

Bringing your residuals into the digital era



Important changes are being negotiated to the way you, as a performer, will earn residuals in the future.

These changes include recognition of the growing popularity of new technology, including video on demand, Internet streaming, and web-based productions.

Equity wants you to have a say on these changes, so it is important you understand how they will affect you...



THE BASICS

Residuals are payments negotiated by Equity and paid to performers for the showing of a film or TV program in which they performed.

Residuals are an important supplementary income source for performers and give you a share in the commercial success of a program long after it has been filmed.

Who is entitled to residuals?

Performers, stunt performers and bit players engaged under an Equity contract whose performance remains in the final product.

Extras, stand ins and body doubles are not entitled to residuals.

What factors are my residuals based on?

- The residuals agreement in place during the specific year
- The type of production
- The platform or media type where the product appears (ie TV, DVD, Pay TV)
- Whether the production is offshore or local
- The related production agreement negotiated by Equity
- Your performer's contract
- The number of days and weeks you worked on the production

How often does Equity distribute residuals?

Quarterly.

THE RESIDUALS DICTIONARY

Upfront fee

Basic Negotiated Fee (BNF) + Rights Loadings
= Upfront Fee.

BNF is based on the Equity minimum rate + what your agent negotiates on top of that.

Rights Loadings % of your BNF to compensate you for use of your work on Australian TV, in Australian ancillary markets and in Rest of World markets.

EXAMPLE – Weekly Performer works 5 x 8 hour days	
Minimum Equity weekly rate for 5 x 8 hour days (at July 2014)	\$1,026.28
+ Personal margin (negotiated by agent)	-
= Basic Negotiated Fee (BNF)	
Rights loadings	
70% Australian TV broadcast - 4 plays over the first licence period (max 7 years)	
2.5% Australian 'ancillary' release (internet, DVD, in-flight/hotel use etc)	
30% Rest of world (ROW) release	
102.5%	\$1,051.94
TOTAL FEE (BNF + rights)	\$2,078.22

Australian ancillary and Rest of World

Australian ancillary means markets other than Australian broadcast TV, such as internet, DVDs, Inflight entertainment.

Rest of World means broadcast markets outside of Australia, such as cable TV in the US and ancillary use overseas.

The Australian ancillary and Rest of World loadings are paid in the upfront fee.

Repeat fees

Repeats fees are payable when a program is played on Australian TV beyond the plays paid for in the upfront fee/ and or if the program is relicensed for a second period.

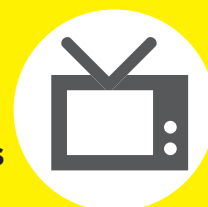
DID YOU KNOW...

There are only **five countries** in the world where the unions have managed to win residuals for actors. **Australia is one.**



DID YOU KNOW...

Equity has been negotiating **residuals payments for performers since the 1980s.**





THE RESIDUALS AGREEMENT

The Australian Television Repeats and Residuals Agreement (ATTRRA) is negotiated between Equity and the Screen Producers Association (SPA).

The ATTRRA was last negotiated in 2004.

Back then TV was still king. Audience viewing habits have changed drastically since then.

It's time to update our agreement to be more relevant and transparent.

A NEW AND BETTER SYSTEM MUST INCLUDE STREAMING

Under the current system you get your upfront fee which includes loadings, but most of the early sales money goes to the distributor and producer.

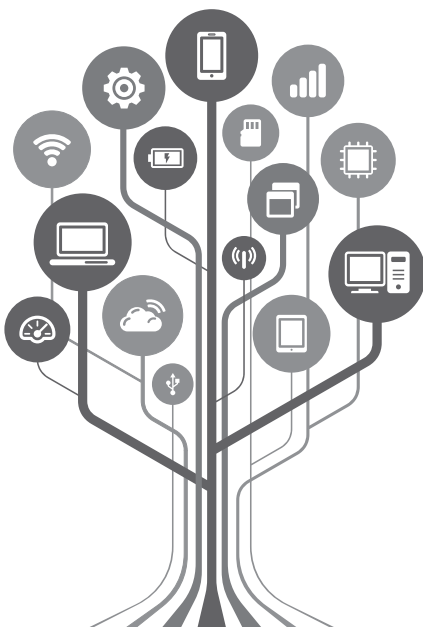
After that, you're supposed to see – and here the formula is complicated – a small percentage of your BNF each time revenue passes a certain amount of sales.

There is no recognition of streaming in the current system. Supposedly streaming is “ancillary” and worth very little (2.5%).

But Equity believes whether you're first releasing a program on TV or on Netflix or Stan it should have the same value.

If you want catch up as well – that's when you can catch the television program later on another platform – (iView, 7plus etc) that needs to be paid for.

It's fair enough to have a short free window but if the channel is using your program on another platform, residuals should be paid.



DID YOU KNOW...

16 Australian YouTube channels have more than **one million** subscribers.

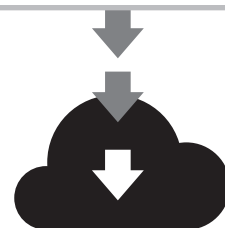
Source: Screen Australia analysis of Nielsen data, Did You Know Newsletter, March 2015



WHAT ABOUT WEB-PRODUCTIONS?

They're not even in the old system.

Streaming and internet TV should be treated as the primary viewing platform it is – unless it's a catch-up service – but performers still should be paid.



DID YOU KNOW...

In 2013-14,

82% of ABC4Kids iView content was

viewed using a mobile device



Source: Screen Australia analysis of Nielsen data, Did You Know Newsletter, March 2015

HAVE YOUR SAY

Go to **www.meaa.org** to take part in the survey about how residuals may be negotiated in future.

MEAA Member Central
1300 65 65 13
www.alliance.org.au
Facebook/WithMEAA
Twitter/WithMEAA



Authorised by Zoe Angus, Director, Equity
245 Chalmers St, Redfern, Sydney

