

FILM EXHIBITION AND DISTRIBUTION CODE ADMINISTRATION COMMITTEE

Information Bulletin
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Code Changes Reflect Transfer to Digital Age

The Code of Conduct for Film Distribution and Exhibition (**Code**) has been amended to address the major changes taking place in the film distribution and exhibition industry and the challenges that those changes present.

The amendments to the Code have been made by the Code Administration Committee, after a year long review, to take account of some of the most significant technological developments in the history of the industry.

When the voluntary Code was established by exhibitors and distributors in 1998 under the auspices of the ACCC, the industry operated wholly on the analogue projection of 35mm film prints.

It is now expected that by 2014 (at the latest), all feature films and other content exhibited at cinemas in Australia will be delivered and exhibited in digital format using 2D and 3D digital projection systems.

The current review of the Code is the first to be undertaken since 2006. The 2006 review was conducted by leading code expert, Mr Neill Buck. All of the recommendations which he made – many of them on governance and conciliation procedure issues - were subsequently adopted and incorporated in the revised 2007 Code.

This time the Code Administration Committee was of the view that many of the issues which needed consideration were more technically oriented and that the review should be conducted internally, based on industry submissions.

Accordingly, all signatories to the Code, which covers the distribution and exhibition industry, were notified of the review and invited to make submissions relating to changes to the Code having regard to recent and future developments and other matters which could facilitate the more effective operation of the Code.

Submissions raising some 20 issues were received and were closely examined by an assessment sub-committee appointed by the Code Administration Committee and made up of representatives of major and independent exhibitors and distributors.

While the submissions again included proposals for the Code to include 'guarantee of supply' provisions, the ACCC has made it very clear since the commencement of the Code that the Code cannot include such provisions.

On 28 February 2013 the Code Administration Committee considered the draft amendments that were made to the Code to reflect the assessment sub-committee's recommendations, and unanimously adopted all of those changes.

The amendments to the Code address the following matters raised in the industry submissions:

- an industry commitment to combat film piracy;
- co-operation to facilitate conversion to digital cinema, including continuation of current booking practices and patterns and guidelines for the ongoing supply of 35mm prints;
- prohibition of unfair discrimination against any category or class of cinemas and guidelines for supply responses to piracy concerns at cinemas;
- expansion and refinement of the requirements for intended terms of supply notification procedures;
- confidentiality of box office receipts information supplied by exhibitors;
- timely delivery of digital materials (DCPs and KDMs);
- distributor policies relating to the ongoing supply of 35mm prints, delivery of digital materials and 3D glasses;
- timely installation of complying digital projection systems by exhibitors, including guidelines for addressing digital projection system non-compliance;
- refinement of the qualifications for representation on the Code Administration Committee by independent exhibitors and independent distributors and clarification of Committee voting requirements;
- inclusion of a limited glossary of terms including definitions of "cinema" (to specifically include drive-in cinemas), "complying digital projection system", "film", "Film Copy", "supply" and "VPF".

In addition, references in the Code to "print" have been replaced with "Film Copy" (to reflect the transition to digital cinemas) and there have been a number of formal drafting amendments which do not impact the substance of the Code.

Under the provisions of the Code, the amendments take effect once they have been approved unanimously by the Administration Committee. Accordingly they now form part of the Code.

A copy of the new Code and a copy of the marked up amendments are available on the website (www.filmcode.info).

John Dickie
Chairman
FEDCAC