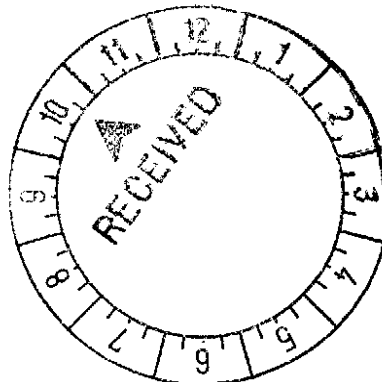


SCREEN SERVICES

ASSOCIATION OF VICTORIA

7 May, 2004

Senate Select Committee
On the FTA between Australia
and the United States of America
Parliament House
CANBERRA ACT 2600



To the Senate Select Committee

Proposed Australia – United States Free Trade Agreement

Screen Services Association of Victoria Inc is a body which represents the services and facilities providers in the Victorian film, television and multimedia industry. Our organisation represents a broad range of participants in the film and television industry who will be substantially affected by certain aspects of the proposed Australia – United States Free Trade Agreement (FTA).

We have previously contributed to submissions in relation to the form and content of the Free Trade Agreement and provide this further brief submission based on the proposed form of the FTA.

1. We note with concern the ratchet provisions which apply across a range of areas relevant to our members to stop the existing arrangements in place being extended to continue the opportunity for Australian voices and stories to be heard across our media. The areas of concern to our members in respect of the ratchet provisions include:
 - Foreign control of commercial television and subscription television
 - Australian content quotas on free to air television
 - Australian content requirements on pay television, which already provide a substantial liberalisation on the regime for free to air television and provide for the content obligations to be met by one channel in a group rather than a minimum requirement for each channel.
2. Further, the ratchet clause provides that once a quota is reduced, it cannot be reimposed. This means that irrespective of the impact of the current arrangements into the future, no alteration to the quota can be introduced to secure the interests of the Australian Public.

3. We also note that the arrangements in respect of quotas are effectively frozen so that any new form of media which is introduced cannot be required to comply even with the current 'light touch' requirements, particularly in the pay TV area.
4. In respect of the ABC and SBS, the Chapter 10 cross border trading services excludes services supplied in "exercise of government authority" which would appear to include the National Film and Sound Archive, the Australian Centre for Moving Image and the Australian Film Institute. However, given the way that the ABC and SBS compete against commercial radio and television stations in the marketplace, there is a clear prospect that these organisations and their activities will be in breach of the FTA unless their activities are identified in the FTA as non conforming. Further, any such non conformity should be sufficiently broadly identified to provide for further expansion of these services into areas currently not contemplated.
5. The Annex 1 and Annex 2 reservations are much narrower than those adopted in the Singapore - Australia Free Trade Agreement and the reservations in SAFTA in relation to services and investment chapters provide substantially more freedom to Australia in relation to creative arts and broadcasting. The SAFTA provisions should be the model for the FTA in this regard.
6. In respect of Chapter 11, Investment Annex 1-2, these provisions appear to substantially complicate the existing State provisions in relation to the grants and subsidies and tax concessions for production in States. The ratchet provisions may have the effect of stopping an existing provision being transferred from one entity to another in respect of the same facility, such as where a studio is sold from one party to another. It may also limit the ability to structure a subsidy or other benefit to maximise its effectiveness for the dollars spent by the State Government. Further, it appears that requirements such as domestic content, local purchasing or technology transfer requirements cannot be conditions of the benefits granted by the State Government.

We would appreciate the Committee considering these concerns and giving weight to them in their deliberations in relation to the FTA.

In order for our members to maintain their competitive market profile they must invest many millions of dollars in the latest technology and also in training and retaining creative people to match. Our members are at the core of a sustainable industry and without our industry demanding the very best from our members, the skills and equipment will percolate out of Australia to wherever the demand is. Unless the concerns we have raised are addressed in the final form of the FTA, our members may not be in a position to continue their investment with some reasonable expectation that they will have an industry that needs the level of quality they can provide.

If you require any further information in relation to our submissions, please contact Hugh Maclaren or myself at our address above.

Yours faithfully



Cynthia Mann

President Screen Services Association of Victoria Inc.