

FK2004/393



11 May 2005

Ms Lyn Markovski  
Australian Industry Registry  
Level 35  
80 Collins St  
MELBOURNE VIC 3000

Dear Lyn

Apologies for the delay in getting the attached SPAA Annual Report to you.

Please find attached the Screen Producers Association of Australia's general purpose financial report and auditors report for 2004.

Thank you very much.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Jones', is written over the typed name.

Alexandra Jones  
Membership Services and Events Manager



34 Fitzroy Street  
Surry Hills NSW 2010 Australia  
**Telephone +61 2 9360 8988**  
Facsimile +61 2 9360 8977  
email spaa@spaa.org.au  
www.spaa.org.au  
ABN 46 091 470 324

FR2004/393

Screen Producers Association  
of Australia

# Annual Report

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## 2004



[www.spaa.org.au](http://www.spaa.org.au)

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## **Report from SPAA President 2003-04**

This year has seen one of most difficult years for production the industry has experienced in a very long time. Both feature film and television drama has been particularly affected. Throughout this difficult period SPAA has been extremely active on your behalf. The issues confronting us over the next 12 months are challenging. Although the FTA is now behind us, we will continue to monitor its implementation. Independent production quotas are still high on the agenda as are terms of trade with the networks and the fourth network. SPAA is continuing to put pressure on the government to revisit the Mansfield Report regarding the ABC, likewise, SPAA is insisting on a mandate for the ABC to provide a quota for Australian drama to fall in line with the commercial networks.

The negative impact on Australian feature films and the lack of commercial success of our films has been of great concern to SPAA. There is a fundamental problem with the way our film financing is structured. Although we greatly appreciate any injection of more funding for production, unless we are able to provide producers opportunities for proper development of their scripts, we will just see more of the same. Likewise, for a sustainable industry we must engage the private sector. To this end SPAA continues to pursue the private sector development fund proposed at the last conference.

On a positive note, the feed back on the conferences in Melbourne and recently on the Gold Coast has been exceptionally good. The numbers, both attendance and financial, have far exceeded our expectations. I express hearty congratulations to the Conference Executive and the organising committee for a job well done. This year has also shown a significant increase in new SPAA membership.

I would like to thank the Council and the SPAA executive and staff for their strong support over a difficult year.

Many of our members have donated their time, energy and expertise to SPAA in resolving a number of issues and providing substantial input. On behalf of the Council and SPAA Executive, I would like to thank the membership for their continued support of our organisation.

Although the challenges have been many and varied, I have enjoyed serving as your President over the last two years.

Stephen F Smith  
President  
Screen Producers Association of Australia

## **Report from Executive Director 2003-04**

The last year presented great challenges for SPAA, none bigger than the Free Trade Agreement between Australia and the United States of America. At the beginning of this reporting year SPAA had achieved a degree of success by convincing the Americans i.e. the Motion Picture Association of America (MPAA), that the bottom line for us was retention of content regulation plus flexibility for dealing with the future. Of course our objectives were much more ambitious in respect of the final terms but we at least knew there was a line in the sand, just in case.

As it turns out our Government failed to achieve any meaningful advance on this position. The final AUSFTA leaves very little scope for dealing with new media technologies and severely limits the scope of future content regulation for television platforms. It was a comprehensive win for the Americans. A real pity that neither Australia's mainstream media or our federal and state politicians understood the implications for future generations of Australians. The Labor Party's so-called "Local Content" amendment, which ensured the passage of enabling legislation through the Senate, side stepped every major issue on the AUSFTA.

SPAA adopted a pragmatic approach post AUSFTA. In early March 2004 we decided to engage the Federal Government on alternative strategies to ensure the continuing viability of our local film and television production industry. We did not resile from our opposition to the FTA; we simply changed tack. SPAA has argued that with content regulation virtually frozen, the only way to address our future needs is through a re-examination of the tax base. I am pleased to advise that our position has gained support in Canberra

Of course as important as the FTA was, it distracted us from the continuing downturn in local drama production. Towards the end of May/June, SPAA made a number of presentations to Government on the need for an immediate review of all the policy mechanisms available to counter the downturn. We need to ensure the commercial networks extend fair and reasonable terms of trade for independent producers to stay in the business of television drama production. We also need to ensure that the ABC is properly funded to commission Australian drama.

It was also a very active, and at times difficult, year in respect of industrial negotiations with MEAA. A new Actors TV Agreement, ATRRA and the Actors Feature Film Agreement were settled but not before the MEAA called the first stoppage in the industry for over 10 years, causing considerable disruption and costs for television producers. The union has adopted a much more aggressive approach, which is unfortunate given the tough conditions the industry is experiencing. Producers are not about denying performers' the right to fair and equitable pay and residuals but when we are pressed to get a modest 12 to 15 films a year to screen, the added pressure from threats of industrial action sends the wrong message to potential investors.

The Queensland Government enticed the SPAA Conference to Queensland for 2004, 2005 and 2006. The inducements were extremely attractive and we thank Premier Beattie for his personal commitment to SPAA. By now most of the industry will be aware that the first of these conferences was held on the Gold Coast in August 2004 and was an outstanding success.

Geoff Brown  
Executive Director  
Screen Producers Association of Australia

## **SPAA Areas of Operation**

SPAA aims to provide the environment and conditions under which a vigorous independent screen production industry can thrive in Australia.

SPAA represents independent television, feature film, animation, documentary, TV commercial and interactive media production companies as well as post-production, finance and legal companies.

A Council elected by its membership governs SPAA.

SPAA provides its members with the means to have an effective say in government decisions, industrial relations and commercial negotiations with broadcasters. It facilitates networking and the professional development of the screen industry.

SPAA's areas of operation are:

- 1. Policy and Government**
- 2. Industrial Relations and Commercial Affairs**
- 3. Conferences & Events**
- 4. Membership and Governance**

## I. Policy and Government

Policy and Government is an area of primary focus for SPAA.

SPAA endeavours to:

- identify key economic, legal and technological policy and cultural issues used in planning positive outcomes for screen production,
- represent and advocate the policy goals and priorities of the membership to government agencies and the media and industry organisations and
- consult with membership via councillors, chapters, divisional forums and task forces on policy and government relations.

SPAA continued to work hard to lobby government in a number of key structural areas affecting the health and potential growth of the industry. The US/Australian bi-lateral trade talks continued to be a major focus of our policy work during the year requiring significant time and energy from both SPAA executive and membership. The effectiveness of SPAA relies on the expertise and generosity of its members to assist in lobbying and consultation with government on issues of concern and interest to the membership and the industry at large.

SPAA also pursued issues affecting the investment climate including tax reform and continuation of FLICs scheme and promoted SPAA's position within various industry reviews.

Several important submissions have been made to government during this financial year. All reports and papers can be found on SPAA's website [www.spaa.org.au](http://www.spaa.org.au).

### **SPAA Lobbying Summary 2003-04**

**US/Aust. Free Trade Agreement (FTA)** - Activities included lobbying both Government and opposition parties in Canberra, liaising with chief negotiators and Federal and State film bodies. SPAA worked together with other industry associations calling for cultural industries to be exempt from the negotiations.

The draft wording of the US FTA was announced on 4<sup>th</sup> March. It revealed significant concessions had been negotiated threatening the future of independent creative industries in Australia.

SPAA in conjunction with other industry associations presented in person and submitted detailed reports to the Senate Select Committee on FTA between Aust. and U.S. , and the Joint Standing Committee on Trade (JSCOT)

outlining the areas of deepest concern. SPAA continued to participate in the lobbying efforts generated through The Australian Coalition for Cultural Diversity which comprises of representatives from all the major unions, guilds, and associations across film, television, music, publishing and visual sectors, including SPAA. Simultaneously SPAA liaised with senior Government officials and ministers seeking clarification on wording and intent of a number of issues within the agreement to ensure SPAA's response was measured and accurate. (See SPAA web site to download reports: [www.SPAA.org.au](http://www.SPAA.org.au))

**NSW Production - Investment**

SPAA took the initiative on behalf of all sectors of the NSW industry, raising the issue with government of inadequate NSW production funding in comparison to other states and the pressure this placed on local producers to seek better deals interstate. A comprehensive report was prepared and a meeting with Premier Bob Carr was held in August. This resulted in a commitment to increase the fund from the previous level of \$1.9 million annually to \$4 million dollars annually.

**FLICS -**

SPAA continued to lobby government to secure a follow-on FLICs scheme from the piloted Macquarie and Content Schemes. SPAA submitted a comprehensive submission to government in 2003 calling for greater flexibility and incentives for private investment in any new scheme. Senator Rod Kemp did encourage SPAA to renew its efforts for an incentivised FLIC follow-on scheme. SPAA responded through preparation of an additional submission along these lines. This was subsequently submitted to Department of Communications Information and Technology (DOCITA). A Government announcement is yet to be made.

**Tax Reform -**

SPAA liaised with federal agencies and lobbied Government to address problems associated with Section 79.1 (D) of the Tax Act: Film and Television Investment. A recent draft ruling generated uncertainty within the investment sector leaving the status of funds raised by Australian investors under 10B and 10BA of the Tax Act severely undermined. SPAA consulted its legal members for additional technical support and called for either a



change in the ruling or legislative amendments to remove doubt for investors operating in this area.

With strong indications that the FTA would be passed, despite industry concern, SPAA engaged federal government in dialogue on a post FTA "reconstruction package" for the television production industry. SPAA will submit a final report to Government early next year incorporating tax base strategies to reinvigorate the industry. Briefly; SPAA has called for extension of IOBA to all Australian Content qualifying productions (excluding serials), an increase in the tax break to 125% and a 50% break on foreign earnings, the extension of IOB at 115% to non-content programs but only where these productions are official co-productions and the possibility of commercial networks being able to invest up to 25% of program costs under IOBA. A detailed report is currently being prepared and will be presented to Senator Kemp early next financial year.

**ABC TV -**

SPAA has called for the implementation of recommendations under the Mansfield report in relation to ABC TV becoming a commissioning only body. In addition SPAA has called for legislative changes to be made to the Television Content Standard to enable inclusion of ABC TV.

## **Industry Policy Development**

### **ABA inquiries -**

SPAA commented on ABA review of C & P Classification of Children's Television Standard and endorsed ACTF's submission.

SPAA commented on the ABA review into Tradable Quotas and endorse SADC's and ACTF's submissions, both of which did not support the introduction of tradable quotas.

SPAA also commented on ABA's amendments to the definition of 'Independent Producer'. SPAA expressed concern about the current effectiveness of the Independent Production Quota and felt changes to the Content Standard were inappropriate without a full review once receipt of first year data of the quota became available.

### **Co-productions -**

SPAA successfully lobbied for the relaxation of AFC's Co-production treaty guidelines enabling 'third country' literary works to be used as the source for a screenplay between treaty co-production partners.

**Intellectual Property -** SPAA has made representation to Government regarding Director's copyright.

**AFC Guideline Review -** SPAA liaised with its membership and provided feedback and recommendations to the AFC during the organisation's Production Guideline Review.

A SPAA delegation met with AFC representatives. As there were no major changes in areas affecting our members SPAA expressed overall support for the guidelines proposed.

**FFC Guideline Review -** SPAA liaised with its membership and provided feedback and recommendations to the FFC during the organisation's Guideline Review.

SPAA gratefully acknowledges the significant amount of time and effort received from State's Chapter Heads and

Film Councillors, Vincent Sheehan and Trish Lake during this process.

SPAA recommendations were largely adopted by the FFC.

**The main issues raised with FFC were:**

**Feature Film**

SPAA supported the introduction of a two-strand approach to FFC investment.

The market strand requirements were too tough in the first years and needed review.

SPAA called for transparency in the evaluation. SPAA also recommended that these specialists be engaged for longer than 12 months so as to see projects go into production.

SPAA advised that the FFC position stating that producers can only be attached to one project within the FFC at a time is very restrictive and counter productive to the objective of building strong, resourced producers, companies and partnerships.

