance	No. programs invested in
DIRECT GOVERNMENT SOURCES¹			
2011/12	30.9	9%	33
2012/13	37.9	9%	34
2013/14	28.2	7%	33
2014/15	32.9	10%	33
2015/16	44.2	11%	47
5-yr av	34.8	9%	36
AUSTRALIAN PRIVATE INVESTORS			
2011/12	<1	<1%	1
2012/13	<1	<1%	3
2013/14	<1	<1%	4
2014/15	<1	<1%	2
2015/16	2.5	<1%	5
5-yr av	1	<1%	3
PRODUCER OFFSET			
2011/12	40.3	12%	39
2012/13	51.7	13%	45
2013/14	43.8	11%	37
2014/15	37.8	11%	32
2015/16	45.7	11%	37
5-yr av	43.9	12%	38
PDV OFFSET			
2013/14	6.5	2%	7
2014/15	7.4	2%	7
2015/16	11.5	3%	12
AUSTRALIAN FILM/TV INDUSTRY²			
2011/12	212.3	63%	43
2012/13	270.4	66%	57
2013/14	244.4	63%	48
2014/15	201.7	60%	48
2015/16	219.4	53%	57
5-yr av	229.6	61%	51
FOREIGN INVESTORS			
2011/12	50.9	15%	19
2012/13	47.2	12%	29
2013/14	65.4	17%	27
2014/15	53.6	16%	21
2015/16	92.3	22%	34
5-yr av	61.9	16%	26

Notes: Figures may not total exactly due to rounding.

1. Includes direct funding from Australian state and federal agencies and funding bodies (see page 30). Equity investments only – distribution guarantees, loans and underwriting are not included.
2. 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.

SNAPSHOT 2015/16



The Wrong Girl

Foreign production

Total income from foreign shoot and PDV-only titles reached \$273 million in 2015/16, down 37 per cent on the record high of 2014/15 but up 20 per cent on the five-year average.

FEATURES

Seven foreign features started shooting in Australia in 2015/16, bringing with them \$195 million in expenditure. This was a drop of 17 per cent on the decade high of 2014/15 but remained well above the five-year average of \$138 million. Driving the result was spend from the US features *Alien: Covenant* and *Kong: Skull Island*. Other titles included *The Shallows* (US), *A Single Rider* (South Korea) and three Indian productions - *Big Daddy*, *Raj Kumara* and *Sardarji 2*.

With *Thor: Ragnarok* and *Bleeding Steel* already in production and *Pacific Rim: Maelstrom* about to commence, foreign feature production in 2016/17 is off to a strong start.

With no large-scale foreign animation features commencing PDV work in 2015/16, foreign PDV-only expenditure fell 73 per cent to \$48 million (from \$177 million in 2014/15) and was 35 per cent below the five-year average. Despite the drop, the number of titles was up 67 per cent to 15 and the sector continued work on projects that commenced work in 2014/15 (such as two films in the *LEGO*® franchise and the

Australian feature *Gods of Egypt*). 2015/16 titles included *Deadpool*, *Deepwater Horizon*, *Doctor Strange*, *Ghostbusters*, *Guardians of the Galaxy: Vol. 2*, *Underworld: Blood Wars* and *X-Men: Apocalypse*.

The Australian dollar remained competitive in 2015/16 (generally sitting below US\$0.77) thereby assisting companies to effectively leverage both the 16.5 per cent Location Offset and the 30 per cent PDV Offset to attract foreign productions.

TV DRAMA

Foreign TV drama activity accounted for \$31 million in Australian expenditure in 2015/16, up 49 per cent on 2014/15's \$21 million and almost double the five-year average. Nine titles contributed to this result: two foreign shoot titles (the US sci-fi series *Hunters* and *The Tale of a Bosom Male Friend* from China), as well as a record seven PDV-only TV titles including *Game of Thrones series 6*, *Powers series 2*, *Underground series 2* and the two-part mini-series *Saints & Strangers* for National Geographic.

Foreign production - foreign shoot and PDV-only, 2011/12-2015/16

	No. ¹	Total budgets (\$m) ²	Spend in Aust. (\$m)
FOREIGN FEATURES			
2011/12	3 (+17)	23	3 (+87)
2012/13	6 (+8)	155	100 (+10)
2013/14	9 (+15)	278	159 (+44)
2014/15	5 (+9)	n.p.	234 (+177)
2015/16	7 (+15)	477	195 (+48)
5-yr av	6 (+13)	261	138 (+73)
FOREIGN TV DRAMA			
2011/12	5 (+0)	13	8 (+0)
2012/13	2 (+0)	22	21 (+0)
2013/14	2 (+0)	8	1 (+0)
2014/15	1 (+1)	n.p.	21 ³
2015/16	2 (+7)	37	21 (+10)
5-yr av	2 (+2)	22	14 (+2)
TOTAL FOREIGN			
2011/12	8 (+17)	36	11 (+87)
2012/13	8 (+8)	177	121 (+10)
2013/14	11 (+15)	286	160 (+44)
2014/15	6 (+10)	403	431 ³
2015/16	9 (+22)	513	216 (+58)
5-yr av	8 (+14)	283	152 (+75)

Notes:

See page 4 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.
3. Figures combined for confidentiality reasons.



