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Executive Summary

The internet has transformed the way content is created and consumed – and has led to significant opportunities for Australian consumers and content creators alike.

Australian consumers now have access to more diverse content, across a wider range of platforms, on a variety of devices, than ever before. And Australian content creators have never had lower barriers to entry to tell Australian stories, or more ways to bring these Australian voices to a worldwide audience.

The number of content creators in Australia has more than doubled over the last 15 years, as the internet has opened new opportunities for both content creation and distribution. In Australia, the main driver of the increase has been the 230,000 new online video creators, who are taking advantage of the lower barriers of entry and new global audiences.

Australian media policy has been designed to achieve a number of goals in relation to the creation of Australian content, including:

- ensuring Australian audiences have access to a diverse range of media services and stories;
- promoting Australian stories that develop and reflect a sense of Australian identity, character and cultural diversity; and
- promoting Australians' access to content that is locally significant; and
- encouraging the creation of high quality and innovative content.

The internet has created an environment where there has never been a greater diversity of Australian voices telling more locally significant stories across multiple services in unique and innovative ways, than ever before. This is the diversity of content, the responsiveness to audience needs, and the high quality and innovative programming that media policy seeks to achieve.

Traditional content producers, as well as a new generation of creators, are taking advantage of open online video sharing platforms such as YouTube to distribute their content to both local Australian and global audiences. This has resulted in Australian creators finding new and exciting ways to produce innovative, quality Australian content both online, and also for traditional broadcasters.

It is important to recognise that the incredible explosion of content creation and consumption on the internet – in Australia and globally – has occurred largely in the absence of regulation. Whatever the reasons, Australian creators are choosing to tell their stories online – these Australian stories are not being created because of regulatory obligations or the provision of incentives.

One reason Australians are watching more screen content than ever before is the diversity of distribution platforms and devices available, which allows each platform to play to its strengths. Australians now increasingly watch different genres of content, through those services that are best suited to the delivery of that content.

The traditional vertically integrated structure of television - with the broadcaster controlling the transmission, marketing and often even the content creation - meant that a few “gatekeepers” had control over the content available to Australians.¹ Creators whose voices or content were targeted at diverse audiences or niche subject matter, struggle to find a method of distribution when the commercial realities of broadcast television mean that network program directors are looking for content that appeals to the greatest number of a limited pool of viewers at relevant times.

This diversity is apparent in the online services now available to Australian consumers – both in the diversity of genres available online, and the diversity of Australian voices finding audiences online.

Australia has never had such a diverse range of Australian creators achieving incredible levels of creative and financial success, both locally and on the international stage. Australia has long been proud of its talented actors and film and television industry, including the skills of Australia’s film crews and post-production companies – and we can now be just as proud of the new breed of rising stars with a global following on platforms across the internet including YouTube.

There are now more than 65 Australian YouTube channels with more than 1 million YouTube subscribers, that’s more than double last year’s number.² The audiences for Australian YouTube content are enormous.

¹ AlphaBeta, ‘Bigger Picture: The New Age of Screen Content’ (Report, December 2016) 22.

² Social Blade, *Top 250 YouTubers in Australia Sorted by Subscribers* (20 September 2017) <<https://socialblade.com/youtube/top/country/au/mostsubscribed>>.

YouTube invests directly in local Australian screen content creators through direct funding, training and providing production facilities via YouTube Pop-up spaces. YouTube also provides Australian creators with free access to its sophisticated video sharing platform that is visited by with one third of all internet users, which allows them to both find audiences and monetise their content through advertising on YouTube. Creators receive the majority of the advertising revenue generated from ads associated with their content.

The amount of revenue YouTube drives to content creators continues to grow – for example globally the number of channels earning more than US \$100,000 per year on YouTube is up 50% year-on-year.³ And Australian creators are embracing the monetisation opportunities YouTube provides.

Given the right opportunities, Australian creators will continue to tell Australian stories in new and innovative ways. In the case of the internet, this will continue to occur without any regulatory compulsion or intervention.

To the extent the Government forms the view that any regulatory changes are required, it should only be to incentivise the creation of Australian content by Australian creators across all platforms. An example of this type of creation-focused approach could be the adoption of platform-neutral content production incentives (such as tax concessions or offsets for Australian creators). However, rather than target levels and types of support to particular platforms, such incentives should operate in a platform-neutral manner that empowers Australian creators to place the right content in the right format on the right platform for their intended audience. That will enable Australian creators to determine the right audience and viewing platform for **their** Australian story.