**Television**

The television division welcomed the introduction of improved recoupment for producers, from first dollar to assist in the ongoing efforts for producers to develop more viable business models.

**Emerging Children's Producer Fund**

SPAA recognised FFC's attempts to create new opportunities and project models in the area of children's television and to this end SPAA supported the new initiative in Children's Television. There remained some concern amongst SPAA members with relations to the schemes potential to force certain fees down to an unacceptably level.

SPAA therefore recommended the FFC introduce this scheme in a more moderate way for the first year i.e. \$1.25 million to test market reaction and application.

**Documentary**

SPAA expressed membership feedback through SADC. The main points were:

Support for the retention of the 50/50 split of FFC funds between ABC and SBS.

Support for retaining first through the door approach to fund allocation for Accords and the holding back to the second half of the year a proportion of funds allocated to Accord projects.

Support for a 20% funding limit on FFC documentary funds per Production Company.

Support for change in income distribution to include shared recoupment between FFC and filmmakers from first dollar

Support for the amendment to marketing allocation.

Recommendation that FFC change the threshold for Non-Accord to be \$90,000 per hour or 35% of the budget, whichever is the lowest.

SADC also recommended a limited trial of a project model where a producer requires less than 30% of the budget that the FFC will allow the domestic licence fee to drop and that this policy be reviewed at the end of first year.

SADC received mixed feedback on the Innovative Funds thus SADC welcomed the piloting of the scheme on a small scale in the first year.

**FIAPF -**

SPAA attended FIAPF (International Producers Federation) for a second year in a row in an ex-officio capacity and included SPAA in its industrial and employment sessions. SPAA's stance on Global Rule One is highly regarded by both the British and Canadians and our overall approach to industrial relations is considered progressive. SPAA has been asked again to consider membership to FIAPF. Council has resolved, subject to funds being available, that membership should be initiated.

**Commercial Data -**

SPAA opened discussions with ABA and AFC regarding industry data available on the Commercials industry and has expressed concern towards the adequacies of the current broadcaster reporting requirements and collation of commercials data under the ABA TV Content Standard.

## 2. Industrial Relations and Commercial Affairs

### SPAA aims to:

- Provide membership with advice and research on the commercial and industrial framework in which they operate and the obligations they have under industrial law
- Maintain and negotiate agreements on behalf of membership
- Represent and advocate the individual industrial interests of members
- Negotiate with relevant unions and associations on industrial issues
- Assist members in the conduct of commercial affairs

The main areas of Industrial Relations activity during 2003-04 were:

### **ATPA -**

In the Actors Television Programs Agreement (ATPA), SPAA and MEAA have grappled with the most difficult of issues raised by MEAA, in particular, Options and the Major Role Performer. SPAA was able to achieve a workable structure to accommodate these new requirements, the 32 hour week for serial production now applies over 5 days of work, the removal of the superannuating obligations under the Performer's Lender's Standard Contract, alternative arrangements for post synchronisation when the performer is not available, and a new Enterprise Flexibility Arrangements clause.

The new agreement contains a total 16% increase in wages with 8% applicable from the date of commencement, that is, 5 April 04, and two further 4% increases from the pay periods on or after 1 January 2005 and 1 January 2006. Performers had not had an increase in agreement rates since the last increase applicable on 1 January 2002.

### **ATTRRA -**

The Australian Television Repeats and Residuals Agreement (ATTRRA) was also under negotiation during the year and involved dealing with MEAA's claims for a reduction in the license period and uncapped residuals payments. In return for these agreed changes SPAA has been able to gain the right to obtain additional pay runs at the point of engagement (these may be used out of sequence), clearer editing and segmenting provisions (including a special provision for sketch comedy) and a more financially viable right to do a "Best Of's" program.

As a part of the package SPAA agreed to extend the term

of Motion Picture Production Agreement (MPPA) 2002 so that we were not having to face up to negotiations on MPPA in the second half of this year – it will now expire at the end of 2005, one year prior to the expiry of ATPA and ATRRA.

**Actors Feature Film Agreement (AFFA) -**

During the period up to December 2003 MEAA withdrew from discussions with SPAA for the new AFFA, and sought individual agreements with producers when producers went into production. SPAA defended members' interests as necessary and most producers had to enter into favoured nations deals with MEAA in order to get their productions completed. Such deals meant that once the new agreement was reached the producers would revert to the new industry wide agreement.

In February 2004, SPAA and IPI joined forces to negotiate with MEAA and met with MEAA during March and April without success. It had become clear that MEAA was prepared to abandon an industry wide agreement.

At a meeting on 5 May 2004, SPAA and IPI agreed to establish a public position that individual producers would not be accepting favoured nations deals if MEAA was no longer seeking an industry wide agreement.

The June meetings between SPAA, IPI and MEAA were constructive but inconclusive. SPAA then sought an agreement from MEAA for a process of conciliation and arbitration before the Australian Industrial Relations Commission. MEAA rejected arbitration but agreed to conciliation before the Commission. This was set down for 22 July 2004. After a year of intense negotiation agreement was reached before Commissioner Larkin.

**TVC Offshore Agreement -**

The new TVC Offshore Agreement commenced on 1 October 2003 on a twelve-month trial basis.

It reflects more precisely the "going rates" and includes a new classification of "lead performer" and "principal performer". This new structure allowed the agreement to mirror what is actually the practice in the industry and other English speaking countries.

A new category of buyout has been included allowing for Australian rights to be bought as part of a worldwide

buyout. This eliminates the need to negotiate Australian rights separately making it more likely that the sale will include Australia as a part of the initial sale.

However, the appreciation of the Australian dollar has meant that the new agreement has made SPAA producers uncompetitive internationally in some categories. In view of this SPAA sought meetings with MEAA in late January/February 2004 to seek interim changes to the new agreement. The new agreement was to be the subject of review as needed on an individual producer basis, and only have application for 12 months so that, if needed, we can seek changes. MEAA was reluctant to allow interim changes and meetings were delayed because of the need to provide evidence of the problems now being faced by producers. In June meeting dates were set for July 2004.

**TVC Crew Terms of Employment -**

Meetings with MEAA were inconclusive in relation to establishing a separate set of terms of employment for crew on TVC production. The decision was made by the TVC Steering Committee to establish a set of guidelines for the employment of crew and launch this for use by members. By the end of June draft terms had been prepared for review by the Steering Committee.

**Director's Code of Practice for Series -**

ASDA has made claims over the years for Series, Serials and Feature Film Agreements. SPAA has refused the claims for a long period of time but agreed to discuss establishing a Director's Contract in late 2002.

SPAA established the Director's Negotiating Committee to negotiate on the basis that if the agreement proposed does not meet the needs of members, SPAA can walk away from the negotiations.

Originally this was a claim for a Director's Contract but has now been written as a code of practice and is limited to series production only.

In June the Negotiating Committee recommended that the SPAA Council approve the code for circulation to members for comment during July 2004. The Negotiating Committee felt that given it is not enforceable at law, and that it provides useful guidance for producers and directors, therefore it should be released to members as a draft to obtain comment and seek member support for

the code. SPAA Council approved the release of the document to members for comment at the June meeting.

### **SAG Global Rule 1**

In May 2004 Geoff Brown (Executive Director) attended the FIAPF industrial seminar with other international producer associations during Cannes, to share information on the affect of the SAG Global Rule 1 two years on. He presented a paper that explained the approach taken by SPAA of seeking an exemption so that independent production would not be affected by Global Rule 1.

The paper detailed that in April 2002, SPAA became aware of the decision by SAG to initiate from 1 May 2002, global enforcement of its Rule 1.

On 17 May 2002, SPAA met with SAG and MEAA and a joint position was reached with MEAA.

The joint SPAA and MEAA position was agreed by SAG in August 2002. Up until the end of June 2004 no Australian productions have been affected by SAG Rule 1.

### **Occupational Health and Safety (OH&S) -**

Legislative changes in most state jurisdictions have meant a change to the way OH&S should be implemented by producers. They now must adopt a safe system of work, which includes risk management and consultative practices.

To assist members, SPAA has engaged a consultant to develop relevant packages for the different production sectors. The process commenced with TVC producers and this work is being adapted for other production sectors. NSW TVC industry events were instigated by SPAA during May and June of this year to inform crew, agencies and production companies of the OH&S changes and the roll out of the SPAA OH&S TVC system. SPAA wishes to thank the TVC sub-committee consisting of Peter Cudlipp, Paul Friedmann and Richard White-Smith all of whom gave generously of their time and experience to develop the system.

SPAA has also been a member of the Screen Production Review Committee with Fox, the ABC, MEAA, and the NSW Film & TV Office. SPAA has been participating in the development of a new National Occupational Risk



Management Guidance Note to help minimise the occupational hazards of the film and television industry. The development of the draft has slowed due to concerns by some producers that the guidance notes do not address their requirements e.g. the need to focus on mapping the roles to competencies, links to training programs, and the development of new training programs.

CREATE Australia (Cultural Research Education and Training Enterprise Australia – Note: this body was set up to be the national industry advisory body for the arts and cultural industries) at the request of the Review Committee, and with funding from some of the funding agencies, released in June 2004 the “Screen Production Safety Project. This was a draft report on OH&S and training for the Australian film and television industry”, CREATE have sought comments from industry which will be included in the final report which is expected to be released in July 2004. The intention of this document is to commence the process of mapping roles to competencies, links to training programs and the development of new training programs.

**Non-members  
Usage Fees -**

From 1 July 03 producers choosing not to join SPAA but still wanting to access the benefits that SPAA members have paid for are expected to pay a licence /usage fee for access to SPAA industrial and commercial agreements. Included are the Actors Television Programs Agreement, the Australian Television Repeats and Residuals Agreement, the SPAA – AWG Series and Serials Agreement, the Actors Feature Film Agreement and the Motion Picture Production Agreement. For non-SPAA TVC producers they will be expected to pay a licence fee for the TVC Offshore Agreement.

### **3. SPAA MEMBERSHIP AND GOVERNANCE**

#### **Membership and Governance**

SPAA is formally constituted as an industrial association registered under the Workplace Relations Act. SPAA represents independent producers and production companies working in film, television, television commercials, video and studio facilities, entertainment lawyers and accountants, completion guarantors, equipment and material suppliers, financiers, distributors, agents, insurers, agents, film sales agents and emerging producers.

Membership is open to individuals and companies in Australia who are engaged in the production of film or television or in the provision of services and facilities related to production.

All members pay an annual subscription fee for membership that varies for associate, producer, facilities and corporate members. In addition producer members pay a levy on their productions.

SPAA provides its members with the means to have an effective say in government decisions, industrial relations and commercial negotiations with broadcasters and distributors. It facilitates networking and the professional development of the industry.

#### **Membership Categories**

There were a small number of changes to SPAA membership categories in 2003-04. In a move to further support new talent SPAA introduced a Student membership category for all students enrolled in recognised industry tertiary courses. SPAA reviewed the administration and calculation of TVC levies and the direction and viability of the TVC division. This review included employment of a TVC facilitator three days a week from February 2004 on a trial basis.

SPAA's animation members have traditionally been part of the Television Division but have for some time maintained that this is inappropriate given the particular needs of the format and because animation crosses over both film and television.

SPAA Council agreed to the proposal that a new animation division be formed at the June meeting. This will go to a member's vote at a special meeting on 30 September 04.

SPAA also formed a Children's TV Sub-committee within the television policy area during this year to target support in this area.

SPAA introduced SPAA membership cards to assist member's accessing certain membership benefits including discounts to industry events and as a method of providing proof of membership to gain discount tickets at Hoyts Cinemas.

### **SPAA Membership Benefits**

In addition to members gaining long term benefit from the lobbying activities of SPAA working to ensure the commercial and cultural interests of its membership, SPAA is dedicated to providing its members with a range of services that assist them in their daily business.

SPAA negotiates special rates or deals for products and services that are beneficial to its membership and has developed partnerships with a number of related organisations.

