

Bringing residuals into the digital age – it's time to vote!

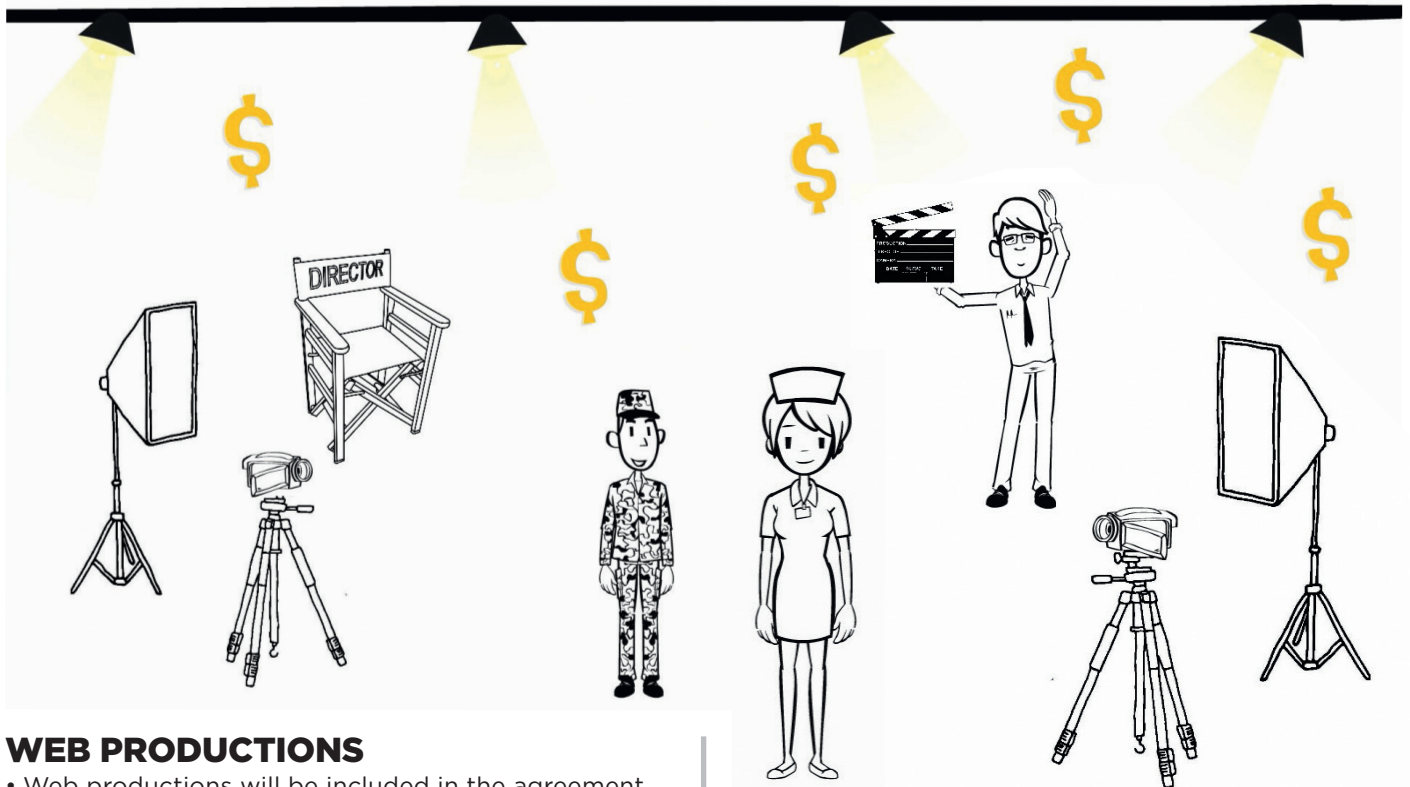
Equity has successfully negotiated major changes to the way performers earn residuals in the future.

These changes include recognition of new technology such as video on demand, internet streaming and web-based productions.

The complex agreement was negotiated between Equity and Screen Producers Australia (SPA) over more than two years.

While the agreement continues to cover Australian TV programs, Equity was adamant that the digital landscape and changed audience patterns of consumption be properly addressed.

The agreement provides a new **10% loading** for the use of a performer's work on free streaming services such as iView, a **70% loading** for the premiere release of a performer's work on SVoD platforms such as Netflix and Presto, and web productions will now be included in the agreement – performers will receive a **57.5% upfront loading** and will share in **10% of any revenue generated**. A licence period of three years will now apply to free-to-air broadcast and digital use.