Game of Thrones series 6

***Alien: Covenant*, *Kong: Skull Island* and *The Shallows* drove foreign shoot expenditure in 2015/16.**

Drama production by location

EXPENDITURE BY STATE

NSW accounted for just over half of total Australian expenditure in 2015/16 (55 per cent), with a boost from foreign films *Alien: Covenant* (US) and *Big Daddy* (India) as well as local films, *Hacksaw Ridge* and *Science Fiction Volume One: The Osiris Child*. There was also a strong TV drama presence in the state with titles such as *Doctor Doctor* and returning seasons of *Home and Away*, *A Place to Call Home* and *Top of the Lake: China Girl*.

Victorian productions accounted for 26 per cent of total Australian expenditure driven by strong PDV-only activity for US titles, including *Doctor Strange*, *Ghostbusters*, *Underworld: Blood Wars* and *Games of Thrones series 6* along with both shoot and post for US TV drama *Hunters*. Children's TV drama *Tomorrow When the War Began* and adult TV drama series returns of *House Husbands*, *Neighbours* and *Wentworth* were among other titles shooting in Victoria.

Queensland had the third largest share of total production expenditure. Titles shot and/or post-produced in the state included two US films, *Kong: Skull Island* and *The Shallows*, the co-production *Nest*, domestic feature *Jungle* as well as TV dramas *Wanted* and *Paul Hogan*. There was also PDV-only work undertaken on second seasons of *Powers* and *Underground*.

Expenditure in **South Australia** increased on last year. Stan's *Wolf Creek series* and domestic features *Bad Blood* and *Boys in the Trees* undertook production activities in the state along with foreign PDV-only work on *X-Men Apocalypse*, and *xXx: The Return of Xander Cage* and *Games of Thrones series 6*.

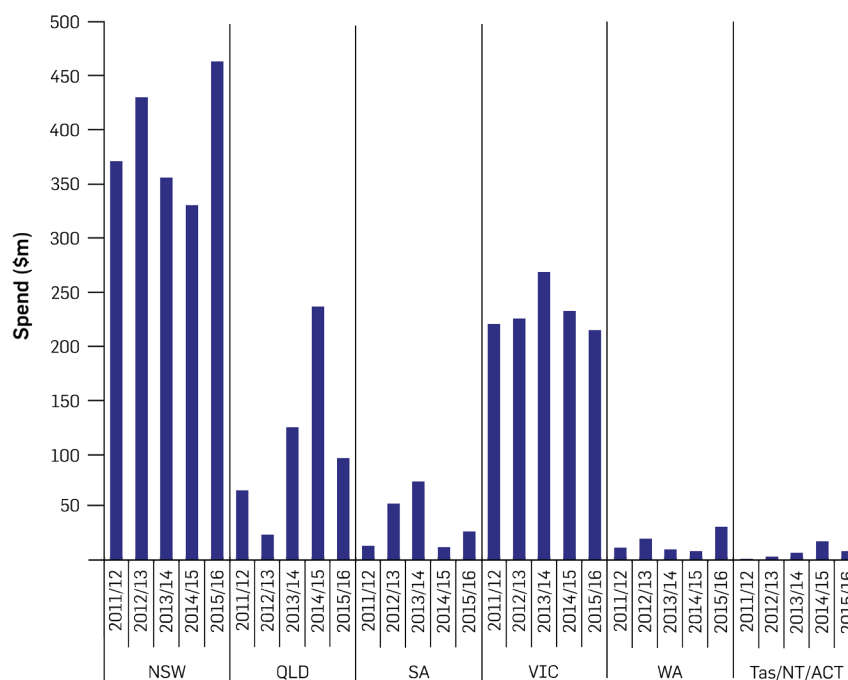
Western Australia recorded its highest expenditure to date (\$28 million, 3 per cent of total expenditure) supported by a number of local features including *A Few Less Men*, *Bad Girl*, *Breath*, *Hounds of Love*, *Jasper Jones* and *OtherLife*.

Expenditure in the remaining states decreased on last year's high but remained strong (\$12 million, 1 per cent). **Tasmania** was the location for local TV drama *Rosehaven*. There were also children's animations *Fanshaw & Crudnut* and *Little J & Big Cuz*. The **ACT** featured in *Secret City* and the second season of *The Code*.