#### **Benefits Include:**

**AGREEMENTS:** Membership access to industry agreements. SPAA maintains and negotiates various agreements on behalf of its members. They prescribe terms and conditions for actors, crew and writers and are either registered with the Australian Industrial Relation Commission or are common law agreements.

**OZTAM TV AUDIENCE RATINGS:** SPAA members can access current OzTAM data via the SPAA website. OzTAM is the official source for metropolitan television audience ratings data in Australia for broadcasters, advertisers and program makers.

**NIELSON EDI WORLDWIDE BOX OFFICE:** SPAA members can access current box office data via the SPAA website. Nielson EDI is the film industry's No. 1 provider of reliable, accurate and timely box office information. Members get access to Australian box office results as well as the top film in limited release.

**ARTIST TECHNOLOGIES 2:** SPAA members can gain access to AT2 via the SPAA website. AT2 is Australia's most comprehensive artist database and on-line casting system utilised by the professional film and television industry to find and cast talent for their projects. Producers can review photos, resumes and statistics of over 17,000 professional actors, models, kids and extras instantly.

#### **DISCOUNTS:**

- Hoyts and SPAA have negotiated a special discount scheme for members who only need show their current SPAA membership card to receive cinema ticket discounts.
- SPAA members receive a 30% discount on the annual SPAA Conference and SPAA Fringe and up to 70% discount for SPAA seminars.
- SPAA members receive significant discount on the purchase price of the new CAPCO/SPAA OH&S TVC System launched in June 2004. This is a new OH&S System that addresses the recent changes in work place safety in a practical way.

**NEWS & INFORMATION:** SPAA has two email newsletters for members, **Above the Line** and **Below the Line**. **Above the Line** concentrates on industry news, events and key information, while **Below the Line** reports on specific industrial and legal issues and production agreement requirements. These newsletters are for members

only. SADC also produces an online publication focussing on issues affecting the documentary sector.

**EXCLUSIVE SPAA EVENTS:**

- Special SPAA industry events eg Speed Dating
- State Chapter meetings
- SPAA Annual Business Meetings

**SPAA Council**

SPAA is governed by a Council elected on an annual basis by the membership in each of the Feature Film, Television, Documentary, Television Commercials, Services and Facilities divisions. All members vote for the President and the Vice President.

SPAA thanks the outgoing 2002-03 Council for their commitment and energy. Feature Film representative, Jonathan Shteinman, Commercials representative Jude Lengel and documentary representative Mark Hamlyn stepped down from council at the end of 2002-03 council year. New councillors for 2003-04 included Tony Wright, Peter Cudlipp and Vincent Sheehan.

SPPA Councillor Adrienne Pecotic resigned from Council in November 2003. Her vacancy was filled by David Taft, who had previously served on SPAA Council. Adrienne's tireless commitment and vitality has been of great benefit to SPAA Council and the organisation as a whole. SPAA will continue to work with Adrienne in her new capacity as Executive Director, Australian Federation Against Copyright Theft.

Nigel Odell also resigned from SPAA Council during the year, this vacancy has been filled by Trish Lake who is also Head of Qld Chapter.

**SPAA Council for 2003-2004**

<b>President</b>	Stephen Smith
<b>Vice President</b>	Nick McMahon
<b>Documentary</b>	Tony Wright Brian Beaton
<b>Service &amp; Facility</b>	John Fleming Rick Schweikert
<b>Feature Film</b>	Vincent Sheehan Nigel Odell/Trish Lake
<b>Television</b>	Adrienne Pecotic/ David Taft Steve Roser
<b>Television Commercials</b>	Peter Cudlipp

**Council Meeting Dates 2003-04**

- 25 August 2003
- 26 September 2003
- 18 November 2003
- 2 February 2004
- 19 April 2004
- 21 June 2004

**SPAA State Chapters**

The state based Chapters also hold regular meetings which provide a valuable opportunity to network with other members, explore and progress current issues both locally and nationally and hear what's happening from invited guests.

**State Chapter Heads**

New South Wales Chapter Head	Marcus Gillezeau
Victoria/Tasmania Chapter Head	Ros Walker
Queensland Chapter Head	Trish Lake
South Australia Chapter Head	Wayne Groom
Western Australia Chapter Head	Sue Taylor

On behalf of all members, SPAA would like to formally thank the Chapter Heads for their voluntary efforts. SPAA also thanks the many guest speakers who appeared at Chapter meetings.

### **State Chapter Reports**

#### **New South Wales Chapter**

Marcus Gillezeau became the NSW Chapter Head at the beginning of the year bringing renewed energy and vitality to the NSW Chapter. Since his appointment he has held several Chapter meetings as well as hosting NSW Chapter Drinks for some international guests of the Sydney Film Festival.

#### **Victoria Chapter**

Victoria Chapter celebrated several major peer successes this year. The outstanding highlight of 2003-04 was seeing Melanie Coombs winning an Oscar with Adam Benjamin Elliot for their film Harvie Krumpet.

On a sadder note Tim Burstall passed away. A very moving wake was attended by a large number of the Victorian industry and people paid tribute to the pioneering work of this great filmmaker.

On the issues front, the Victorian Chapter was very involved with development of the draft Safety Guidelines for the industry and fighting against the Free Trade Agreement.

#### **Queensland Chapter**

The Qld Chapter successfully lobbied Qld Government and Gold Coast City Council for additional funds to move SPAA Conference to Qld. Members also lobbied the FCI (and Brisbane City Council) to sponsor SPAA Fringe.

The chapter formed its own sub-committee to work on an initial submission to PFTC guideline review with the intention that the committee's work will be ongoing. Chapter members have also worked to fostered greater cooperation between – SPAA, AWG and ASDA and MPEAQ in Qld.

#### **Western Australia Chapter**

During this year, Sue Taylor, took on the duties of Chapter Head with a plan to develop a greater level of communication within the industry. This meant more frequent general meetings (at least six times a year), more social events and an active Executive team to respond quickly to industry issues.

2003-04 has seen the WA Chapter of SPAA forge stronger relationships with other local branches of the industry organisations including ASDA, AWG, WASP (WA Sound Professionals) ACS, FTI and the Revelation Film Festival. The WA Chapter plans to continue working with the local associations and ScreenWest to promote a healthy creative industry and further develop both drama and factual strategies that benefit the state.

## **SPAA Documentary Division**

*Specific documentary policy issues and initiatives are addressed under the banner of the SPAA/ASDA Documentary Council, (SADC).*

## **SPAA /ASDA DOCUMENTARY COUNCIL (SADC)**

The SPAA/ASDA Documentary Council is a joint council formed in November 1998 to provide an effective independent voice for the documentary sector to Government and the wider industry.

The Objectives of the SADC are:

- To foster the development of the documentary sector in Australia
- To advance the interests of documentary producers
- Provide a focal point for action
- Develop public relations so that the needs, interests and achievements of the sector may be better understood and appreciated

The SADC Council comprises the Executive Directors of SPAA and ASDA, two representatives from SPAA, two representatives from ASDA. The Chair alternates between SPAA and ASDA members. SADC is administered from the SPAA offices. Bethwyn Serow continued two days a week working as Policy Officer for SADC.

The SADC is funded through industry levies on both SPAA and ASDA members. These funds are applied to policy development, advocacy, public relations and communication for the joint membership.

### **SADC Officers 2003 – 04**

Chair: Tony Wright  
Councillors: Tony Wright (SPAA), Brian Beaton (SPAA),  
Geoff Brown (SPAA) Greg Miller (ASDA),  
John Moore (ASDA), Richard Harris (ASDA),

### **SADC Activities in 2003–04 included:**

**ABA -** SADC lodged a submission into the ABA strongly recommending against introduction of a tradable quota system as detailed in the ABA's discussion paper. SADC also liaised with ABA representatives on development of Documentary definition guideline.

**Film Australia -** SADC initiated discussions with Film Australian seeking clarification and review of business practices and policies with regard to Film Australia projects produced within the independent sector. Discussion continues, initial developments include introduction of an annual Film Australia forum with the independent sector and

development of a detailed document outlining business practices and policies as they currently exist at Film Australia.

**AFI -**

SADC continues to call on the AFI for improved treatment of documentary profile and categories within AFI award system.

**SPAA Conference -**

SADC produced a special documentary session within the SPAA conference which considered the relationship between commissioning programs and ratings and what other success indicators exist for documentary programming.

**AIDC -**

SADC produced the Australian International Documentary Plenary session on the last day of the conference in Fremantle, February 2004. The session provided an opportunity for SADC to update filmmakers on issues affecting the and associated policy progress. SADC was also able to call for filmmaker feedback and suggestions, which assisted in setting the priorities for our members in the year ahead.

The 2004 AIDC Policy resolutions can be downloaded from SPAA website.

**Documentary Strategic Plan -**

SADC has successfully attracted funding support from the AFC to produce a Documentary Industry Strategic Plan which will be completed by early 2005.

**Austrade -**

SADC gained Austrade support for the Australian presence in France at Sunnyside of the Doc 2004. SADC is in discussion with AIDC conference organisers and various Austrade representatives to consider additional initiatives that might assist Australian producers attract international business partnerships and sales.

**FFC -**

SADC consulted members and represented documentary issues to the FFC during the FFC guideline review process. (see page 10 of this report)

**French Co-Productions-**

SADC representatives met with AFC to discuss current difficulties with the French Co-production arrangements as identified at AIDC. AFC raised key issues during a visit to Cannes in May and is now in the process of redrafting the letter of agreement between the two countries to



specifically include documentary genre and to change investment percentage caps. AFC and FFC will also consider how the French budget format might be accommodated within the local funding process.

**Newsletter -**

SADC produces a regular online newsletter for its members informing them of current industry issues and policy initiatives. Back copies can be retrieved from the SPAA website.

**SBS I -**

SADC met with SBS I commissioning editors to discuss the channel's new Australian documentary program schedules, impact of funding changes to SBS I , and to gain amendment to the format clause in commissioning contracts.

**ABC -**

SADC has called on the ABC to strengthen its working practices with the Independent Production sector.

## **SPAA REPRESENTATION**

SPAA encourages input from members in formulating policy and making representation to government, media and the wider industry. The pro bono work of SPAA members on committees and industrial negotiating teams is vital to the core business of the organisation. SPAA thanks its dedicated members for their involvement in the following committees:

### **Finance**

Stephen Smith  
Nick McMahon  
Sue Anderson  
Geoff Brown

### **ATPA and ATTRA Negotiating Committee**

James Talbot  
Adrienne Pecotic  
Nick Murray  
Matt Carroll  
Steve Rosser  
James Talbot

### **Children's Television Committee**

Ewan Burnett  
Ann Darrouzet  
Sandra Gross  
Stuart Menzies  
Jane Ballantyne  
Helena Harris  
Margot McDonald  
Noel Price  
Nick McMahon  
Ron Saunders  
Daniel Scharf  
Jonathan Shiff  
Sue Seary  
Sue Taylor

### **Feature Film Negotiating Committee**

Robert Reeve  
Vincent Sheehan

### **TV Policy**

Nick Murray  
Bob Campbell  
Mikael Borglund  
Hugh Marks  
Andrew Brooke  
Steve Rosser  
David Taft  
Nick McMahon

### **Intellectual Property**

Mathew Alderson  
Peter Tehan  
Marie Foyle  
Peter Karcher  
Anthony Mrsnik  
Robert Reeve  
James Talbot  
David Whealy

### **TVC Offshore Negotiating Committee**

Leown Steel  
Jude Lengel  
Peter Cudlipp  
Lizzy Nash

### **TVC Crew Terms of Employment Negotiating Committee**

Jude Lengel  
Paul Friedmann  
Carolyn Starkey  
Peter Cudlipp

### **Director's Negotiating Committee**

Nick Murray  
Stanley Walsh  
James Talbot  
Matt Carroll

### **State and National Committees**

SPAA participates on national and state committees covering a range of issues across all areas of its membership.

