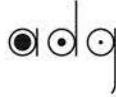


Victorian Film and Television Industry Working Party

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SUPPLEMENTARY SUBMISSION ON AUSTRALIAN CHILDREN'S TELEVISION

November 2017

Prepared as an addition to the VFTIWP's Submission to the Australian and Children's
Screen Content Review September 2017

PROTECTING AUSTRALIAN CHILDREN'S TELEVISION

If the quota system for Australian children's television is abandoned, we run the risk of completely erasing Australian stories for future generations. This is the equivalent of the baby boomer generation growing up without *Skippy* or every other generation growing up without *Playschool*. Australian television plays a significant role in the lives of young Australians by telling Australian stories in Australian voices.

As a nation we're proud of our values such as a fair go and tolerance for all, not to mention the importance of a healthy sense of humour which we all hold dear. Children don't learn their values by somebody telling them, they learn their values by the stories they're told. Take away quotas and there will be no Australian stories for children told in an Australian accent. This will make it harder for the next generation to adopt the values of the nation. Future generations will grow up with only the values and voices of the American, English and Chinese programs that will replace the local ones. **Australian children's television has something that the rest of the world will never be able to imitate. It is simply and uniquely Australian.**

There has been a long history of bipartisan support for an Australian film and television industry that tells Australian stories in an Australian accent. This was why the industry was revived in the late 1960's, early 1970's by the Gorton Coalition and Whitlam Labor Governments and why a quota system for children's television was established in the 1970's. **The entire rationale for the C (Children's) Drama quota was the provision of Australian content to counteract and balance the influence of high levels of imported content on the child audience.** The Government recognized that the free-to-air television spectrum is a public good and therefore quota obligations were imposed on commercial broadcasters. The bipartisan support for Australian children's content continued into the 2000's when the Howard Coalition Government agreed to a dedicated ABC children's channel in 2007 and the Rudd Labor government funded it in 2009.

In 2017, the provision of dedicated Australian television programming for children is under extreme threat. The commercial networks argue that children no longer watch children's programs on free-to-air commercial television, rather they view content on demand or on the Internet on their digital devices. They are urging the government to drop the quota requirements for commercial television and leave children's programming to the ABC - the channel which still attracts a large children's audience.

This paper argues that the rationale for a children's television quota system remains as strong today as it was in the 1970's when it was introduced. Too much is at stake to allow the quotas to be dismantled. **If quotas are lifted, they can never be re-**

introduced due to the provisions of Australia's Free Trade Agreement with the United States.

It is important to note the British experience when children's quotas were removed in 2003. The industry was decimated as spending on local children's television dropped by 90%. In 2017, the quotas were reintroduced.

THE RATIONALE FOR PROTECTING QUOTAS

- **Australian Values and Culture**

The best way to learn Australian values and culture is to be regularly exposed to narratives that express those values and are grounded in that culture. Australian children's content builds a sense of community and citizenship and delivers a profound social and educational benefit. It is one area that has the greatest capacity to influence future generations and contribute to building a sense of identity, right at the time when identity is being developed. It establishes an audience for Australian cultural output in general and for Australian adult feature films and television.

The passing on of Australian values and culture is increasingly relevant as our multicultural status introduces even more diversity into our culture. This presents opportunities to embrace diversity, while endorsing our cultural history of settlement and that of the original people of Australia. Ours is a unique culture, continually evolving, and requires our unique Australian voice to be heard amidst the world culture so often contained in the programs watched by children, parents and grand-parents.

- **Economic Benefits**

In establishing the Creative Industries Strategy in 2015, the Victorian Government recognised that economic activity in the Creative Industries – in which film and television production play a major role - had reached \$22 billion annually surpassing manufacturing which had fallen to \$19 billion. The Strategy identified screen production as a vital economic contributor to the state. Children's television has always played a major role in the Victorian film and television industry. Content regulation for C Drama allows Victorian companies to develop, finance and produce children's drama programs which not only win awards locally and internationally but also provide employment, training and careers paths for a great number of creatives, crew, facilities and suppliers.

WHY AUSTRALIAN ACCENTS ARE DISAPPEARING FROM CHILDREN'S TELEVISION

- The last ten years has seen a virtual takeover of the Australian Children's Drama Quota by animated product with a predominantly 'international' accent. From 1997 to 2016, the annual hours of Australian children's animated drama more than doubled (a 113% increase from 35 to 96 hours per year) while the number of hours of live action drama halved (a 51% drop from 71 to 35 hours).
- In 2016, only eight hours of live-action children's drama was broadcast under the quotas, compared to 84 hours of animated children's drama.
- Many made in Australia animated series are co-financed with international partners and aimed at a global audience with generic or international settings and voices. They rarely contribute to the audience's developing sense of Australian identity.

WHY BROADCASTERS DON'T WANT QUOTAS AND CHOOSE ANIMATION OVER LIVE ACTION DRAMA

- It is much cheaper to buy in imported product than to make Australian programs. In recent years commercial broadcasters have offered between \$2,000 - 5,000 per half hour for imported children's content. In 2017 at least one commercial broadcaster has paid from nothing, to a maximum of \$500 per episode for imported cartoons. The ABC is believed to pay anything from \$5,000 to \$20,000 per episode for higher quality imported children's content
- Quality live action Australian children's drama and animated drama made with high production values is expensive to produce. On average, the cost of live action children's drama is \$500,000 per half hour.
- Advertising is severely restricted during children's viewing hours. This limits the revenue that broadcasters can earn from children's programs. For this reason, the licence fees (upfront payments paid by broadcaster to producers) for the production of children's television are much lower than the fees paid for adult content. To make up the remainder of the budget, producers rely on Screen Australia investment. A producer must obtain a minimum broadcast licence fee of \$115,000 per half hour to trigger Screen Australia money. Networks Seven and Nine pay as little as \$75,000 per half hour for live drama.
- Since 2008 when the federal government introduced Offsets (rebates), producers have been able to access financial support for animated series commissioned for lower licence fees than Screen Australia requires. By early 2017, this downward trend has become so pronounced that the viability of

production of animated drama is also in doubt. Commercial broadcasters are now offering producers as little as \$45,000 per episode.