Google does not support the application of existing content quotas that presently apply to the free-to-air broadcasters to new online entrants. To do so would substantially risk hampering the amazing innovation in content creation and distribution that the internet has enabled, and likely result in the wrong content being produced in the wrong formats on the wrong platforms. Further, Google is not aware of any empirical evidence of a lack of Australian content being produced, especially on YouTube.

Australian creators have enjoyed incredible creative and financial success on YouTube, to the great benefit of both Australian and worldwide audiences. There is no reason to doubt that Australian creators - our storytellers, film and program makers, educators, videogame programmers and creators in as yet undeveloped formats - will continue to create world class Australian content across the entire content ecosystem, for the benefit of Australian audiences and Australian content industries. Australian stories will continue to emerge in traditional formats and online, delivering significant creative, cultural and export benefits to Australia's creative sector.

³ Google, *How Google Fights Piracy* (2016), 4.

Introduction

Google welcomes the opportunity to provide these comments to the Australian and children's screen content review.

As the consultation paper recognises, the internet has brought about a rapid transformation in the media and entertainment sector, both in Australia and globally.⁴ This transformation has presented opportunities for both consumers and Australian content creators.

Opportunities for Australian consumers

Australians now have more choices regarding what Australian stories to watch, when to watch them, and how to watch them, than ever before. Just over two decades ago, Australians living in a capital city were lucky to have a handful of free-to-air television stations. Today, Australians not only have access to a number of free-to-air television stations but also to catch-up television, subscription services, streaming video on demand (SVOD), online video hosting services, social media platforms, interactive games and more. These additional services, provide Australian consumers with a smorgasbord of screen content options for them to consume.

During this same period, Australians have moved from a world where they were the passive recipients of just over a hundred hours of broadcast content a day in the early nineties, to a universe where they are active participants in the consumption of a near limitless number of hours of screen content. The amount and variety of content available online is hard to even imagine - every minute of every day, more than 400 hours of new video are uploaded to YouTube alone.⁵

And Australians are tuning in. The average Australian watches more than 100 hours of screen content a month, an increase of more than 10 hours since 2006.⁶ Much of this (80%) is still via traditional broadcast channels, although online delivery (including the online services of Australian broadcasters) is growing steadily.⁷ In July 2017, 14.7 million Aussie adults spent an average of 20 hours and 59 minutes per person that month watching videos on YouTube.⁸

⁴ Department of Communications and the Arts (Cth), *Australian and Children's Screen Content Review*, Consultation Paper (2017) 1 ('Consultation Paper').

⁵ Google, *How Does YouTube Handle So Much Video?* (2016) <<https://www.google.com/intl/en/about/behind-the-scenes/youtube-video/>>.

⁶ AlphaBeta, above n 1.

⁷ Ibid.

⁸ Nielsen Digital Content Ratings, Video, Computer, and Mobile," July 2017, P18+.

Opportunities for Australian creators

The number of screen content creators in Australia has more than doubled over the past 15 years as the internet has opened new opportunities.⁹ In Australia, the main driver of the increase has been the 230,000 new online video creators,¹⁰ who are taking advantage of the lower barriers of entry, niche markets and new global audiences.

The benefits from the internet to Australian creators continue to grow with the growth in the number of online video platforms. The opportunities to build an audience on the YouTube platform, by way of example, are significant, with one third of all internet users using YouTube.¹¹

This submission will highlight some of the benefits of the internet to Australian creators, including focussing on how YouTube as a platform helps Australian creators find new global audiences for Australian stories.

The submission is set out in 3 parts:

- 'Part 1 – The context for the review', considers the policy context for the review and includes some observations about the rapidly evolving screen content landscape;
- 'Part 2 – Achieving the Government's policy objectives', describes how the broad policy objectives identified in the Consultation Paper and the *Broadcasting Services Act 1992* (Cth) (**BSA**), are being achieved through the proliferation of online services in general and YouTube in particular; and
- 'Part 3 – Supporting future Australian stories', explores how regulatory settings could be changed to support the creation of future Australian stories.