- Film and Television Policy Interest Group
- Australian Federation of Film and Television Associations
- Screen Production Safety Review Committee
- Firearms Review Committee
- WorkCover Consumer Services Industry Reference Group
- AFC Co-Production Advisory Panel
- National Copyright Industry Alliance
- FIBRE
- Australian International Documentary Conference Committee
- Women In Film and Television
- Screenrights Visual Arts Working Party
- Trading the Arts
- Australian Film Industry Research Forum
- National Archives Consultation Committee
- Film and Television Policy Industry Group
- Just Super Board
- The Australian Coalition for Cultural Diversity

## 4. Conferences and Events

### The aims of SPAA's Conference and Events are:

- Inform the membership on industry changes and relevant business skills via state chapter meetings, seminars and master classes
- Create business and social networks for members
- Stage events with strong linkages to key industry players - financing bodies, broadcasters, distributors, sales agents, advertising agencies, service providers, international industry, writers, directors, actors and production personnel
- Stage the Annual SPAA and Fringe Conferences

### SPAA Business Class Seminars 2003-04

The SPAA/Holding Redlich partnership continued to host a series of business seminars for another year. The seminars provide high-level advice to the industry on a range of production issues, using experienced industry practitioners. Holding Redlich chaired each of the seminars and provided background notes and speakers. SPAA acknowledges Holding Redlich's invaluable contribution in making these seminars as successful as they are.

Seminars were held in Melbourne, Sydney, Perth and Tasmania.

### SEMINAR AND BRIEFINGS 2003-04

June 2004	FREE INDUSTRIAL BRIEFING ON TV AGREEMENTS	Sydney Melbourne
May 2004	TUNE UP YOUR KNOWLEDGE ON MUSIC FOR FILM & TV	Perth
April 2004	PRODUCT PLACEMENT AND MERCHANDISING	Sydney Melbourne
March 2004	A GUIDE TO DEALING WITH THE VEXED TAX AND INVESTMENT ISSUES FACING THE AUSTRALIAN FILM AND TELEVISION INDUSTRY	Sydney Melbourne
August 2003	ARTISTIC AND LITERARY COPYRIGHT  I HAVE AN IDEA FOR TV OR FEATURE FILM.. WHAT DO I DO NEXT?	Sydney  Tasmania
July 2003	ARTISTIC AND LITERARY COPYRIGHT	Melbourne

## **SPAA CONFERENCE 2003**

The 18<sup>th</sup> Annual Conference of the Screen Producers Association of Australia Conference had its third year in Melbourne under its triennial funding arrangement with the Victorian Government. The conference was held at the Australian Centre for the Moving Image (ACMI) at Federation Square.

There were strong attendance numbers this year up a further 15% from last year. The Conference theme **Live or Let Die** focused on:

- the opportunities in the international market for co-productions and overseas funding
- identifying and promoting technology that is advantageous to the screen production sector, cross platform content creation including telephony systems,
- business challenges in the current environment.

### **SPAA Conference New Events**

Two new events were introduced to SPAA Conference this year, SPAAmart and Round Tables.

SPAAmart was a matchmaking scheme designed to put Australia's top feature projects with the world's top film-financing sources. 23 teams (producer, director, writer combinations) represented 18 projects from Australia and 5 from New Zealand. There were 27 executives being pitched to, 13 international and 14 local. Our International delegation increased from 28 guests in 2002 to 57 in 2003. This is a direct result of SPAAmart.

The Round Table initiative provided an opportunity for delegates to informally meet with speakers, industry decision-makers and financiers in a relaxed environment with a small group of peers. Delegates were not allowed to pitch individual projects at the Round Tables. Several hour-long sessions were scheduled each day for three days, with one speaker and seating for up to seven delegates seated at one of four tables. It is estimated that tables were full 75% of the time.

Both initiatives generated a significant level of positive feedback and will therefore be included in next year's SPAA conference program.

### **SPAA Conference Special Events**

#### **Independent Producer Awards - SPAA 2003**

The winners of the 2003 SPAA awards were:

- Independent Producer of the Year NICK MURRAY (Jigsaw Entertainment)
- Maura Fay Award for Services to the Industry JANE CORDEN (Money Penny Services)
- Category: Feature Film STEVE LUBY & MICK MOLLOY Production: Crackerjack

Category: Documentary ANDREW OGILVIE (Electric Pictures) Production: Child Soldiers  
Category: Service and Facilities SUE GREENSHIELDS (Lemac)  
Category: Children's Television DEB COX & ANDREW KNIGHT Production: Worst Best Friends (CoxKnight Productions)  
Category: Television/Light Entertainment BEYOND PRODUCTIONS Production: Hot Auctions  
Category: Television Drama DEB COX & ANDREW KNIGHT Production: After the Deluge (CoxKnight Productions)

### **Emerging Producers:**

The Emerging Producers Scheme is designed by SPAA to enable emerging producers to attend the SPAA Conference. The scheme provides a 50% discount on the SPAA Members Early-bird Registration fee.

The successful applicants were briefed prior to the conference on how to develop business and creative contacts and to maximise networking opportunities. Vincent Sheehan of Porchlight Films and Carla De Jong, a 2002 Emerging Producer led the briefing.

A private cocktail party was held for all participating Emerging Producers (EP's), providing an opportunity to meet key industry figures. In addition EP's were eligible for the Production Assistance Prize. This year Della Churchill won the prize.

The successful applicants were;

Matteo Bruno	Georgina Jenkins
Brendan Byrne	Stephan Mack
Della Churchill	Anthony Maras
Jane Alissa Crawford	Carmel McAloon
Sky Crompton	Mala Sujan
Damon Escott	Owen Thomas
Veronica Fury	Natasha Tighe
Meredith Garlick	Michelle Walsh

### **Pitching Competition**

Five select individuals or teams pitch their feature projects to a judging panel comprised of key international and local industry figures. The winner was announced following the pitches, and received a prize package including airfare to the 2004 Cannes Film Festival or TV Market, a \$2000 cash prize and free registration to the 2004 SPAA Conference.

SPAA introduced a new 'Audience Choice Prize' this year. Delegates cast their vote for the best pitch via SMS and the audience choice winner received a SPAA sponsors' prize package.

2003 Pitching Competition finalists included:

*Blue Poles*, Adam Dolman  
*Back To Bollywood*, Anupam Sharma, Lisa Duff  
*The Little White Horse*, Meredith Garlick, Monica Penders  
*Outback*, David Parker  
*Underagers*. Aliison Kelly and Cate McQuillen

Congratulations to the winners Aliison Kelly and Cate McQuillen for their project *Underagers*, which won both the judges and audience choice prizes.

### **Talent Assist Scheme**

This scheme brings exceptional new producers' short films to the attention of key industry delegates and guests, including producers, acquisition executives, financiers, programmers, distributors and funding agencies.

### **The 2003 Talent Assist Scheme finalists included:**

*Cracker Bag*, Jane Liscombe  
*Brace Yourself*, Victor Abbott  
*Scoff*, Robyn Marais, Renee Webster  
*Two White Lines*, Siouxzi Connor  
*The Ball*, Lily Hamdan, Serafina Froio and Anny Slater  
*Three Weeks In Koh Sumui*, Justine Spicer

### **SPAA Conference 2003 International Speakers**

PACO ALVAREZ Cinema Vault (CAN)  
LINDA ARONSON WRITER & SCRIPT CONSULTANT (UK/AUST)  
THOMAS AUSBERGER Eden Rock Media USA  
JOHN BARNETT MANAGING DIRECTOR South Pacific Pictures Limited (Whale Rider) (NZ)  
CHRIS BARTLEMAN EXECUTIVE PRODUCER Studio B (CAN)  
MARY BOOTH BUSINESS DEVELOPMENT MANAGER Ingenious Films (UK)  
NIKI CARO WRITER/DIRECTOR Hysteria Pictures (Whale Rider) (NZ)  
MICHAEL DONOVAN EXECUTIVE PRODUCER Salter Films (USA)  
GABRIEL FEHERVARI GENERAL MANAGER ALFACAM and CEO Euro 1080  
JULIA FRASER PRODUCER Lebrocquy Fraser Productions (SING)  
DAVE GIBSON PRODUCER Gibson Group (NZ)  
ANTHONY GINNANE, PRESIDENT, IFM World Releasing (USA)  
DEBBIE HORSFIELD PLAYWRIGHT & SCREENWRITER (UK)  
MARTIN KATZ PRESIDENT Prospero Pictures (CAN)  
JENNA LUTTRELL, Nickelodeon (US)  
STEPHANIE KIRCHMEYER PRODUCER/CONSULTANT Anakao (UK)  
LAURA MACKIE HEAD OF DRAMA SERIALS BBC (UK)  
SAN FU MALTHA A Film/ Indie Circle NE  
CHRIS MERCIER BUYER Haut et Court, Indie Circle (FRA)  
RICHARD MILLER MANAGING DIRECTOR Olsberg SPI (UK)  
MARK PESCE DIRECTOR Playful World Consulting (USA)  
TOM STRUDWICK, PRODUCER/FINANCING CONSULTANT, Ultramine Productions (UK)  
LARA THOMPSON Momentum Pictures (UK)  
BILL TODMAN JR (USA)  
TOM VAN WAVEREN HEAD OF CO-PRODUCTION Telescreen (HOLLAND)  
JOHN YORKE HEAD OF DRAMA Channel 4 (UK)

### **SPAA Conference 2003 Local Speakers**

KIM ANDERSON DIRECTOR STRATEGY & TECHNOLOGY Nine Network Australia  
TONY AYRES WRITER/DIRECTOR Big and Little Films  
DR TONY BIRCH LECTURER, ENGLISH WRITING University of Melbourne  
JEFF BIRD LECTURER FILM & TELEVISION Swinburne University  
JOHN BOWRING CEO Lemac  
TAIT BRADY GENERAL MANAGER Palace Filmsa  
DEIRDRE BRENNAN PROGRAMMER ABC Kids  
GEOFF BRENNAN CANBERRA MANAGING DIRECTOR Gavin Anderson & Co  
GEOFF BROWN EXECUTIVE DIRECTOR SPAA  
MARTIN BROWN PRODUCER Martin Brown Films  
ANNI BROWNING COMPLETION GUARANTOR Film Finances

DAVID BURDEN CEO Legion Interactive  
MARK BUTCHER Macquarie Filmed Entertainment  
DOMINIC CASE TECHNICAL DIRECTOR Atlab  
MICHAEL COOK CEO Film Graphics  
PETER CORONEOS EXECUTIVE DIRECTOR Internet Industry Association  
JULIAN CRESS EXECUTIVE PRODUCER Nine Network Australia  
SEAN CUMMINS CEO Cummins and Partners  
KIM DALTON, CHIEF EXECUTIVE, AFC  
TREVOR EASTMENT DIRECTOR PROGRAMMING & PRODUCTION Lifestyle Channel XYZ Entertainment  
JOHN EDWARDS PRODUCER Southern Star  
ROSS EMERY CEO Mushroom Pictures  
MARTIN FABINYI CEO Mushroom Pictures  
SIGGY FERSTL CHIEF COLOURIST Digital Pictures  
CHRIS GODFREY DIRECTOR VISUAL EFFECTS, Animal Logic  
MARK GOODER CEO Icon Film Distribution  
IAN GRACIE Art Director  
JOHN GREGORY CEO Imagination Entertainment  
RICHARD HARRIS, EXECUTIVE DIRECTOR, ASDA  
LYNDA HOUSE PRODUCER  
TERRY JACKMAN DIRECTOR Pacific Cinemas  
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ROBYN KERSHAW HEAD OF DRAMA ABC  
NED LANDER DOCO SR COMMISSIONING EDITOR SBS1  
HELEN LEAKE PRODUCER Duo Art Productions  
SANDRA LEVY DIRECTOR OF TELEVISION ABC  
DEBBIE LEE DEPUTY COMMISSIONING EDITOR DRAMA SBS1  
GIOVANNI LOVISETTO PRODUCER Here Films  
TROY LUM Hopscotch Films  
HAL MCELROY PRODUCER McElroy Television  
ANNIE MACKIN HEAD OF ENTERTAINMENT 3 Products and Services, Hutchinson  
SUSAN MACKINNON INVESTMENT MANAGER Film Finance Corporation  
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ANDREW MCINTYRE GM PROGRAM FINANCE & DEVELOPMENT Network Ten  
PENNY McDONALD PRODUCER Chili Films  
PAUL ONEILE DIRECTOR FFC and former Chairman & CEO of UIP  
MARK PESCE DIRECTOR Playful World Consulting  
ANNA ROBINSON HEAD OF TV Grey Advertising  
GARY ROGERS PARTNER Michell Sillar  
BRIAN ROSEN CHIEF EXECUTIVE FFC  
CAROLE SKLAN DIRECTOR OF FILM DEVELOPMENT AFC  
ROB SPENCER PRODUCER Plush Films  
RAYMON STEINER PRODUCER  
ERROL SULLIVAN EXECUTIVE DIRECTOR Southern Star  
DUNCAN THOMPSON WRITER/SCRIPT EDITOR/ARTISTIC DIRECTOR Aurora  
BRETT THORNQUEST PROJECT TAX AND FINANCE Moneypenny Services  
DAVID WHEALY SENIOR ASSOCIATE Holding Redlich  
PAUL WIEGARD Madman Entertainment  
KIM WILLIAMS CHIEF EXECUTIVE Foxtel  
MICHAEL WILLIAMS PARTNER Gilbert Tobin & Associates