WHY LIVE ACTION DRAMA IS BECOMING IMPOSSIBLE TO MAKE

- Historically, the gap between the cost of production and the licence fee paid by the broadcasters was filled by international pre-sale and distributor commitment. However, the availability of this finance is greatly diminished in the digital era as the international broadcast environment has fragmented. There are many more players and platforms, all paying much lower fees. Diminished international interest skews the kind of content that is commissioned towards less culturally distinctive animation.
- Licence fees for live action drama programs have barely increased since 1989. In real dollar terms, the amount paid for children's drama by the broadcasters represents about 40-50% less than what they were originally paying. In the meantime, the cost of production of children's drama has increased by up to 50%.
- Support from Screen Australia is a fundamental requirement in financing children's live action drama. Recent funding cuts have led to Screen Australia lowering its cap on investment in children's programs regardless of the number of episodes produced. Increasingly, this means only broadcasters or foreign owned Australian production companies like Matchbox and Shine, can cover the 'gap' (between the License fee and Screen Australian investment) in financing children's projects.
- The lower cap on Screen Australia investment has signaled the end of twenty-six episode series which is standard for the industry.
- The reduction in episodes to thirteen half hours or less results in an increase in the per episode cost of a series because set up and completion costs are amortised against fewer episodes.
- Limited-run series are more difficult to finance because international and broadcasters such as Netflix, Disney and Nickelodeon want volume, i.e., long running series.
- Long format series have been a standard feature of children's programming for decades. Made-in-Victoria productions like *Ocean Girl*, *The Wayne Manifesto*, *H2O*, *Short Cuts*, *Sleepover Club* *Fergus McPhail* and NSW's *Dance Academy* could not be financed today. These series provided employment, training, career advancement and financial stability for a large number of cast and crew. They also provided work for a large, extended chain of facilities and suppliers. This bed-rock and critical mass for a sustainable industry is now virtually gone.

WHY CHILDREN'S PROGRAMING SHOULD NOT BE LEFT TO THE ABC

- The ABC is not subject to quota obligations for children's content and has shown a diminishing commitment to the provision of Australian content for all its child audiences. Between 2011 and 2016, the funds available to the dedicated children's channel, ABCME, decreased by 20%.
- As with the commercial broadcasters, the ABC is increasingly relying on the attachment of international finance to programs it commissions. These programs are less likely to be distinctly Australian.
- In 2017, only 20% of all the content screened on ABCME was Australian. Live action or animated children's drama comprised only 5% of the schedule. Children's animated series with international accents accounted for 49% of the entire schedule.
- The ABC relies on content that has previously been commissioned by commercial broadcasters in fulfillment of their C drama quota. This means the levels of Australian content on the ABC would decrease even further if the quotas were removed from the commercial broadcasters.
- The child audience's need for diversity and for age-appropriate programing is not satisfied by one or two ABC channels broadcasting a majority of foreign content programs.

WHY THE COMMERCIAL BROADCASTERS HAVE FAILED TO ATTRACT AUDIENCES

- Poor audience numbers are the result of a lack of commitment to quality productions, a failure to promote programs and the screening of programs in unpopular time slots. For example *Round The Twist*, was first screened on Network 7 in a 7.30am Saturday timeslot with no publicity or promotion. Subsequently, when it screened on the ABC in a Saturday evening timeslot and was well promoted it became a phenomenal hit. When a sincere attempt is made to please, entertain and develop a children's audience, the results are very positive. **Twenty-eight years after it was made, *Round The Twist* is still on air in Australia on Netflix and Stan as well as on an Asian platform. It has sold to 152 territories and been broadcast on 208 platforms.**
- The commercial broadcasters are active participants in the new digital platforms to which they attribute loss of audience and advertising. The success of the ABC's *Little Lunch* demonstrates the degree to which good product, well marketed can find an audience. **Since ABC iView was launched in 2015, *Little Lunch* has achieved seven million plays.**
- Networks Seven and Nine argue that children's programing is a loss leader for them. This is based on their internal accounting practice of writing off the

whole cost of a program against the first broadcast. However, the best drama series have the potential to be repeated (and children love to watch them) over and over again, building a following and being rediscovered by a new group of children every few years. The multiple 'runs' purchased up front by broadcasters allows multiple commercial breaks to cover the cost of the broadcast licence fees.

Live action, distinctly Australian children's drama, like *My Place*, which covers the full sweep of Australian history from 1788 to 2008 is the kind of series that is most under threat of extinction. The international market-place showed no interest in the series prior to production because it was considered too Australian. In its home territory, *My Place* has screened twenty-one times on the ABC, including five screenings during its schools television timeslot. Almost ten years after its production it is an embedded education resource in use by virtually every primary school in Australia. The use of the *My Place* website is now showing in excess of 1.5 million page visits. The program demonstrates the significant ongoing public value that flows from investing in quality, distinctive Australian content. It is a series that benefits multiple generations of children as they grow up and develop their Australian identity and their sense of Australian history.

Note: The data for this paper was drawn from Submissions to the Australian and Children's Content Review (2017) by the Australian Children's Television Foundation and the Australian Council on Children and the Media, from the Report on the Inquiry Into The Australian Film and Television Industry and from the personal experience of Melbourne producers.