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

	NSW	QLD	VIC	SA	WA	Tas/NT/ACT
\$m						
2011/12	373	66	223	17	15	1
2012/13	433	23	226	52	22	4
2013/14	354	129	266	74	14	9
2014/15	335	238	234	14	13	20
2015/16	463	97	217	27	28	12
%						
2011/12	54%	10%	32%	2%	2%	<1%
2012/13	57%	3%	30%	7%	3%	1%
2013/14	42%	15%	31%	9%	2%	1%
2014/15	39%	28%	27%	2%	1%	2%
2015/16	55%	12%	26%	3%	3%	1%

Spend by State (\$m)



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 continued to account for the highest proportion of production in 2015/16 (71 per cent). Victorian companies accounted for a quarter of total budgets.

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

	NSW	QLD	VIC	SA	WA	Tas/NT/ACT
\$m						
2011/12	558	46	98		5 ¹	0
2012/13	575	20	94	5		19 ¹
2013/14	609	17	97	11		15 ¹
2014/15	257	7	172	6	15	8
2015/16	442	8	156		17 ¹	
%						
2011/12	79%	6%	14%		1% ¹	0%
2012/13	81%	3%	13%	1%		3% ¹
2013/14	81%	2%	13%	1%		2% ¹
2014/15	55%	1%	37%	1%	3%	2%
2015/16	71%	1%	25%		3% ¹	

Notes:

1. Figures combined for confidentiality reasons.



Focus: TV drama online

The world of professionally-produced online drama continues to rapidly grow, with an explosion in the number of video-on-demand services driving a steep increase in the amount of content commissioned specifically for these platforms. Some of these productions are captured within the statistics of this report – content of at least 60 minutes total duration that is released on a broadcaster's catch-up TV service or a subscription VOD platform. These titles are:

- *DAFUQ?*
- *The Katering Show series 2*
- *No Activity series 2*
- *Wolf Creek series*

Programs distributed over the internet should not be assumed to be low-budget, otherwise 'unprofessional', or made for a niche audience. While some online projects have small budgets, and might be made by emerging creatives or as a test for a new concept, others such as Stan's *Wolf Creek* are created by experienced teams using similar budgets to traditional TV drama. Several webseries, including *The Katering Show*, have attracted notable investment and/or sales from foreign subscription video-on-demand platforms.

A wide range of professionally-produced online drama is funded by Screen Australia, other funding agencies and traditional and online broadcasters, and is not captured by this report because it is less than 60 minutes in duration, or was released via a platform not affiliated with a traditional TV or subscription streaming service. This includes titles such as the YouTube series *Versus*, which as of October 2016 has amassed more than 92 million views, and *Aunty Donna: 1999* which also attracted millions of views and a large increase in subscribers. For more information and a full list of these Australian online drama projects, go to : screenaustralia.gov.au/fact-finders/production-trends/tv-drama-production/online-drama



Titles in the 2015/16 slate

AUSTRALIAN FEATURES

Domestic¹

Title	SA Funded	Production Company	Release Date
Ali's Wedding	✓	Matchbox Productions Pty Ltd	
Bad Blood		FG Film Productions (Australia) Pty Ltd	
Bad Girl		Bad Girl Holdings Pty Ltd	
Berlin Syndrome	✓	Berlin Syndrome Productions Pty Ltd	
Boar		Slaughter FX Pty Ltd	
Boys in the Trees	✓	Mushroom Pictures Pty Ltd	20/10/2016
Breath	✓	Breath Productions Pty Limited	
Colonel Panics		Big Panic	
Cooped Up		Volare Pictures	
Dance Academy: The Movie	✓	Werner Film Productions	
The Death and Life of Otto Bloom	✓	Otto Bloom Optimism Film Pty Ltd, Optimism Film Pty Ltd	
Don't Tell		Fornillo Road, Tojohage Productions	
EMO the Musical	✓	Matthewswood Pty Ltd	
A Few Less Men	✓	AFLM Gorean Productions Pty Ltd	
Hacksaw Ridge		Cosmos Filmed Entertainment Pty Ltd	3/11/2016
Hounds of Love	✓	Factor 30 Films Pty Ltd	
Indigo Lake		Cobbstar Productions	
I, Timon		Noah's Art Movies	
Jasper Jones	✓	Bucktin Holdings Pty Ltd	
Jungle	✓	Arclight Films International Pty Ltd	
Killing Ground	✓	Hypergiant Films Pty Ltd, Campfire Films Pty Ltd	
The Lucifer Killings		Red Rock Pictures Pty Ltd	
My Neighbour Martika		The Proletariat	
Nowhere Boys: The Book of Shadows	✓	Matchbox Productions Pty Ltd, Nowhere Boys Pictures Pty Ltd	1/01/2016
OtherLife	✓	Otherlife Films Pty Limited	
Out of the Shadows		Bronte Pictures	
The Pretend One		Imaginary Friend Film Pty Ltd	
Raising the Bar		Glenpictures Pty Ltd	
Red Christmas		Red Christmas Pty Ltd	
Safe Neighborhood		Safe Movie Pty Ltd	
Science Fiction Volume One: The Osiris		Storm Vision Entertainment Pty Ltd	
Spin Out	✓	Wykono Pty Limited, Stella Rose Productions	15/09/2016
The Spirit of the Game		The Steve Jaggi Company	
That's Not Me		Storey Kids Pty Ltd	
You're Not Thinking Straight		Luke Sullivan	
Zelos		Painted Gate Pictures	