**SPAA CONFERENCE 2003 ADVISORY COMMITTEE**

MARCUS GILLEZEAU, Producer, Firelight Productions  
MICHAEL GORDON-SMITH, member, ABA  
JAMES HEWISON, Executive Director, Melbourne International Film Festival  
JENNIE HUGHES, Executive Vice President, Macquarie Filmed Entertainment  
MARK LAZARUS, Executive Producer, Film Graphics  
MALCOLM LONG, Director, AFTRS  
JULIE MARLOW, Producer, Deep Rock  
NIGEL ODELL, Producer, Instinct Entertainment  
VINCENT SHEEHAN, Producer, Porchlight Films  
BEC SMITH, Creative Director, IF Magazine  
LINDA TIZZARD, Film Consultant  
SPAA THANKS THE COMMITTEE, ALL OF WHOM GAVE GENEROUSLY OF THEIR TIME AND ENERGY TO PRODUCE NEW DIRECTIONS FOR THE 2003 CONFERENCE PROGRAM.

**SPAA Team**

GAYLEE HODGSON, Conference Director



MORGWYN RIMEL, Sponsorship and Special Events Manager  
KATIE FAGAN, Website and Administration

**Consultants**

MICHAEL AGAR, Director, Popcorn Taxi  
TIM BROOKE HUNT, Executive Director, Pacific Vision  
PENNY CHAPMAN, Producer, Chapman Films  
SANDY GEORGE, AUS Correspondent, Screen International & CZI Media  
ROSS HUTCHENS, Producer, Media World Pictures  
RICHARD SOWADA, Director, Revelation Film Festival  
MARIE THOMPSON, Commissioning Editor, SBS  
CAROLYN VAUGHN, International Events and Project Management Consultant

**Session Producers and Chairs**

NICK ABRAHAM, Partner, Deacons  
GEORGE ADAMS, Project and Risk Manager, FACB  
MICHAEL AGAR, Director, Popcorn Taxi  
LINDA ARONSON, Writer & Script Consultant (UK/AUST)  
GEOFFREY ATHERDEN, Writer/Producer  
DAVID BARDA, Producer/Consultant and Chairman, IF Media  
JEFF BIRD, Lecturer, Film and Television, Swinburne University  
MARY BOOTH, Business Development Manager, Ingenious Films (UK)  
JOHN BOWRING, CEO, Lemac  
TIM BROOKE-HUNT, Producer, Pacific Vision  
MARTIN BROWN, Producer, Martin Brown Films  
GEOFF BROWN, Executive Director, SPAA  
MICHAEL CATHCART, ABC Radio  
PENNY CHAPMAN, Producer, Chapman Pictures  
JANE CORDEN, Director, Moneypenny Services  
KIRSTEN FAZION, Associate Producer, Animal Logic  
ROBERT FIDGEON, Writer and Critic, Herald Sun  
DAVE GIBSON, Producer Gibson Group (NZ)  
MARCUS GILLEZEAU, Producer, Firelight Productions  
MICHAEL GORDON-SMITH, Member, ABA  
SUE GREENSHIELDS, Managing Director, Lemac  
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JENNIE HUGHES, Executive VP, Macquarie Filmed Entertainment  
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MARK LAZARUS, Executive Producer, Film Graphics  
MALCOLM LONG, Director, AFTRS  
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JULIE MARLOW, Producer, Deep Rock  
SUE MASTERS, Head of Drama, Network Ten  
HELENE NICOL, Producer, Great Southern Films  
HEATHER OGILVIE, Producer, A Nice Picture Company  
MARK PESCE, Director, Playful World Consulting (USA)  
ANNA REEVES, Solicitor, Marshalls & Dent Lawyers  
BRIAN ROSEN, Chief Executive, FFC  
IAN SANDS, Special Projects Manager, Roadshow Film Distributors  
PETER SEKULESS, Director, Gavin Anderson & Co  
BETHWYN SEROW, Policy Officer, SADC  
LINDA TIZARD, Director, The Broad Picture

**SPAA Conference Sponsors 2003:**

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**SPAA ACKNOWLEDGES THE FINANCIAL ASSISTANCE OF**

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VILLAGE ROADSHOW  
X/MEDIA/LAB

### **SPAA FRINGE 2003**

In order to ensure that SPAA Fringe conference retained its freshness and relevance to our members and the industry it was decided to move the fifth SPAA Fringe conference to Byron Bay. The venue for the conference was the Byron Bay Community Centre. Held over three days from 14 to 16 November 2003, Fringe attracted significant funding support from the NSW Department of Regional Development and NSWFTO.

**THE 2003 PROGRAM, SCREENING YOUR FUTURE – BUSINESS DEVELOPMENT SKILLS IN FILM, TV AND NEW MEDIA**, had a strong business focus and reflected on the local talent in Northern NSW and Qld.

SPAA was keen to host Fringe in the NSW Northern Rivers Region as it is home to the largest community of industry practitioners outside of Sydney and Melbourne and it was a wonderful opportunity to introduce the region's creative talent and locations to the visiting emerging and established producers.

The program focussed on the essentials of business with a second strand of creative sessions. The aim was to ensure that emerging and low budget producers received the essential information on producing and the opportunity to learn how to take the next step.

Key thematic sessions included: The Business of Film and Television, Understanding the TV Business, Can Documentaries Become a Business? Delegates also had the opportunity of hearing first hand how successful emerging producer/director, Khoa Do, made his award winning film *The Finished People*.

Another highlight was the plenary session with the writers and performers of the successful CNNN and The Chaser series, Andrew Hansen, Chris Taylor and Charles Firth.

SPAA Fringe Patron, US Peter Broderick, President of Paradigm, was our keynote for the fifth year. Peter's attendance was crucial to the success of the programme as he brought key international information to the conference and also his expertise as a low budget digital and innovative distribution specialist.

Peter was once again nominated as the audience's favourite speaker for his comprehensive, intelligent and up to date sessions and his commitment to speaking to delegates individually throughout the three days.

### **Aims and Objectives**

SPAA Fringe is the only three-day conference focussing on the emerging and low budget producer/filmmaker. To that end SPAA's aim was to ensure that all delegates left the conference with essential information to take the next steps in their long-term career. To achieve this, SPAA designed a program that included both experienced practitioners, who were willing to share their knowledge, and emerging producers who have achieved

a high level of success, (such as Jane Liscombe, producer of *Cracker Bag*, winner of the *Palm d'Or* for the Best Short Film at the Cannes Film Festival.)

The **Social** side of the conference was important as it assisted in the interaction between delegates and speakers. A sponsored drinks night was scheduled for the first night of the conference and AFI Award winning film, *Gettin' Square* with a Q & A with the writer, director and producers was scheduled for the second night with drinks at a Byron Bay hotel afterwards.

### **SPAA Fringe Special Programs NSW Film and Television Pitching Competition**

The NSW Film and Television Office sponsored our annual Pitching Competition. Five teams contested the competition with the winning pitch being awarded a SPAA Conference Registration. Judges of the competition included: Jane Smith, Director, NSW Film and Television Office, Peter Broderick, President, Paradigm, US, Julie Marlow, Producer, Deep Rock and Courtney Gibson, Head of Entertainment, ABCTV.

Delegates also had an informal opportunity to pitch individual projects during the 20 minute time that the judges needed to make their decision. Mandy Nolan, Byron Bay comedian hosted the Competition.

### **Management Focus Groups – University of Wollongong**

The Department of Management at University of Wollongong ran focus groups on Sunday 16 November to analyse management concepts and “Best Practice” in Australian film production.

Fringe delegates were invited to participate in focus groups, which would be the starting point to analyse current problems and hindrances in order to focus the research perspective.

### **Sponsorship**

Extra support was required to host Fringe in Byron Bay as extra expenses were incurred such as travel and accommodation costs.

SPAA very gratefully acknowledges the support of the NSW Government through the Premier's Office, The NSW Department of State and Regional Development and the NSW Film and Television Office. This support ensured that Fringe was able to attract a high calibre of speaker and all the elements needed to make a successful conference could be achieved.

SPAA also gratefully acknowledges the ongoing support of SPAA member, Film Finances, Inc. whose long-term support has been invaluable to SPAA Fringe's success.

Fringe 2003 Sponsors, included:

**Principal Sponsors:**

NSW Government  
The NSW Department of State and Regional Development  
NSW Film and Television Office

**The Major Sponsor:**

Film Finances, Inc.

**Supporting Sponsors:**

The Australian Film Commission  
Film Victoria  
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Australian Film, Television and Radio School, (AFTRS)  
Holding Redlich  
Screen Development Australia  
Freshwater Productions  
The Beach Hotel  
Cutting Edge Post  
Ipsos Facto Productions  
Network Ten  
Film Australia  
Unreal Music  
Lemac  
Showfilm  
Encore Magazine  
IF – Inside Film  
Leapfrog Strategic Communication

**Australian Fringe Speakers 2003**

Chris Brown, Producer, Pictures in Paradise  
Defrim Isai, Development Executive, Pictures in Paradise  
Julie Marlow, Producer, Deep Rock Pty Ltd  
Deb Cox, Writer  
Stephen Sewell, Writer  
Roger Monk, Writer  
Malcolm Burt, Producer, MMedia  
John Smithies, CEO, The Australian Centre for the Moving Image  
Chris Winter, Manager, New Services, ABC New Media & Digital Services  
Andrew Hansen, Writer, Performer, CNNN and The Chaser  
Charles Firth, Writer, Performer, CNNN and The Chaser  
Chris Taylor, Writer, Performer, CNNN and The Chaser  
Warren Lynch, Colourist, Digital Pictures  
Louise O'Neil, VFX Producer, Photon VFX  
Michael Rumpf, Production Designer, Flugzeug Productions  
Mike Seymour, Visual Effects Supervisor, Digital Pictures  
Kerry O'Rourke, Chief Executive, QPIX  
Chris Simpson, Professional Development Officer, Open Channel  
David Opitz, Chief Executive, MetroScreen  
Peter Thurmer, Media Resource Centre (SA)  
Trevor Eastment, Head of Programming and Production, Lifestyle Channel  
Courtney Gibson, Head of Entertainment, ABCTV  
Jackie McKimmie, Project Manager, AFC  
Nick Murray, CEO, Jigsaw Entertainment  
Geoff Brown, Executive Director, SPAA