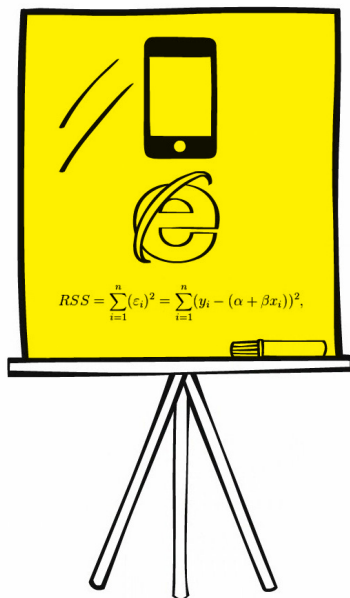


WEB PRODUCTIONS

- Web productions will be included in the agreement for the first time.
- Performers will receive a 57.5% upfront loading for a three year licence period. Performers will also share in 10% of any revenue generated after the first 12 months of the production's online release. The definition of revenue includes any money from advertising or licencing to host the content on a commercial website.
- While web productions are a new area and an "incubator" for emerging artists, this new industry framework will ensure performers receive their fair share as this market grows.

CATCH-UP STREAMING

Currently 'catch up' streaming (ie iView) is neither regulated nor paid for in the residuals agreement. For the first time actors will receive a 10% loading (in addition to the 70% broadcast loading) for release of the program on a broadcast catch-up service. This new loading permits usage on the broadcaster's free streaming platform for the duration of the licence period. The 10% will be paid after engagement to ensure it's not absorbed into the market rate.

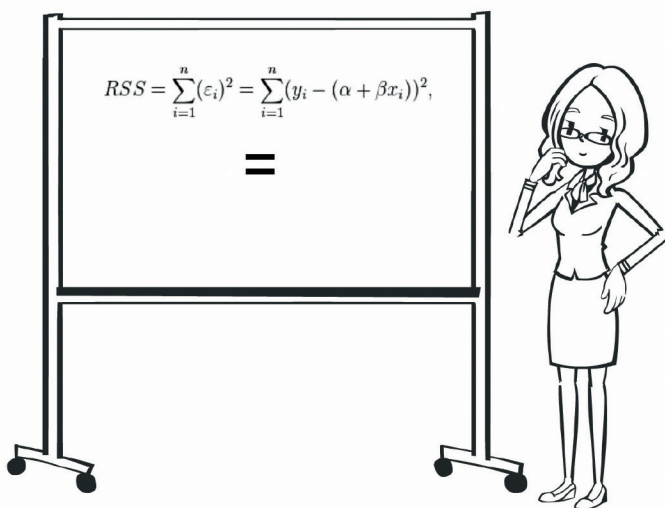


SUBSCRIPTION VIDEO ON DEMAND

- Content for internet TV increasingly competes with content for broadcast TV. Our goal was to ensure that a program made for either internet or broadcast TV values actors the same.
- Programs made for SVoD (ie Netflix, Stan, Presto) will no longer be treated as “ancillary”. Instead of the ancillary loading – 2.5% for unlimited usage – SVoD will now have the same value as television – a 70% loading for a three year licence period.
- In recognition of SVoD platforms as new market entrants, the 70% loading includes two bonus delayed broadcasts of the program (four if it’s a kids program).

TV PLAYS

- Currently, actors receive a 70% broadcast loading which buys a number of plays for use over a seven-year licence period.
- The new agreement allows more plays over a shorter licence period.
- Equity’s member survey revealed the preparedness to provide greater flexibility in plays. Instead of four adult and six kids plays over seven years, the new agreement provides eight adult and 12 kids plays over three years. These plays must be purchased as a block for the full 70%, closing the partial purchase option previously allowed.
- Instead of seven years, the new license period for free-to-air networks is three years. If a program is commissioned for another series, the licence period may be extended to four years, but the broadcaster can only access any unused plays in that extra year.



RE-LICENCING OF PROGRAMS

- The existing formula for repeats after the first licence period has meant almost no Australian programs have been re-licenced in several decades. Instead of repeat fees based on the performers’ original fee (the BNF model), performers will now share 20% of the re-licence fee.
- The new formula will mean more re-licencing and more income for actors.

COMPLIANCE AND REPORTING

- The agreement will include a new reporting regime to enhance compliance. This includes a requirement to report to MEAA even when there is no obligation to pay, new obligations to disclose relevant financial and sales information and MEAA will now disburse residuals covered by this agreement.



**This agreement
is endorsed by your
National Performers
Committee**

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www.meaa.org**