

Screen Australia survey shows further improvement in production activity for 2007/08

Tuesday 2 December 2008: Screen Australia today released the report of its 2007/08 Drama Production Survey, revealing an above-average result with increases in foreign production and co-production activity, particularly TV drama. The survey covers all Australian and co-production titles made each year, as well foreign titles if they are shot in Australia or do post, digital or visual effects (PDV) work here.

In 2007/08 the production slate (defined as projects which started shooting or PDV work during the year) comprised **41 features** and **700 hours of TV drama** (43 programs) shot in Australia, as well as **14 foreign PDV-only projects**. The value of production activity, as measured by the portion of budgets spent in Australia, totalled **\$675 million**, seven per cent up on last year.

The increase was largely due to foreign production activity. Foreign features and TV drama spent over \$250 million in Australia in 2007/08, the highest spend for three years and accounting for 37 per cent of the value of this year's slate. The high-budget mini-series *The Pacific* contributed more than half this amount.

The 29 Australian features in this year's slate had total budgets of \$128 million. This is the highest recorded result for local features if large-budget foreign-financed titles are removed from the equation (most recently, *Happy Feet* in 2003/04 and *Australia* in 2006/07), although it is below the five-year average of \$147 million. There were also five features made as official co-productions this year, with \$49 million of their budgets allocated to expenditure in Australia, well above the five-year average of \$23 million.

The combined Australian and co-production TV drama slate grew to 690 hours this year, with expenditure in Australia of \$256 million. This is the highest result since 2001/02. Children's programs and adult series/serials accounted for the increase, especially co-productions for children, which reached a record 85 hours.

"This is a solid result for the industry, particularly in television drama," said Screen Australia Chief Executive Ruth Harley. "It marks a good base from which to measure the future impact on production levels of the Federal Government's new incentives."

The new Australian Screen Production Incentive, comprising the Producer, Location and PDV Offsets, became available during 2007/08. These tax offsets provide for a percentage of expenditure incurred from July 2007 (or May 2007 for the Location Offset) to be refunded through the Australian tax system once an eligible project is completed and certified. One of the aims of the incentive is to increase production levels; however, it is too early to expect such an impact to be evident in this year's survey, particularly in the case of the Producer Offset, where operational guidelines were not introduced until late 2007.

Screen Australia's supplementary analysis of post, digital and visual effects activity shows that income to PDV companies from work on features and TV drama has averaged \$129 million annually for the past three years. This represents approximately 23 per cent of total production expenditure during that period by features and TV drama projects in Australia. Australian productions accounted for the majority (73 per cent) of this work over the three years.

The survey can be downloaded from www.screenaustralia.gov.au/nps/