Jane Corden, MD, Moneypenny Services and Taxation Services  
Andy Strahorn, DOP, Undead  
Paul Butler, Producer, Fifty Fifty Films  
Khoa Do, Director/Producer, Post75 Productions  
Amanda Duthie, Project Office, NSW Film and Television Office  
Michael Cordell, Director, Hilton Cordell Productions  
Susan MacKinnon, Investment Manager, FFC  
Geoff Burton, Director of Photography  
John Weiley, Producer, Director, Writer, Heliograph Productions  
Belinda Chayko, Director/Writer  
Deborah McBride, Manager, Creative Industries Development, Screenworks  
Stuart McDonald, Director  
Sue Murray, Executive Director, Fandango Australia  
Tracey Mair, Director, TM Publicity  
Jennie Hughes, Executive Vice President, Macquarie Filmed Investments  
Deborah Zipser, Investment Manager, FFC  
David Whealy, Senior Associate, Holding Redlich  
Brett Thornquest, Project Tax and Finance Consultant, Moneypenny Services  
Jane Liscombe, Producer, *Cracker Bag*, Exit Films  
Kerry Rock, Producer, Watermark Productions  
David Hannay, Producer, Vitascope Filmed Entertainment

### **International Fringe Speaker 2003**

Fringe Patron – US Peter Broderick, President, Paradigm

### **SPAA Fringe Conference Advisory Committee 2003**

Julie Marlow, Producer, Deep Rock Pty Ltd  
Deborah McBride, Manager, Creative Development, Northern Rivers Screenworks  
Miriam Stein, Producer, Tama Films  
Andy Walker, Producer, Beyond Simpson Le Mesurier  
Alexandra Jones, Membership Services and Events Manager  
Emily MacDonald, Fringe Co-Ordinator, SPAA  
Geoff Brown, Executive Director, SPAA

### **SPAA Fringe Conference Team 2003 (within SPAA)**

Alexandra Jones, Membership Services and Events Manager  
Emily MacDonald, Fringe Co-Ordinator, SPAA

## SPAA SECRETARIAT

### SPAA Publications

**Above The Line**, edited by Sandy George, continued to be distributed to all our members on a regular basis. An online publication providing in depth coverage of industry issues. Back issues are accessible via the SPAA website.

**Below The Line**, continues to be published on demand. Email news bulletins are now the normal method of communication with members, alerting them to new developments in industrial and industry matters, as well as information about events and seminars.

SADC also produces a bi-monthly online Documentary newsletter distributed to all SPAA and ASDA members.

- SPAA producer profiles within **IF Magazine**: Media Journalist Sandy George interviewed and profiled one SPAA producer member in each issue of IF Magazine during 2003-04.
- Regular SPAA regular editorial feature within **Encore Magazine**: Prepared by SPAA Executive Director, Geoff Brown, these editorials covered pressing issues within the industry including; Free Trade Agreement, Independent Production Quota, Cannes report, International Federation of Film Producer Associations (FIAPF) annual meeting, non-member usage charges, industrial relations negotiation updates and post US/Australia Free Trade Agreement call for tax reform.

### SPAA Administration

In 2003-04 SPAA structure and personnel remained relatively constant, developing on from the new organisational structure established in the previous year.

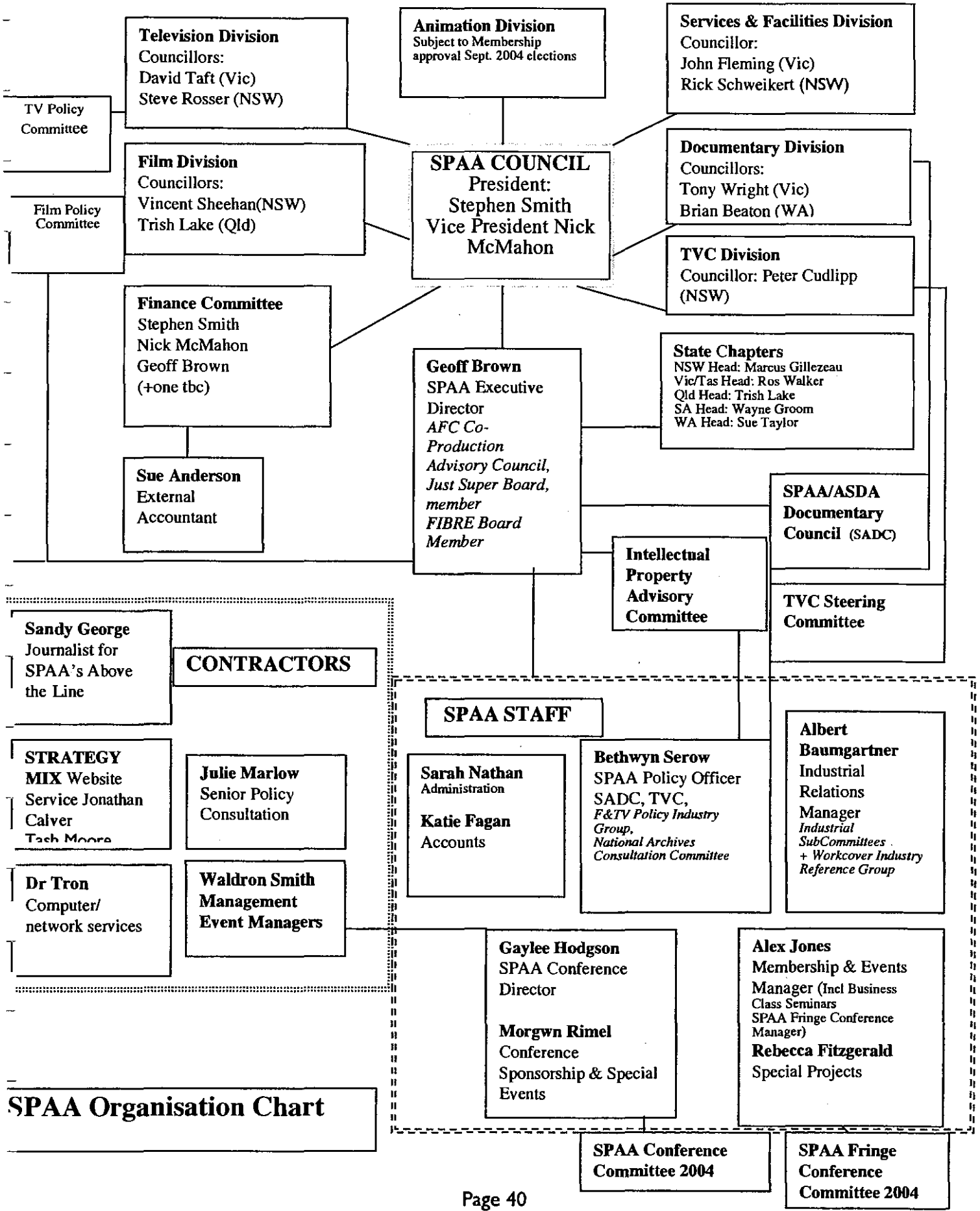
SPAA welcomed Morgwn Rimel joining the SPAA team as Conference Sponsorship Manager in 2003. SPAA sadly said farewell to Virginia Stapleton who left SPAA in May 2004 to pursue her graphic arts career. Katie Fagan has now moved into her role as Accounts/Member Services with Sarah Nathan joining SPAA as the new Administration Assistant. SADC Policy officer, Bethwyn Serow took on the new additional role of TVC facilitator three days a week.

Due to unforeseen complications associated with the tenancy agreement at our Crown Street premises SPAA moved offices, some 200 metres, in December 2003. The move was a team effort ensuring a relatively smooth transition, co-ordinated by the industrious efforts of Virginia Stapleton who deserves special thanks. The new location delivered a further reduction to SPAA overheads, long-term tenancy security and has proved to be a more effective and efficient space to operate within.

**Staff as of June 30 2004**

Executive Director:	Geoff Brown
Industrial Relations Manager	Albert Baumgartner
Membership Services, Events Manager	Alexandra Jones
Marketing & Conference Director	Gaylee Hodgson
Conference Sponsorship and Special Events Manager	Morwyn Rimel
Accounts /Member Services	Virginia Stapleton/Katie Fagan
Administration	Sarah Nathan
SPAA/ASDA Documentary Policy Officer	Bethwyn Serow (2 days maternity leave covered by Julie Marlow)
Commercial Division Facilitator	Bethwyn Serow (3days maternity leave covered by Natalia Kurop)

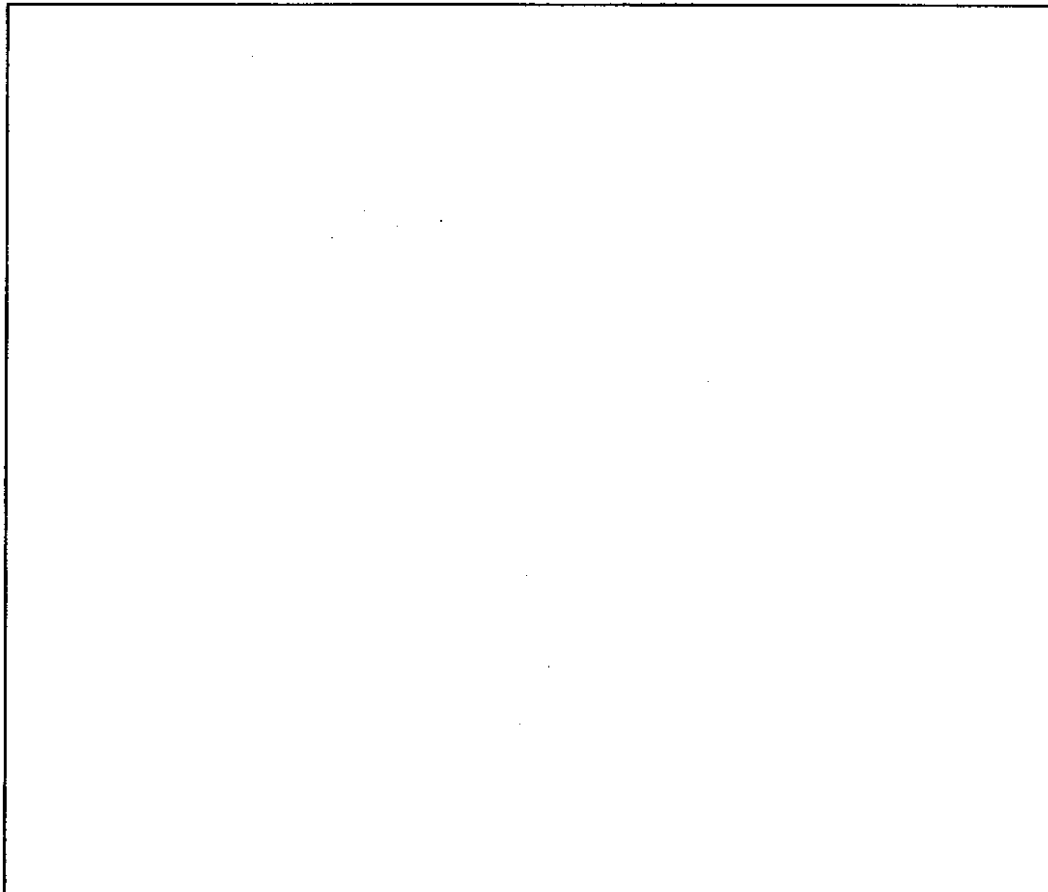




**SPAA Organisation Chart**

**Screen Producers Association of Australia**

**Financial Report  
for the Year Ended 30 June 2004**



**Screen Producers Association of Australia  
Committee's Report**

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Your committee members submit the financial statement of Screen Producers Association of Australia for the financial year ended 30th June 2004.