¹Includes all Australian features that started principal photography in 2015/16. Features with budgets of less than \$500,000 are included in the report only if they have had a cinema release or major festival screening, see page 30, Methodology.

Co-productions

Nest	✓	Nest Film Sleeping Otters Productions Pty Ltd
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FOREIGN FEATURES

Alien: Covenant (US)	20th Century Fox, Scott Free Productions, Brandywine Productions, TSG Entertainment
Big Daddy (India)	Dwibro Films Pty Ltd, Dwibro Films Pvt Ltd India
Kong: Skull Island (US)	Legendary Pictures, Warner Bros.
Raj Kumara (India)	
Sardaarji 2 (Canada/India)	White Hill Production
The Shallows (US)	Columbia Pictures, Ombra Films, Weimaraner Republic Pictures
A Single Rider (South Korea)	Perfect Storm Film, Curious Film

PDV-only

The Boy (US/China)	Lakeshore Entertainment, Huayi Brothers Pictures, Vertigo Entertainment, STX Entertainment
Captain America: Civil War (US)	Marvel Studios, Marvel Entertainment, Deluxe Digital Studios
Deadpool (US)	Twentieth Century Fox Film Corporation, Marvel Entertainment, Kinberg Genre, The Donners' Company, TSG Entertainment
Deepwater Horizon (US)	Summit Entertainment, Participant Media, Di Bonaventura Pictures, Closest to the Hole Productions, Leverage Entertainment
Doctor Strange (US)	Marvel Studios, Walt Disney Studios Motion Pictures
First They Killed My Father: A Daughter of Cambodia Remembers (US)	Netflix
Ghostbusters (US)	LStar Capital, Village Roadshow Pictures, Columbia Pictures, The Montecito Picture Company, Pascal Pictures, Feigco Entertainment
The Great Wall (US/China)	Legendary Pictures, Le Vision Pictures, Atlas Entertainment, Kava Productions
Guardians of the Galaxy: Vol.2 (US)	Marvel Studios
The Last Witch Hunter (US)	Atmosphere Entertainment MM, One Race Films, Goldmann Pictures, Aperture Entertainment, Summit Entertainment
The LEGO® Movie Sequel (US)	Vertigo Entertainment, Animal Logic Vancouver, The LEGO® Group, Lin Pictures, RatPac-Dune Entertainment, Village Roadshow Pictures, Warner Animation Group
SpongeBob SquarePants 3 (US)	Nickelodeon Movies, Paramount Animation, United Plankton Pictures
Underworld: Blood Wars (US)	Lakeshore Entertainment, Screen Gems, Sketch Films
X-Men: Apocalypse (US)	The Donners' Company, Marvel Entertainment, TSG Entertainment, Bad Hat Harry Productions, Kinberg Genre, Twentieth Century Fox Film Corporation
xXx: The Return Of Xander Cage (US)	One Race Films, Revolution Studios, Maple Cage Productions

AUSTRALIAN TV DRAMA

Domestic

Series/serials

Title	SA Funded	Duration	Broadcaster	Production Company	First Release
ABC Comedy Showroom	✓	6 x 30 mins	ABC	Princess Pictures Pty Ltd, Goalpost Pictures Australia Pty Ltd, Renegade Films (Australia) Pty Ltd, Hamster Dwarf, Mad Kids, Sticky Pictures Pty Ltd	27/04/2016
Black Comedy series 2		6 x 30 mins	ABC	Scarlett Pictures Pty Limited	3/02/2016
DAFUQ?		6 x 15 mins	ABC	Mad Kids	15/2/2016
The Divorce	✓	4 x 30 mins	ABC	Princess Pictures Holdings Pty Ltd	7/12/2015
Fancy Boy	✓	6 x 30 mins	ABC	FDTV Productions Pty Ltd, December Media Pty Ltd	
Here Come the Habibs! series 1	✓	6 x 30 mins	Nine	Habibs TV Pty Ltd	9/02/2016
Home and Away series 29		230 x 30 mins	Seven	Seven Network Operations Limited	1/02/2016
The Katering Show series 2	✓	8 x 10 mins	ABC	Katering Productions Pty Ltd	3/08/2016
Neighbours series 33		240 x 30 mins	Ten	FremantleMedia Australia	4/01/2016
No Activity series 2		6 x 30 mins	Stan	Jungle FTV Pty Ltd	26/10/2016
Pacific Heat		13 x 30 mins	Foxtel	Working Dog Pty Ltd	
Rosehaven	✓	8 x 30 mins	ABC	Guesswork Television Pty Ltd	
Soul Mates series 2	✓	6 x 30 mins	ABC	Soul HQ Pty Ltd	3/08/2016
Starting From Now series 4 and 5	✓	4 x 30 mins	SBS	Common Language Films Pty Ltd	7/03/2016
Upper Middle Bogan series 3		8 x 30 mins	ABC	Gristmill Pty Ltd	12/10/2016