Also attached to this submission are two publications, which provide further information and context for the matters raised in this submission:

- Attachment A – *YouTube – The Australian Story (Under embargo until the public release of the guide by Google)*
A guide created by Google to explain how YouTube supports Australian creators to succeed online; and
- Attachment B – *Bigger Picture – the new age of screen content*
A report commissioned by Google and prepared by AlphaBeta that provides insight into the production, distribution and consumption of screen content in Australia.

⁹ AlphaBeta, above n 1, 7.

¹⁰ Ibid.

¹¹ YouTube, *YouTube For Press* (2017) <<https://www.youtube.com/intl/en-GB/yt/about/press/>>.

Part 1 - The context for the review

The objectives of the BSA include a number of policy objectives in relation to Australian content:

- to promote the availability to audiences throughout Australia of a diverse range of radio, television and datacasting services (diversity of services);¹²
- to promote the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity (diversity of Australian voices);¹³
- to promote the availability to audiences throughout Australia of programming about matters of local significance (local significance);¹⁴ and
- to promote the provision of high quality and innovative programming and content (innovative quality content).¹⁵

The internet has created a greater diversity of Australian voices telling more locally significant stories across multiple services in unique and innovative ways than ever before.

Traditional content producers, as well as a new generation of creators, are taking advantage of open online video sharing platforms such as YouTube to distribute their content to both local Australian and global audiences. This has resulted in Australian creators finding new and exciting ways to produce innovative, quality Australian content both online, and also for traditional broadcasters.

While the policy objectives that have traditionally guided Australian media policy are meeting with great success in the online environment, it is also important to recognise that these new online video platforms are still in their infancy and consumer viewing habits are rapidly evolving. For example, consumers are increasingly turning to mobile devices and online platforms to watch content for entertainment and education; more than 60% of YouTube views come from mobile devices.

This is a pattern reflected in the production of some shows, such as U.S. talk shows like Jimmy Fallon and James Corden. These shows now create digital content upfront to distribute across all screens, including mobile. VICE Media also has an interesting approach to telling stories – they don't start with thinking about the platform through which the story will be distributed, they start with the story, and then identify the best way to tell that story across multiple platforms. This enables the story to be told in the most compelling way, and how that story may be told in longer formats, on YouTube, on Snapchat or on Facebook may be very different. Creators can use the variety of distribution platforms enabled by the internet to tell stories to different audiences in different ways, and drive those audiences from one platform to another.

¹² *Broadcasting Services Act 1992* (Cth) s 3(1)(a)–(aa).

¹³ *Ibid* s 3(1)(e).

¹⁴ *Ibid* s 3(1)(ea).

¹⁵ *Ibid* s 3(1)(f)–(fa).

These changes in content creation and consumption have only just begun. It is therefore critically important that regulatory solutions remain flexible to ensure that content creators can make the most of these emerging opportunities and that these new distributions platforms upon which they rely are not impacted by regulatory intervention.

The Consultation Paper for this review recognises that as far as possible, market solutions and competition should be harnessed to deliver broad policy objectives, including:

- **Securing quality content that promotes Australian identity and culture**
 - implement measures that encourage the creation, delivery and export of diverse and high quality Australian content; and
- **Driving more sustainable Australian content industries**
 - develop the right policy settings to enable Australia's creative sector to thrive locally and internationally.¹⁶

The Consultation Paper also recognises that any workable policy solution cannot be prescriptive and must be flexible enough to cope with changing environments, forward looking, and nimble enough to adapt to future changes in technology and audience trends.¹⁷ It is important to recognise that the incredible explosion of content creation and consumption on the internet – in Australia and globally – has occurred largely in the absence of regulation.

Whatever the reasons Australian creators are choosing to tell their stories online – these Australian stories are not being created because of regulatory obligations or incentives to do so.

One reason Australians are watching more screen content than ever before is the diversity of distribution platforms and devices available, which allows each platform to play to its strengths. Australians now increasingly watch different genres of content, through those services that are best suited to the delivery of that content.

The traditional vertically integrated structure of television - with the broadcaster controlling the transmission, marketing and often even the creation of content - meant that a few “gatekeepers” had control over the content available to Australians.¹⁸ Creators whose voices or content were targeted at diverse audiences or niche subject matter often struggled to find a method of distribution when the commercial realities of broadcast television meant that network program directors were looking for content that would appeal to the greatest number of viewers at relevant times.

¹⁶ Consultation Paper, above n 5, 5.

¹⁷ Ibid.