**Committee Members**

The names of Committee members throughout the year and at the date of this report are:

Stephen Smith (appointed September 2002)  
Nick McMahon (appointed September 2002)  
Adrienne Pecotic (resigned February 2004)  
James Talbot (resigned September 2003)  
Steve Rosser (appointed September 2003)  
David Taft (appointed February 2004)  
Jonathan Shteiman (resigned September 2003)  
Nigel Odell (resigned February 2004)  
Trish Lake (appointed February 2004)  
Vincent Sheehan (appointed September 2003)  
Mark Hamlyn (resigned September 2003)  
Brian Beaton (appointed September 2001)  
Tony Wright (appointed September 2003)  
John Fleming (appointed September 2002)  
Rick Schweikert (appointed September 2002)  
Jude Lengel (resigned September 2003)  
Peter Cudlipp (appointed September 2003)

**Principal Activities**

The principal activities of the association during the financial year were to provide a representative forum for members involved in the Australian film and Television industry.

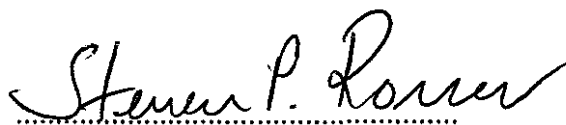
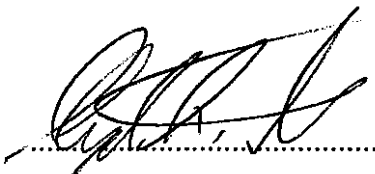
**Significant Changes**

During the year there was no significant changes in the nature of the Association's activities

**Operating Results**

The profit from ordinary activities for the year amounted to \$69,739.

Sign in accordance with a resolution of the Members of the Committee.



Dated this 30<sup>th</sup> day of September 2004

**Screen Producers Association of Australia**  
**Statement of Financial Performance**  
**For the Year ended 30 June 2004**

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	1,631,806	1,426,914
Employee benefits expense		(253,501)	(266,294)
Depreciation expense		(6,475)	(16,932)
Operating lease expense		(1,144)	-
Seminars expenses		(16,694)	-
Other expenses from ordinary activities		(1,284,253)	(1,093,326)
<b>Profit from ordinary activities attributable to the Association</b>	3	<u>69,739</u>	<u>50,362</u>
<b>Total change in equity of the association</b>		<u><u>69,739</u></u>	<u><u>50,362</u></u>

*The accompanying notes form part of these Financial Statements.*

**Screen Producers Association of Australia**  
**Statement of Financial Position**  
**As at 30 June 2004**

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	4	414,440	233,318
Receivables	5	257,573	212,929
Other	6	92,529	56,946
<b>TOTAL CURRENT ASSETS</b>		<u>764,542</u>	<u>503,193</u>
<b>NON-CURRENT ASSETS</b>			
Shares in Private Companies		300	300
Property, Plant and Equipment	7	13,008	14,978
<b>TOTAL NON-CURRENT ASSETS</b>		<u>13,308</u>	<u>15,278</u>
<b>TOTAL ASSETS</b>		<u>777,850</u>	<u>518,471</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	107,251	100,781
Current tax liabilities	9	58,302	33,533
Provisions	10	167,617	117,714
Other	11	224,770	116,271
<b>TOTAL CURRENT LIABILITIES</b>		<u>577,940</u>	<u>368,299</u>
<b>TOTAL LIABILITIES</b>		<u>557,940</u>	<u>368,299</u>
<b>NET ASSETS</b>		<u>219,910</u>	<u>150,172</u>
<b>EQUITY</b>			
Retained profits	12	219,910	150,172
<b>TOTAL EQUITY</b>		<u>219,910</u>	<u>150,172</u>

*The accompanying notes form part of these Financial Statements.*

**Screen Producers Association of Australia**  
**Statement of Cash Flows**  
**For The Year ended 30 June 2004**

	Note	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members & other		1,181,641	1,295,993
Operating grant receipts		3,000-	
Donation received		-	-
Receipts from sales of publications		-	-
Payment to supplier and employees		(1,008,074)	(1,273,102)
Dividend received		-	-
Interest received		4,971	4,994
Payment of income tax		-	-
<b>Net cash provided by operating activities</b>		<b>181,538</b>	<b>27,885</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed asset purchases		(4,506)	(1,720)
Proceed on sale of fixed assets		-	-
<b>Net cash provided by (used in) investing activities</b>		<b>(4,506)</b>	<b>(1,720)</b>
<b>Net cash increase in cash held</b>		<b>177,032</b>	<b>26,165</b>
<b>Cash at the beginning of the financial year</b>		<b>233,318</b>	<b>207,153</b>
<b>Cash at the end of the financial year</b>		<b>410,350</b>	<b>233,318</b>

*The accompanying notes form part of these Financial Statements.*

**Screen Producers Association of Australia**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2004**

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**Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report and it has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act of NSW.

The financial report covers Screen Producers Association of Australia as an individual entity. Screen Producers Association of Australia is an association incorporated in New South Wales under the Association Incorporations Act 1984.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair value of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by Screen Producers Association of Australia in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income tax**

The association is exempt from income tax.

**(b) Property, Plant & Equipment**

Each class of property, plant and equipment is carried at the Committee's valuation less, where applicable, any accumulated depreciation.

The carrying amount of plant and equipment is review annually by the Association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<u>Class of Fixed Assets</u>	<u>Depreciation Rate</u>
Office Equipment	8% – 33%

**Screen Producers Association of Australia**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2004**

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(c) **Leases**

Lease payments under operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(d) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave which will be settled after one year, have been measured at their nominal amount. Other benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

(e) **Cash**

For the purposes of the Statement of Cash Flows, cash included cash on hand, at banks and on deposits.

(f) **Revenue**

Income from providing a service is recognised when the customer receives the service.

Interest income is recognised on a proportional basis taking into account the interest rates relevant to the financial assets.

(g) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstance the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and Payables in the Statement of Financial Position are shown inclusive of GST.



**Screen Producers Association of Australia**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2004**

	2004	2003
	\$	\$
<b>Note 2: Revenue from Ordinary Activities</b>		
<b>Operating revenue</b>		
Advertising Income	4,295	-
Grants	3,000	-
Subscriptions	156,270	117,860
Levies	483,483	491,016
Seminars/Workshops	39,117	26,164
Conference	787,442	666,284
Fringe Conference	103,430	73,828
BBC Income	-	7,500
Prior Year Fringe Conference	1,201	-
	<u>1,578,238</u>	<u>1,382,652</u>
<b>Non-operating revenue</b>		
SADC	5,000	5,000
Wage Recovery	28,046	26,469
Interest Received	4,971	4,994
Sundry Income	15,551	7,799
	<u>53,568</u>	<u>44,242</u>
	<u>1,631,806</u>	<u>1,426,914</u>
<b>Note 3: Profit from Ordinary Activity</b>		
Profit from ordinary activities has been determined after:		
<b>(a) Expenses</b>		
Depreciation expenses	6,475	16,932
Remuneration of auditor		
- SPAA Audit	3,050	3,200
- Conference audit	2,000	1,500
	<u>11,525</u>	<u>21,632</u>
<b>(b) Significant Revenue and Expenses</b>		
The following revenues and expenses items are relevant in explaining the financial performance		
Conference Income	787,442	666,284
Conference Expenses	<u>568,166</u>	<u>554,189</u>
	<u>219,276</u>	<u>112,095</u>
Fringe Conference income	103,430	73,828
Fringe Conference expenses	<u>98,368</u>	<u>35,329</u>
	<u>5,062</u>	<u>38,499</u>

*These notes should be read in conjunction with the attached Financial Statements*

**Screen Producers Association of Australia**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2004**

	<b>2004</b>	<b>2003</b>
	\$	\$
<b>Note 4: Cash Assets</b>		
Petty Cash	(3)	191
AMEX Account	2,451	-
Visa, Master, BC Account	1,364	-
Diners Account	275	-
SPAA Cheque Account	312,722	129,020
Cheque Account Conference	97,585	104,107
Fringe Cheque Account	46	-
	<u>414,440</u>	<u>233,318</u>
<b>Note 5: Receivables</b>		
Receivables	247,483	224,929
Receivables Conference	3,018	30,000
Less Provision for Doubtful Debts	(42,000)	(42,000)
Conference 04	47,400	-
Other Receivable	1,672	-
	<u>257,573</u>	<u>212,929</u>
<b>Note 6: Other</b>		
Prepayments	66,928	19,925
Deposit Refundable	13,674	25,108
Other	11,927	11,913
	<u>92,529</u>	<u>56,946</u>
<b>Note 7: Property, Plant &amp; Equipment</b>		
Office Equipment	137,706	133,200
Less Accumulated Depreciation	124,698	118,223
	<u>13,008</u>	<u>14,977</u>
<b>Note 8: Payables</b>		
Trade Creditors and Accruals	24,516	53,886
PAYE Tax Payable	25,172	24,600
SPAA/ADSA Documentary Council	46,739	22,295
Superannuation Payable	10,824	-
	<u>107,251</u>	<u>100,781</u>

*These notes should be read in conjunction with the attached Financial Statements.*

**Screen Producers Association of Australia**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2004**

	2004	2003
	\$	\$
<b>Note 9: Current Tax Liabilities</b>		
GST Liabilities as at 30 June 2004	58,302	33,533
	<u>58,302</u>	<u>33,533</u>
<b>Note 10: Provisions</b>		
Provision for Extra Industrial Relations Costs	100,000	55,000
Provision for SPAA Lobbying Fund	45,000	45,000
Provision for Holiday Pay	22,617	17,714
	<u>167,617</u>	<u>117,714</u>
<b>Note 11: Other</b>		
Pitching Prize	-	4,671
Fees in advance	51,744	-
Conference in advance	147,687	105,200
Fringe in advance	25,971	6,400
SPAA SA Chapter	(632)	-
	<u>224,770</u>	<u>116,271</u>
<b>Note 12: Retained Profits</b>		
Retained profit at the beginning of the financial year	150,170	99,808
Net profit attributable to the association	69,740	50,362
Retained profit at the end of the financial year	<u>219,910</u>	<u>150,170</u>

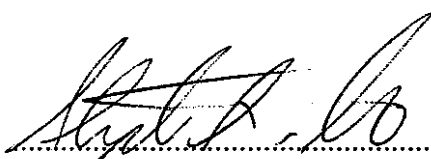
**Screen Producers Association of Australia  
Statement by Members of the Committee**

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In the opinion of the Committee the Financial Report as set out on pages 2 to 9:

1. Presents a true and fair view of the financial position of the Screen Producers Association of Australia as at 30 June 2004 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Screen Producers Association of Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:

President 

FOR AND ON BEHALF OF  
Vice President 

Dated this 30<sup>th</sup> day of September 2004

**SCREEN PRODUCERS ASSOCIATION OF AUSTRALIA  
INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
SCREEN PRODUCERS ASSOCIATION OF AUSTRALIA**

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**Scope**

I have audited the financial report of Screen Producers Association of Australia for the year ended 30 June 2004 as set out on page 1 to 10. The Committee is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

I did not conduct an audit of the Annual Conference Income and Expenditure. That Audit was conducted by another auditor whose report was not to hand at this date. The totals of Annual Conference Income and Expenditure have been included in the Statement of Financial Performance.


My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the Association's financial position and performance as represented by the result of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis, subject to the separate audit of Annual Conference Income and Expenditure.

**Audit Opinion**

In my opinion, the financial report of Screen Producers Association of Australia presents a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, of the financial position of Screen Producers Association of Australia as at 30th June 2004, and the results of its operations and its cash flows for the year then ended.

Sydney, *To Sept* 2004

  
ROBERT E. CORBEN FCPA  
Registered Company Auditor  
497 Avro Street  
BANKSTOWN AIRPORT NSW 2200

Screen Producers Association of Australia  
Certificate by Members of the Committee

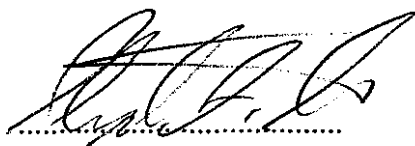
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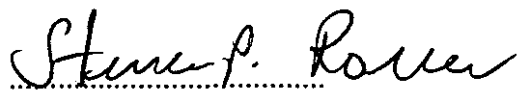
I, Stephen Smith....., and

I, STEVEN ROSSER.....

certify that:

- a. We are members of the Committee of Screen Producers Association of Australia.
- b. We attended the Annual General Meeting of the association held on 30 September 2004.
- c. We are authorised by resolution of the committee to sign this certificate.
- d. This annual statement was submitted to the members of the association at its annual general meeting.