Mini-series

Title	SA Funded	Duration	Broadcaster	Production Company	First Release
Barracuda	✓	4 x 60 mins	ABC	Matchbox Productions Pty Ltd, Barracuda Productions Pty Ltd	10/07/2016
Blue Murder: Killer Cop	✓	2 x 120 mins	Seven	Endemol Shine Australia Pty Ltd	
Brock	✓	2 x 90 mins	Ten	Endemol Shine Australia Pty Ltd	9/10/2016
The Code series 2	✓	6 x 60 mins	ABC	Playmaker Media Pty Ltd	1/09/2016
Deep Water	✓	4 x 60 mins	SBS	Blackfella Films Pty Ltd	5/10/2016
The Doctor Blake Mysteries series 4		8 x 60 mins	ABC	January Productions Pty Ltd, December Media Pty Ltd	5/02/2016
Doctor Doctor	✓	10 x 60 mins	Nine	Essential Media and Entertainment	14/09/2016
House Husbands series 5		12 x 60 mins	Nine	Playmaker Media Pty Ltd	
House of Bond	✓	2 x 90 mins	Nine	Cordell Jigsaw Zapruder	
Hyde and Seek		8 x 60 mins	Nine	Matchbox Productions Pty Ltd	3/10/2016
Jack Irish	✓	6 x 60 mins	ABC	Essential Media and Entertainment	11/02/2016
Janet King series 2		8 x 60 mins	ABC	Screentime Pty Limited	24/03/2016
Offspring series 6		10 x 60 mins	Ten	Endemol Australia Pty Ltd, Shine Productions 3 Pty Ltd	29/06/2016

A Place to Call Home series 4		12 x 60 mins	Foxtel	Seven Productions Pty Limited	11/09/2016
Rake series 4		8 x 60 mins	ABC	Essential Media and Entertainment	19/05/2016
Secret City	✓	6 x 60 mins	Foxtel	Matchbox Productions Pty Ltd, Secret City Productions Pty Ltd	5/06/2016
The Secret Daughter	✓	6 x 60 mins	Seven	Screentime Pty Limited	3/10/2016
Seven Types of Ambiguity	✓	6 x 60 mins	ABC	Matchbox Productions Pty Ltd, Seven Types Productions Pty Ltd	
Top of the Lake: China Girl series 2		6 x 60 mins	BBC First/ Foxtel	See-Saw Films (TV) Pty Ltd	
Wanted series 1	✓	6 x 60 mins	Seven	Matchbox Productions Pty Ltd	9/02/2016
Wentworth series 4		12 x 60 mins	Foxtel	FremantleMedia Australia	10/05/2016
Wolf Creek series	✓	6 x 60 mins	Stan	Emu Creek Pictures Pty Ltd, Screentime Pty Limited	12/5/2016
The Wrong Girl	✓	8 x 60 mins	Ten	Playmaker Media Pty Ltd	28/09/2016

Telemovies

Title	SA Funded	Duration	Broadcaster	Production Company	First Release
Hoges: The Paul Hogan Story part 1	✓	120 mins	Seven	FremantleMedia Australia	
Hoges: The Paul Hogan Story part 2	✓	120 mins	Seven	FremantleMedia Australia	
Home and Away: An Eye for an Eye		66 mins	Presto	Seven Productions Pty Limited	9/12/2015
Journey		90 mins	International	Put It Out There Pictures Pty Ltd	
Mary: The Making of a Princess	✓	90 mins	Ten	FremantleMedia Australia	15/11/2015
Top Knot Detective	✓	90 mins	SBS	Blue Forest Media Pty Ltd	28/09/2016