¹⁸ AlphaBeta, above n 1, 22.

This diversity is apparent in the online services now available to Australian consumers – both in the diversity of genres available online, and the diversity of Australian voices finding audiences online.

Traditional broadcast television worked on a “push model” – programs were set centrally and beamed into people’s living rooms. The model is especially suitable to certain program formats, especially live or current programming. The *Bigger Picture* report attached to this submission identified that Australians still prefer to watch certain types of content on certain platforms. News (20%), sport (14%) and entertainment/reality (35%) are all proportionally over represented as a percentage of overall content on free-to-air broadcast television. Meanwhile subscription television excels in sport (22%) and drama (15%). Subscription video services, which allow consumers to choose the timing and how many episodes to watch in a sitting, is a popular choice for drama, accounting for 58% of content watched on the platform. YouTube has the highest proportion of arts, entertainment and music content (40%). Australian YouTube creators meanwhile are disproportionately successful in the “education” and “how to” style of programs.¹⁹

The internet has also allowed new genres, unsuited to traditional broadcasting, to flourish. User generated content, live streaming of events, short form and niche content are all growing online, including on platforms such as YouTube. Whole genres, such as “react”²⁰ or “how to” videos, that didn’t exist as a specific genre prior to the invention of YouTube, are watched by millions of people, including Australians.

Despite the large global audience for this content, this type of content would have been unviable on traditional forms of broadcast media, with its program scheduling requirements and need to appeal to a broad audience.

Part 2 – Achieving the Government’s policy objectives

The explosion of new forms of creativity, the growth in the number of Australian creators telling their stories, the increase in overall screen content consumption and the diversity of platforms where Australians are spending their time, all suggest that the market is working to place the right content in the right format for the right platform. From mainstream to niche, creators can create and deliver this abundance of content in the way that most suits their audience and the platform on which it is being consumed.

Australia has never had such a diverse range of Australian creators achieving incredible levels of creative and financial success, both locally and on the international stage. Australia has long been proud of its acting talent and film and television industry, including the skills of Australia’s

¹⁹ Ibid.

²⁰ “React” videos feature people being filmed whilst having an emotional reaction to an event such as an episode of television, or online content.

film crews and post-production companies – and we can now be just as proud of the new breed of rising stars with a global following on YouTube.

There are now more than 65 Australian YouTube channels with more than 1 million YouTube subscribers, that's more than double last year's number.²¹ This means the potential global audience for Australian content continues to grow. To put this into perspective, the highest rating free to air television show in Australia in the week of 13-19 August 2017 was *The Block*, with a total estimated viewing audience of 1.35 million.²²

Savvy creators are leveraging this success to further their careers. Superstars like [Troye Sivan](#),²³ who went from vlogging in his bedroom on his laptop in Perth to performing around the world promoting his Billboard-topping album,²⁴ demonstrate the new paths available to Australian creators.

2.1 Securing quality content that promotes Australian identity and culture

Production of high quality Australian content

The CEO of Screen Australia recently described Danny and Michael Philippou, the twin brothers from Adelaide behind YouTube channel RackaRacka, as the 'most successful content creators in Australia'.²⁵ With over four million subscribers on YouTube and their videos watched more than five hundred million times, it's easy to see why.

The twin brothers have been making videos together since they were nine years old, but they shot to internet-stardom in 2014 with their fantasy-fight-scene-mashup 'Harry Potter vs Star Wars'.²⁶ That first viral hit was an over-the-top mix of choreography, comedy and combat that has since become RackaRacka's instantly recognisable style.

RackaRacka's most popular video, Marvel VS DC (Avengers Battle!), has been watched close to fifty million times.²⁷ RackaRacka is reaching a global audience through YouTube with their action-packed scenes being played on US late night shows Jimmy Kimmel and Conan O'Brien.

²¹ Social Blade, *Top 250 YouTubers in Australia Sorted by Subscribers* (20 September 2017) <<https://socialblade.com/youtube/top/country/au/mostsubscribed>>.

²² OzTam, *Consolidated Metropolitan Top 20 Programs 5 City Ranking Report* (August 2017) <<http://www.oztam.com.au/documents/2017/OzTAM-20170813-EMetFTARankSumCons.pdf>>.

²³ Troye Sivan, YouTube <<https://www.youtube.com/user/TroyeSivan18>>.

