

**Film Exhibition and Distribution  
Code of Conduct  
Administration Committee**

**Chairman's Report**

**August 3  
2014**

## **The digital revolution**

The financial year which has just concluded was a remarkable one for the cinema industry.

It marked the end of over a century of projection of film to be replaced by digital transmission.

What was also remarkable about it was the way in which the cinema industry in Australia responded to the changes which this technological breakthrough brought with it.

And it was in this area that the Code of Conduct became particularly important. To enable the changes to be made so that all cinemas would be able to meet the deadline, cooperation on an industry wide basis was needed.

The Code had already established a framework for business to be conducted on an amicable and equitable basis. This had been honed down during the 15 years it had been in operation. In the transfer to digital, it allowed all segments of the industry to meet within the Code's framework to discuss the implementation.

Even before it got to this stage, the independents did some heavy lifting themselves to secure a virtual print fee to apply to all of the ICAA members. However, this was not concluded until late in the last financial year.

The Code was able to provide appropriate forums for discussion as many of the issues under discussion coincided with the revision of the Code which this time had been undertaken by the Administration Committee.

The specialist committee – with a representative from each of the four segments of the industry - was therefore able to deal with proposed changes to the Code suggested by signatories but in addition was able to consider the issues resulting from the change to digital.

Possible and potential difficulties were able to be raised, discussed to the satisfaction of all parties, cleared with the constituent bodies and the result incorporated in the list of suggested changes to bring the Code comprehensively into the digital age.

Since its inception the Code has set out to win the trust of the Signatories, especially in the framework which has been created to do business.

Regular updates of the Code have all been directed at keeping the Code current with emerging changes in technology and business practice.

In this major change to the whole of the industry the Code has provided the appropriate forum for industry-wide issues to be discussed and resolved.

While there had been drawn out battles in the United States about the implementation of the digital revolution, in Australia under the Code of Conduct these issues were able to be discussed and resolved from a whole of industry perspective.

All of those representatives who took part in those discussions deserve a giant vote of thanks.

## **Classification Issues**

For several years now the Administration Committee has been engaged in discussions with the Classification Branch of the Federal Attorney-General's Department over a series of issues.

The Branch entered into discussions with the Committee so that it could obtain views from across the industry.

As a result of these discussions and representation over many years by the industry the Government announced during its "red tape" review that it would no longer require separate classifications for material appearing in 2D or 3D format.

The abolition of the dual classification had also been recommended by the Australian Law Reform Commission in its recent review of the classification system.

The Government had taken up the proposition and was in the process of taking the repeal to the Standing Committee on Law and Justice for approval.

In a separate announcement, the Government proposed that as part of a review of the appeals process across the board, the Classification Review Board will now be part of a “super appeals tribunal.”

The details of the amalgamated tribunals system has yet to be spelled out.

The Government announcement indicated that while the tribunals dealing with appeals would continue as before there were savings to be made in the merging of some of the support administrations.

Indications at the moment are that the Classification Review Board will retain its own specialist panel to deal with appeals from the decision of the Classification Board but its support staff may come under review.

The view of industry across the board is that the Review Board is a specialist agency with a membership cognizant of the film and computer games products and the appropriate classification of the product.

It is also aware of the severe constraints on the industry due to the time when the film or computer game is classified to the proposed release date for the film or computer game.

The present composition of the Review Board and the flexibility of its sitting times provide the service which the industry believes is necessary to meet the quick turn around of decisions. Industry would urge the Government not to compromise these elements.

Discussions continue on the issue of trailers. The industry through the MPDAA and FEDCAC has been urging a change to the present system so that trailers can be classified according to the content of the trailer rather than on the eventual classification of the film they are promoting.

The law at present is that trailers can only be shown at sessions where the feature film is the same or higher classification than the film being promoted by the trailer.

Industry is seeking to have the classification of the trailer determined by the content of the trailer itself which would allow for greater opportunities for promotion of the film in cinemas and on television.

Changes to the requirements need to approval not only of the Federal Government but also the States and Territories which make up the national classification scheme.

## **Administration**

During the course of the year Ms Nathalie Birt resigned from the Code Secretariat after over 10 years in the administration of the Code and its financial management. She also engaged in the early intervention dispute resolution procedures under the code and achieved remarkable success.

On behalf of all members of the Administration Committee and the code Signatories I would like to thank her for the work she did for the Code and for the Administration Committee in particular. We wish her well in her new venture.

Her place has been filled by Mrs Hong-An King. The Committee welcomes her appointment and looks forward to working with her.

I would also like to thank the Code Conciliator, Mr David Newton, who is always on hand to offer advice on the administration of the Code and to oversee the early intervention procedures. There have been no disputes in recent years which have not been able to be dealt with effectively by the early intervention procedures.

Finally, I would like to thank the members of the Committee who approach their task with a constructive, cooperative and open approach with the good of the entire industry as their goal. The success of the Code is due to their efforts.

*John Dickie*

Chairman  
3 August 2014