Children's

Title	SA Funded	Duration	Broadcaster	Production Company	First Release
Balloon Barnyard		26 x 7 mins	Disney Channel	Like A Photon Creative Pty Ltd	
Fanshaw & Crudnut		52 x 15 mins	Nine	Blue Rocket Productions Pty Ltd, Beyond Screen Production Pty Ltd	
Fanshaw & Crudnut - Attack of the Slug Santas		90 mins	Nine	Blue Rocket Productions Pty Ltd, Beyond Screen Production Pty Ltd	
Kazoops		78 x 7 mins	ABC	Cheeky Little Media Pty Limited, Kazoops Pty Ltd	1/8/2016
KuuKuu Harajuku series 2		52 x 15 mins	Ten	Moody Street Kids Pty Ltd, Vision Animation SDN BHD	
Lexi & Lottie		26 x 30 mins	Ten	SLR Productions Pty Ltd, Telegael	
Little J & Big Cuz	✓	13 x 15 mins	NITV	Ned Lander Media Pty Limited	
Little Lunch series 2	✓	2 x 30 mins	ABC	Gristmill Pty Ltd	
Nowhere Boys: Two Moons Rising	✓	13 x 30 mins	ABC	Matchbox Productions Pty Ltd, Nowhere Boys 3 Productions Pty Ltd	
The Skinner Boys series 2		26 x 30 mins	Nine	SLR Productions Pty Ltd, Telegael	
Tomorrow When the War Began	✓	6 x 60 mins	ABC	Ambience Entertainment Pty Limited	23/4/2016
The Wild Adventures of Blinky Bill		26 x 30 mins	Seven	Flying Bark Productions, Telegael	

You're Skitting Me series 3	✓	26 x 15 mins	ABC	Cordell Jigsaw Zapruder	19/9/2016
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Co-productions

Children's

Title	SA Funded	Duration	Broadcaster	Production Company	First Release
Beat Bugs series 1		26 x 30 mins	Seven	Grace - A Storytelling Company Pty Limited, Thunderbird Films	25/7/2016

FOREIGN TV DRAMA

Hunters (US)	Valhalla Entertainment, Universal Cable Productions
The Tale of A Bosom Male Friend (China)	AMG Media Productions Pty Ltd

PDV-only

Fargo series 2 (US)	MGM Television, FX Productions, 26 Keys Productions
Game of Thrones series 6 (US)	Home Box Office (HBO), Television 360, Bighead Littlehead
Limitless (US)	K/O Paper Products, Relativity Television, Action This Day!, CBS Television Studios
Powers series 2 (US)	Circle of Confusion, Sony Pictures Television
Saints & Strangers (US)	Film Afrika Worldwide, Sony Pictures Television, Little Engine Productions
Underground series 2 (US)	Get Lifted Film Company, Safehouse Pictures, Sony Pictures Television



You're Skitting Me series 3

PDV services

for features and TV drama production

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

\$194 million total PDV expenditure

9% below last year's all-time record but above the five-year average

\$87 million in Australian PDV expenditure

26% below last year and under the five-year average

30 foreign PDV-only projects total \$105 million

Up 20% from last year's record and above the five-year average

7 foreign PDV-only TV dramas total \$10 million

A record high, boosted by US series such as *Game of Thrones*

ALL PDV

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 2015/16 came from expenditure not only on projects which began PDV work in 2015/16 (the '2015/16 slate' referred to in the main body of the report) but also on projects continuing production from previous years.

Income from PDV work on Australian and foreign drama titles totalled \$194 million in 2015/16, down nine per cent on last year's result but above the five-year average of \$172 million. A significant fall in income from domestic as well as foreign features shot in Australia was responsible for the drop though the impact of this was somewhat mitigated by an increase in income from foreign PDV-only projects (up 20 per cent).

Services to Australian productions accounted for just under half (45 per cent) of all PDV work, down slightly from 2014/15 which was just over half (55 per cent). Titles generating income during the year include *Hacksaw Ridge*, *Gods of Egypt*, *Nest* and *Jasper Jones*.

Income from Australian PDV work on features and TV drama (\$m), 2011/12–2015/16

	Australian			Foreign		Total
	Domestic	Co-production	Total Australian	Shot in Australia	PDV only in Australia	
FEATURES (\$m)						
2011/12	43	2	45	0	59	104
2012/13	50	2	52	6	60	117
2013/14	60	1	61	5	40	105
2014/15	85	1	87	8	87	181
2015/16	37	2	40	1	95	136
5-yr av	55	2	57	4	68	129
TV DRAMA (\$m)						
2011/12	31	1	32	<1	0	32
2012/13	37	4	41	<1	0	42
2013/14	48	2	49	<1	0	50
2014/15	28	3	32	<1	<1	33
2015/16	38	9	48	1	10	59
5-yr av	37	4	40	<1	2	43
TOTAL (\$m)						
2011/12	75	2	77	<1	59	136
2012/13	87	6	93	7	60	159
2013/14	108	2	110	5	40	155
2014/15	114	5	118	9	87	214
2015/16	76	12	87	2	105	194
5-yr av	92	5	97	4	70	172
% share	53%	3%	57%	3%	41%	100%

Note: Figures may not total exactly due to rounding.