²⁴ Trevor Anderson, *Troye Sivan's 'Wild' Runs to No. 1 on Billboard + Twitter Top Tracks Chart* (2016) <<http://www.billboard.com/articles/columns/chart-beat/7423296/troye-sivan-wild-alessia-cara-kanye-famous-twitter-tracks-chart>>.

²⁵ Graeme Mason, 'The Good, The Bad and the Possible' (Speech delivered at the Screen Producers Australia conference, 16 November 2016).

²⁶ RackaRacka, *Harry Potter vs Star Wars* (28 April 2014) YouTube <<https://www.youtube.com/watch?v=9N5KjJM5v0c>>.

²⁷ RackaRacka, *Marvel vs DC (Avengers Battle!)* (20 April 2015) YouTube <<https://www.youtube.com/watch?v=zNILAp2OGi8&t=90s>>.

As recently stated by Danny Philippou “[w]ithout YouTube we wouldn’t be anywhere. Before it we were struggling to be noticed or seen. YouTube gave us access to millions of people and the opportunities it has provided us are incredible!”²⁸

Their huge profile has helped them transition to the silver screen in Australia, teaming up with a local production company to develop a full length feature film.²⁹

However, RackaRacka is not an isolated example of Australians making high quality Australian content on YouTube, other examples include the Mighty Car Mods, Draw with Jazza and SketchShe, to name a few.

Mighty Car Mods is the world’s number one online DIY automotive show that’s written, filmed and produced by two Australian creators, Blair Joscelyne and Martin Mulholland, and hosted on YouTube. Mighty Car Mods has almost two and a half million subscribers and their videos average over 370,000 views per day.³⁰ Mighty Car Mods videos average more than 20 minutes in length, and are avidly watched by fans keen for the next episode.

The content being produced by Mighty Car Mods is so popular that they’ve been signed by Discovery Networks to broadcast existing episodes on Foxtel locally as well as internationally into Europe, Africa, The Middle East and the USA, opening up an entirely new audience across multiple demographics. Their six part series 'Lend Us A Ride: Australia' which was jointly funded by Screen Australia and Google through their Skip Ahead partnership³¹, was licensed by QANTAS Airlines and appears on their planes, both domestically and internationally.

Given the global reach of the internet and platforms like YouTube the opportunities they present to promote Australian culture and identity not only within Australia but also globally is profound.

Diversity of Australian voices online

Audience numbers only tell part of the online story. Some of the most significant Australian content on YouTube is content which only garners a few hundred or thousand views, but has an incredibly significant social purpose. This is the sort of content that can be viable online, but would never work for the business model of broadcast television.

For example, when Kaurna man Jack Kanya Buckskin uploaded his first YouTube video, less than five people spoke the language of the Kaurna people from the Adelaide Plains. With strong collaboration with academics at the University of Adelaide, and drawing on historical documents,

²⁸ YouTube, *YouTube - the Australian story* (2017).

²⁹ Todd Spangler, *RackaRacka: Australian Brothers’ Gory Video Leads to Film Deal* (21 June 2016) <<http://variety.com/2016/digital/news/racka-racka-youtube-film-deal-1201797416/>>.

³⁰ Social Blade, User Statistics Table for Mighty Car Mods (19 September 2017) Social Blade <<https://socialblade.com/youtube/user/mightycarmods/monthly>>.

³¹ See further details of SkipAhead below at 14.

the Kurna Warra Pintyanthi team created a series of language. These have amassed thousands of views. While these are not record breaking numbers on a world scale, they are significant to the local communities, and in relation to the number of language speakers. The videos have been described as one of the “most effective new weapons in the battle to preserve the language”.³²

Rural and regional voices also find space online. For example, a regional journalist or film maker who produces content irregularly is still able to supply their content to an interested audience, while such programming would have been excluded from traditional television due to fixed programming schedules. A quick online search of topics of everyday importance to rural communities, such as mustering cattle in the Kimberley, will reveal videos with hundreds of thousands of views.³³ At the other end of the scale there are videos of local sporting or community events that might only garner a few hundred views: but these are important community voices that otherwise may have no platform.³⁴

Democratisation of access to technology has had – and will continue to have – the greatest impact on Australians watching Australian stories. By providing everyone with a camera phone and an internet connection and spaces to upload and share their stories, YouTube has blurred the lines between users and creators, traditional and contemporary content production, and spawned a new category of creators and creative entrepreneurs. This wave of new Australian content and voices is having a flow on effect that is influencing what Australian stories are being showcased to worldwide audiences- and what we see on-screen is no longer determined by a small group of people with editorial and/or production control.