  
.....

  
.....

Dated this day 30<sup>th</sup> of September 2004.

# Screen Producers Association of Australia Compilation Report

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## Scope

On the basis of information provided by the Committee of Management of Screen Producers Association of Australia, I have compiled in accordance with APS 9: "Statement on Compilation of Financial Reports" the special purpose financial report of Screen Producers Association of Australia for the period ended 30th June 2004 comprising the attached Income and Expenditure Statement.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.


The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet the needs of the Committee of Management for the purpose of complying with the Association's Constitution.

My procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided into a financial report. My procedures do not include verification or validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, I do not accept liability for any loss or damage which any person, other than the Association, may suffer arising from any negligence on my part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Association and the purpose identified above. I do not accept responsibility to any other person for the contents of the special purpose financial report.

Sydney, *30 Sept* 2004

  
ROBERT E. CORBEN FCPA  
497 Avro Street  
BANKSTOWN AIRPORT NSW 2200

**Screen Producers Association of Australia**  
**Income and Expenditure Statement**  
**For the Year ended 30 June 2004**

	2004 \$	2003 \$
<b>INCOME</b>		
Subscriptions <i>also included in CPR</i>	156,270	117,860
Levies	483,483	491,016
Seminars	39,117	26,164
SPAA Conference	787,442	666,284
SPAA Fringe Conference	104,631	73,828
BBC Income	-	7,500
Grants	3,000	-
SADC	5,000	5,000
Interest Received	4,971	4,994
Sundry Income	15,551	7,799
Advertising Income	4,295	-
Wage Recovery	28,046	26,469
	<u>1,631,806</u>	<u>1,426,914</u>
<b>EXPENDITURE</b>		
Accountancy Fees	4,038	6,189
Annual Report Expenses	4,000	-
Advertising	8,643	1,809
Audit Fees - SPAA	3,050	3,200
Audit Fees - Conference	2,000	1,500
Bad Debts	67,362	12,386
Bank Charges	1,515	738
Merchant Fees	4,801	1,997
Cleaning	3,934	4,278
Computer Expenses	8,992	16,369
Consultancy Fees	111,646	102,746
Governance	72,347	28,745
Policy & Government	3,505	11,721
Commercial Affairs	6,050	1,538
SPAA Chapter	5,913	6,039
SPAA Conference	568,166	554,189
TVC Policy	508	-
Depreciation - Office Equipment	6,475	16,932
Electricity	1,697	1,733
Freight & Cartage	4,964	-
Fringe Benefits Tax	-	3,654
SPAA Fringe Conference	98,368	35,329
General Office Expenses	4,043	6,824
Holiday Pay	4,903	5,208
Insurance	18,299	10,564



**Screen Producers Association of Australia**  
**Income and Expenditure Statement**  
**For the Year ended 30 June 2004**

	2004	2003
	\$	\$
Interest Paid - ATO	-	4,178
Interne/Website Expenses	13,464	20,064
Leasing Expenses - Franking Machine	1,144	1,144
Legal Expenses <i>Not in GPR</i>	18,361	5,192
Magazines, Journals & Periodicals	2,305	1,444
Moving Expenses	24,799	14,904
Postage	3,350	4,889
Printing & Stationery	17,141	7,401
Provision - Industrial Relations Costs	45,000	55,000
Provision Lobbying	-	45,000
Rent	49,073	69,067
Repairs & Maintenance	487	-
Security Costs	311	396
Seminars Expenses	16,694	5,363
Staff Amenities	3,547	1,590
Staff Training & Welfare	2,867	1,151
Storage Expenses	1,070	-
Subscriptions	14,684	5,000
Superannuation Contributions	22,123	18,520
Telephone	18,223	13,067
Travelling Expenses	10,653	4,148
Temporary Staff <i>} emp</i>	9,728	-
Wages	271,819	265,346
	<u>1,562,067</u>	<u>1,376,552</u>
<b>OPERATING PROFIT BEFORE INCOME TAX</b>	<u><b>69,739</b></u>	<u><b>50,362</b></u>

**SCREEN PRODUCERS ASSOCIATION OF AUSTRALIA**  
**STATEMENT OF THE COMMITTEE OF MANAGEMENT**

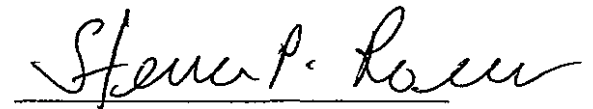

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In accordance with the resolution of the Committee of Management dated 30/09/2004 we state that in the opinion of the Committee:

- (a) the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the association as at the end of the financial year;
- (b) the accompanying Statement of Financial Performance is drawn up so as to give a true and fair view of the result of the association for the year end 30 June 2004;
- (c) meetings of the Committee were held in accordance with the rules of the association;
- (d) to the knowledge and belief of all the members of the Committee there have been no instance where records, other documents or rules of the association that should have been furnished or made available have been withheld from members, and;
- (e) the association has, in relation to the Auditor's Report on the accounts and statement in respect of the immediately proceeding year, complied with the provision of sec279(1) and 279(6) of the Workplace Relation Act 1996.

Signed on behalf of the Committee of Management

*OK reference to prior provisions but inconsistent with previous years Sec. Certificate*



Date 30/9/2004

Date 30/9/2004



**Australian Government**  
**Australian Industrial Registry**

Statutory Services Branch  
Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Stephen Smith  
President  
Screen Producers Association of Australia  
34 Fitzroy Street  
SURRY HILLS NSW 2010

Dear Mr Smith,

**Re: FR2004/393 - Financial documents for year ended 30 June 2004  
Screen Producers Association of Australia**

Receipt is acknowledged of your organisation's financial documents for the year ended 30 June 2004. The documents were lodged in the Registry on 16 May 2005.

As has been outlined in a series of communications from the Registry over the past two years, financial documents for a financial year ending 30 June 2004 (and financial years thereafter), must be prepared in accordance with the requirements of the Registration and Accountability of Organisations Schedule (Schedule 1B) to the Workplace Relations Act 1996, commonly referred to as **the RAO Schedule**. There are a number of deficiencies in relation to the documents lodged, details of which are set out below.

### **1. Certificate of designated officer**

s268 of the RAO Schedule requires that the documents be lodged with a covering certificate by a *designated officer* (as defined in s243) certifying that the documents lodged are copies of those provided to members (in accordance with s 265) and presented a meeting (in accordance with s266). No such certificate accompanied the documents.

### **2. Late lodgement**

Section 268 of the RAO Schedule requires that the documents be lodged within 14 days of the general meeting to which they are presented, unless a Registrar has allowed an extension. It appears that the documents were lodged more than seven months late.

### **3. Operating report**

Section 254 of the RAO Schedule requires the preparation of an operating report. That section and regulation 159 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (the RAO Regulations), set out matters which must be included in the report. The first page of your financial report is headed "Committee's Report", and contains some of the matters required in an operating report. Matters which are not included in the Committee's Report are:

#### **(a) Right of members to resign:**

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule of the organisation, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It appears in this case that rule 10 of the organisation's Rules is the relevant rule.

**(b) Trustees of superannuation entities:**

Section 254(d) provides that the report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- “(i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or*
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and*

*where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation ..”*

I note that on page 26 of the SPAA annual report, reference is made to SPAA participating in the JUST Super Board. If that participation is of the kind referred to in s254(d), then the details must be included in the operating report

**(c) Number of members and number of employees:**

Subsection 254(2)(f) of the RAO Schedule and regulation 159 (a) and (b) of the RAO Regulations, require the operating report to set out:

- the number of persons that were members of the organisation at the end of the financial year, and
- the number of persons who were employees of the reporting unit at the end of the financial year measured on a full-time equivalent basis. (I note this information can be gleaned from page 39 of the annual report, however it should be included in the operating report which forms part of the financial documents)

#### **4. General Purpose Financial Report (GPFR)**

**(a) Prescribed notice s272**

Subsection 272(5) of the RAO schedule requires the inclusion of a notice in the GPFR drawing attention to the provisions of subsections 272 (1), (2) and (3) and setting out those subsections, which are:

***“272 Information to be provided to members or Registrar***

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.*
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.*
- (3) A reporting unit must comply with an application made under subsection (1).*

*Note: This subsection is a civil penalty provision (see section 305).”*

This mandatory notice was not included in the GPFR.

**(b) Inclusion of certain items in audited GPFR**

Section 253 of the RAO Schedule sets out the requirement that a GPFR must be prepared, and lists certain items it must contain. It includes requirements that certain information set out in the Reporting Guidelines issued by the Industrial Registrar under s255 must be included. Clause 11 of the guidelines issued on 20 June 2003 (which apply to a financial year ending 30 June 2004), sets out the items of expense which must be included in the profit and loss statement or notes to the financial statements.

The item at subclause (j) is “legal costs and other expenses related to litigation or other legal matters”.

I note that "Legal Expenses" are included in the unaudited Special Purpose Financial Report, however this item of expense should appear in the audited GPFR. There may be other items not so readily apparent which should also have been included. When preparing financial documents for future financial years, all relevant items listed in the Reporting Guidelines should be set out in the GPFR.

The Industrial Registrar's Reporting Guidelines as varied from time to time are available from the AIRC website at [www.airc.gov.au](http://www.airc.gov.au).

**(c) Auditors Report**

The opinion of the auditor made under the auditor's report is not expressed in the terms required under the RAO Schedule. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to express an opinion. The following wording would satisfy the requirements of the Schedule:

*"In my opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996."*

**5. Committee of Management Statement**

Clauses 16 to 18 of the Industrial Registrar's Reporting Guidelines set out the requirement for, and matters to be included in, a Committee of Management Statement.

There are two statements and one certificate by members of the committee included in the financial documents. While many of the required items are included in one or other of these, some items are not. Please ensure when preparing future years financial documents that all required items are covered, preferably in on statement. The relevant guidelines are set out in an attachment to this letter.

**6. Provision of financial report to members**

There is nothing in the documents to indicate if and/or when the documents were provided to all members. Section 265 of the RAO schedule requires that the full report (consisting of auditor's report, GPFR and operating report) must be provided to members at least 21 days before the general meeting at which the report is to be presented. The certificate referred to in the first section of this correspondence would normally be used by the Registry to ascertain whether ss265 and 266 have been complied with.

While the complexities of moving to the RAO requirements have been taken into account when examining the first documents lodged by each organisation under the Schedule, the legislation does contain penalties for non-compliance, and the legislation has been drawn up with a clear intention that compliance can and will be more rigidly enforced.

A copy of this letter has also been forwarded to your auditor.

yours sincerely

Ken Ophel  
Statutory Services Branch  
Australian Industrial Registry  
21 June 2005

cc: Robert E. Corben

## ATTACHMENT

### Excerpt from Industrial Registrar's Guidelines

#### **Committee of Management Statement**

16. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.

17. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

18. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
- (b) specify the date of passage of the resolution;
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
- (d) be dated as at the date the designated officer signs the statement.

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**Australian Government**  
**Australian Industrial Registry**

Statutory Services Branch  
Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

22 June 2005

Robert E. Corben  
497 Avro Street  
Bankstown Airport NSW 2200

Dear Mr Corben

I enclose a copy of correspondence sent today to the Screen Producers Association of Australia in relation the above.

yours sincerely

Ken Ophel  
Statutory Services Branch  
phone: (03) 8661 7984  
email: [ken.ophel@air.gov.au](mailto:ken.ophel@air.gov.au)

encl.