Game of Thrones series 6

INCOME BY STATE

A substantial proportion of PDV work in Australia was undertaken in NSW in the five years from 2011/12 to 2015/16, accounting for 60 per cent of total spending on PDV or \$103 million annually on average. NSW companies provided PDV services for local and international features such as *The Great Gatsby*, *The Hunger Games: Catching Fire*, *Gods of Egypt*, *The LEGO® Movie*, *Mad Max: Fury Road*, *Allegiant*, *The LEGO® Batman Movie* and *The LEGO® Ninjago Movie*, and *Deepwater Horizon*.

The balance of PDV work over the period was spread between Victoria at 28 per cent (average \$48 million) of the total, followed by South Australia (8 per cent; \$14 million), Queensland (3 per cent; \$5 million) and the remaining states and territories (1 per cent; \$2 million).

PDV projects undertaken in Victoria in the last five years included *The SpongeBob Movie: Sponge Out of Water*, *The Moon and the Sun*,

Income from Australian PDV work on features and TV drama by state (\$m), 2011/12–2015/16

	NSW	VIC	QLD	SA	WA, ACT, NT, Tas	Total
\$m						
2011/12	87	33	2	14	<1	136
2012/13	109	34	5	8	3	159
2013/14	86	52	4	9	3	155
2014/15	120	65	5	23	1	214
2015/16	114	56	9	14	2	194
5-yr av	103	48	5	14	2	172
% share	60%	28%	3%	8%	1%	100%

Note: Figures may not total exactly due to rounding.

Ted 2, *The Dressmaker*, *Deadpool*, *Doctor Strange*, *Ghostbusters* and series 6 of *Game of Thrones*. Titles undertaking PDV in South Australia since 2011/12 include the features *X-Men: Days of Future Past*, *The Seventh Son*, *The Water Diviner*, *The Legend of Tarzan*,

Pan, *X-Men: Apocalypse*, *Boys in the Trees* and series 6 of *Game of Thrones*. Queensland projects include Australian TV dramas such as *Secrets & Lies* and *Wanted*, the US feature *The Age of Adaline* and US mini-series' *Powers (series 1 and 2)*, and *Underground (series 2)*.

FOCUS ON FOREIGN PDV-ONLY INCOME

Income from foreign titles undertaking PDV without shooting here totalled \$105 million in 2015/16, the highest recorded by Screen Australia and 72 per cent above the five year average. This stellar performance, 20 per cent above the previous high of 2014/15, is predominantly a result of work continuing on the two features in the LEGO® franchise: *The LEGO® Batman Movie* and *The LEGO® Ninjago Movie*. However, an increase in volume has also contributed with a 58 per cent increase in titles to 30 (up from 19 in 2014/15). But perhaps the most interesting driver is the record \$10 million in PDV-only income from the seven foreign TV drama titles in 2015/16, 10 times higher than in 2014/15 and an outstanding result for a format which does not often come to Australia.

The Australian dollar remained competitive for the second consecutive year (generally sitting below US\$0.77), an appealing proposition for both US studios/producers conscious of the bottom line, and Australian companies looking to effectively leverage the 30 per cent PDV Offset to attract this type of foreign work.

Amongst the 30 titles undertaking PDV-only work in 2015/16, Australian PDV companies

had the opportunity to work on big-budget features such as *Deadpool*, *Doctor Strange*, *Deepwater Horizon*, *Ghostbusters*, *The Last Witch Hunter*, *The LEGO® Movie Sequel*, *Captain America: Civil War*, *First They Killed My Father: A Daughter of Cambodia Remembers*, *Guardians of the Galaxy: Vol.2*, *Underworld: Blood Wars*, *X-Men: Apocalypse*, *xXx: The Return of Xander Cage*; and mini-series such as *Game of Thrones series 6*, *Powers series 2*, *Underground series 2* and the two-part *Saints & Strangers* for National Geographic. They also completed work on projects continuing from previous years such as *Allegiant*, *The Darkness* and *The Legend of Tarzan* as well as continuing work on both *The LEGO® Batman Movie* and *The LEGO® Ninjago Movie* which are expected to be completed in 2016/17.

In September 2015, Animal Logic opened an office in Vancouver, Canada. The facility has a three-picture deal with Warner Bros and is currently in production on *The LEGO® Movie Sequel*. In August 2016 they also announced a partnership with the University of Technology Sydney (UTS) on the UTS Animal Logic Academy (UTS ALA) a new postgraduate degree in animation, visual effects and computer-generated imagery (CGI), aimed at making Australia a leading player globally in the creative industries and the emerging CGI sector.

