

Submission to the Senate Standing Committee on Environment and Communications: Inquiry into the Media Reform Bills Package

The Screen Producers Association of Australia (SPAA) has a membership of over 350 businesses that employ of more than 2,000 people. It is this community that provides the foundation of Australian content for local broadcasting services.

The independent production sector is united in its concerns about Media Reform Bills Package currently being debated by Parliament. Specifically, we do not support the Broadcasting Legislation Amendment (Convergence Review and Other Measures) Bill 2013 as it has been proposed.

There are three overarching issues we would like considered:

1. Rushed reforms undermine the due diligence of the Convergence Review
2. The carve out of recommendations offers one-sided flexibility that will impede growth and damage the industry
3. New Australian production is required to meet the objectives of the Australian Content Standard

1. Rushed reforms undermine the due diligence of the Convergence Review

SPAA is the national industry body that represents Australian independent film, television and interactive producers on all issues affecting the business and creative aspects of screen production.

Our members are responsible for some of Australia's most popular content, catering for big, small and mobile screen audiences. Recent titles include *Underbelly*, *Offspring*, *Howzat!*, *Mr. and Mrs. Murder*, *Devil's Dust*, *Rush*, *Tangle*, *Cloudstreet*, *Underground: The Julian Assange Story*, *Neighbours*, *Top The Farmer Wants a Wife*, *The Biggest Loser*, *Australian Idol*, *Masterchef*, *Bondi Rescue*, *Australia's Next Top Model*, *Location Location Location*, and *The Voice*.

SPAA echoes the serious concerns about the way these reforms are being rush through Parliament, as expressed by the vast majority of media companies present at the Committee hearings.

At this breakneck speed we run a very real risk of undermining the years of careful thought that have gone into a suite of Convergence Review recommendations – and the Productivity Commission's inquiry before it.

With regard to Australian content, there were five long-term recommendations and six interim recommendations outlined in the Convergence Review. Of these, none of the long-term recommendations have been adopted while four interim recommendations have been proposed – yet three (55 per cent on primary channel, 80 per cent advertising and 10 per cent subscription expenditure) maintain the status quo.

We believe the recommendations of Convergence Review should be adopted in their entirety to ensure a balanced approach to regulatory environment as we move into a more converged media landscape.

2. The carve out of recommendations offers one-sided flexibility that will impede growth and damage the industry

The proposed recommendations to enable greater flexibility for networks to acquit their quota requirements do nothing to support growth and are likely to damage the industry as a whole.

This lack of support for Australian content is a backflip on the stated principles from the Convergence Review's framing and emerging papers:

- Principle 4: Australians should have access to Australian content that reflects and contributes to the development of national and cultural identity.
- Principle 5: Local and Australian content should be sourced from a dynamic domestic content production industry.
- Principle 6: Australians should have access to news and information of relevance to their local communities, including locally-generated content.
- Principle 10: The government should seek to maximise the overall public benefit derived from the use of spectrum assigned for the delivery of media content and communications services.

The proposed flexibility is one-sided. It encourages movement of Australian content off a network's higher-rating primary channel in favour of the multi-channels. Without the contrast of increasing new Australian content

requirements this flexibility is problematic. Lower audiences will lead to lower license fees and this is a slippery slope that is setting Australian content up to fail.

For example, one of our children's production members has been negotiating with one of the commercial free-to-air networks. They are trying to achieve a licence fee high enough to trigger the remaining finance, but this is unlikely following a change of policy at the network.

Our member has been informed that if these amendments are made they will move their children's content to multi-channels. This has resulted in a 50 per cent fall in the licence fee being offered.

These very real concerns were also addressed by a senior network executive in comments made before the Committee, indicating that there would be a reduction in licence fees on the multi-channels when compared to the core channel.¹

3. New Australian production is required to meet the objectives of the Australian Content Standard

The free-to-air networks are protected from competition, gifted public spectrum and afforded other benefits such as anti-siphoning. In return for these protections come requirements of the Australian Content Standard.

The stated objective of this standard is, 'to promote the role of commercial television broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity by supporting the community's continued access to television programs produced under Australian creative control.'

Without measures to increase the amount of Australian content, the proposed flexibility for networks to acquit their obligations across all channels will enable the marginalization of Australian drama, documentary and, in particular, children's shows on lower rating stations, thus undermining the role of the Australian Content Standard and white-anting future obligations.

Australian audiences expect and demand access to quality original local stories that reflect and contribute to the development of national identity, character and diversity:

- Australian content brings us together as a community and as a nation
- Australian content is important for the strength of our democracy

¹ Committee hearings, 18 March 2013

- Australian content enables us to express ourselves as Australians

In 2000, Productivity Commission's inquiry explored the role of sub-quotas in detail. They stated 'given the characteristics of Australian adult drama and documentaries (such as cost and continuity) and the features of the commercial television market, without content regulation these programs would not be likely to be broadcast in sufficient quantities to meet the stated social and cultural objectives.'²

The Commission concluded, 'if availability of these programs to Australian audiences declined, a loss of social and cultural benefits to the community would be likely. Australian drama can be effective in providing information and education as well as entertainment, for example, by canvassing contemporary community issues and concerns. Documentaries have a direct role in providing information and education.'

If supporting Australian content is vital to the Government's objective to promoting a sense of Australian identity, character and cultural diversity through broadcasting, then a meaningful requirement must be stipulated.

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² Productivity Commission, 'Broadcasting Inquiry Report, Report No. 11', 3 March 2000