Both Iloura and Rising Sun Pictures had the opportunity to contribute visual effects to multiple episodes in series 6 of the global smash hit *Game of Thrones*. Iloura was awarded an Outstanding Special Visual Effects Emmy for work on the epic battle sequence in the episode 'Battle of the Bastards', referred to by the Sydney Morning Herald's Karl Quinn as 'the most spectacular festival of mud, blood and guts ever shown on television outside of a State of Origin'. While Rising Sun Pictures worked on the stunning opening sequence in the season finale titled 'The Winds of Winter' described by US critic Alan Stepinwall as 'the single best thing the series has ever done'² in which the great Sept of Baelor in King's Landing explodes in a green-hued inferno. That two Australian companies were chosen to work on such a renowned series highlights the high regard in which the Australian PDV sector is considered internationally.

Despite these achievements, the recent announcement from Iloura's parent company Deluxe Australia that their domestic post-production brands DDP Studios and StageOne Sound would close due to a downturn in local feature and television post-production, continues to highlight the volatility of the sector in Australia.

¹ <http://www.smh.com.au/entertainment/tv-and-radio/drama/game-of-thrones-battle-of-the-bastards-bigbudget-episode-sets-new-tv-benchmark-20160624-gprk0j.html>

² <http://www.hitfix.com/the-dartboard/was-the-winds-of-winter-opening-the-best-game-of-thrones-sequence-ever>

Foreign PDV-only titles by region, 2006/07-2015/16

	No. of titles	% of titles	% of income
Asia	20	15%	2%
Europe + US/Asia	7	5%	< 1%
UK	5	4%	< 1%
US	86	65%	82%
US/Other	6	5%	1%
US/UK	8	6%	15%
TOTAL	132	100%	100%



FOREIGN PDV-ONLY TITLES BY REGION

US productions represent the largest proportion of international PDV work undertaken by Australian businesses on feature film and TV drama projects, accounting for more than 65 per cent of titles and more than 82 per cent of income over the last ten years. PDV services to Asian productions represent 15 per cent of titles but only around two per cent of total income.

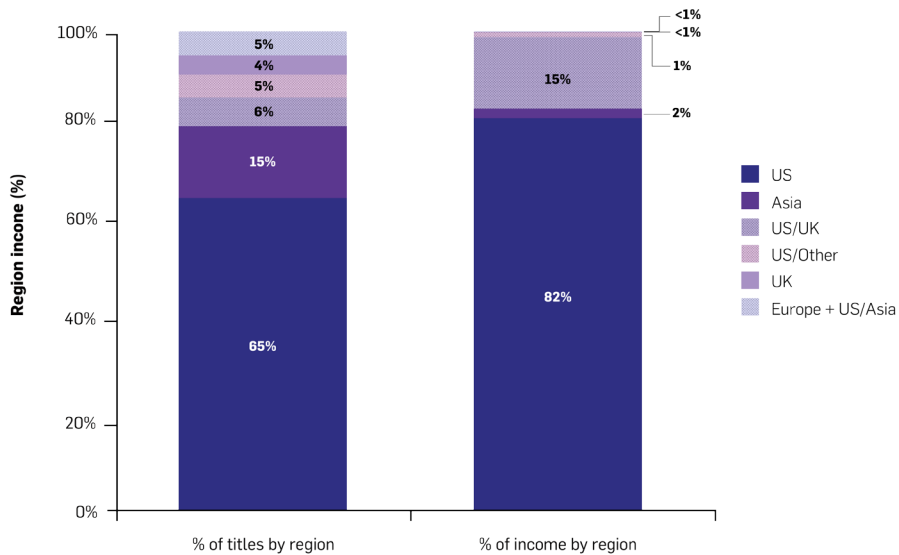
ABOUT THE PDV DATA

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 4).

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 work in Australia. As a result, the figures in this section may include projects that commenced shooting or PDV work in 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 \$349.7 million in 2011/12 from the provision of PDV services across all audiovisual production, with 46 per cent accounted for by feature films and TV drama. Other areas of PDV activity include commercials and other TV productions.

Foreign PDV-only income by region 2006/07 - 2015/16





Methodology

Compiled by Screen Australia's Producer Offset & Co-production Unit, using data collected in the administration of the Producer Offset, and 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 provided 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, Screen ACT 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. For other projects 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 cinema release or screening at a festival.

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.

Online TV dramas are included in the report when the total duration of a title is at least 60 minutes, and the project is attached to either a subscription VOD platform or a broadcaster's catch-up TV service. Projects that are excluded are those exclusively released on dedicated websites or on platforms such as YouTube or Vimeo, or only available via transactional services such as iTunes.

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 screen agencies. In addition to the federal, state and territory screen 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 subscription television, 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 subscription television, 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, or related, telemovies are counted as individual titles, as set out in a broadcaster's licence agreement.

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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