2.2 Driving more sustainable Australian content industries

Australian creators are also increasingly building businesses around YouTube, succeeding with monetising their content on YouTube.

The primary way creators make money from their YouTube videos is from advertising revenue. Creators receive the majority of the advertising revenue generated from ads associated with their content. Advertising appears on YouTube in several different forms, including display and video advertising.

³² Michael Coggan, ‘NAIDOC Week 2017: Language warrior turns to YouTube to keep Indigenous culture alive’, ABC News, 1 July 2017. For an example video, see: <https://www.youtube.com/watch?v=xtejyc6bU44>.

³³ See, eg, Harry Ford, Outback Cattle Muster - One (28 August 2013) <<https://www.youtube.com/watch?v=aYmZYdznwMg>>.

³⁴ See eg, Danny Clark, Burnie wheel race 1977 (16 February 2015) <<https://www.youtube.com/watch?v=JnPp31peaYU>>.

As Josiah Brooks, the creator of the YouTube channel 'Draw With Jazza' states, "YouTube has made it possible for me to run an art entertainment channel from regional Victoria, which reaches a large global audience and provides a substantial income."³⁵

Josiah is not alone. The amount of revenue YouTube drives to content creators has continued to grow – for example the number of channels earning more than US \$100,000 per year on YouTube is up 50% year-on-year.³⁶ And Australian creators are embracing the monetisation opportunities YouTube provides.

In addition to revenue earned on YouTube directly through advertising, many Australian content creators are leveraging their popularity on YouTube to earn incomes from entirely new revenue streams and business opportunities. Auntie Donna, an Australian trio of comedians and content creators, has a comedy and variety entertainment YouTube channel. Auntie Donna has been able to leverage their strong US based YouTube audience to perform in Los Angeles. The major sold out show at Largo attracted people who travelled from across America to see it. This has paved the way for a U.S. Tour in 2017, following on from sell out audiences at Comedy Festivals, packed houses in London and Edinburgh and a debut tour in Australia and New Zealand.

On top of revenue earned from advertising on YouTube, creators have been able to diversify their success through new projects such as broadcasting deals, merchandising, fan meet ups, tours and in-person appearances, sponsorship and brand endorsement and book deals. For example:

- As well as Josiah Brook's video content, which is occasionally sponsored by major brands like Adobe and Disney, Josiah also been able to monetise his YouTube success through his best selling App, 'Jazza's Arty Games', and an online store hosted on his website. Here he's been able to sell artwork, games, reference packs and e-books. He's even selling his 'signature photoshop brushes' allowing viewers on his YouTube channel to develop advanced skills in digital art;³⁷
- Following the international success of SketchShe, with their unique brand of 'car-aoke' videos on YouTube, the all female sketch comedy trio, Shae-Lee Shackleford, Lana Kington and, Madison Lloyd, were recently announced as hosts of the world's first online-only talent show, Megastar that is being shot in Los Angeles. They will also be regular contributors on Foxtel's The Slot, a showcase of Aussie YouTube talent;³⁸ and

³⁵ YouTube, *YouTube - the Australian story* (2017).

³⁶ Google, *How Google Fights Piracy* (2016), 4.

³⁷ Josiah Brooks, *My Own TV show and Book!?!* (18 September 2016) YouTube <<https://www.youtube.com/watch?v=e8RV97gxlho>>.

³⁸ Holly Byrnes, 'Foxtel has commissioned a new comedy series, The Slot featuring your YouTube favourites' *News.com.au*, 12 May 2017.

- Wendy Ayche, known as ‘Wengie’, is the creator of one of Australia’s most successful YouTube channels with over 8.8 million subscribers and almost 2 million daily views on her primary channel alone. Using her growing popularity on YouTube, Wengie has recorded her first album in China, and has just landed a role as the voice of the new PowerPuff Girl on the Cartoon Network.

As well as investing in the technology, infrastructure, and support for a platform that is free for any creator to use, YouTube invests heavily in the creative ecosystem here in Australia. These investments are supporting Australian content creators through direct funding, awards programs and hands-on workshops with established industry professionals. By collaborating with government agencies, tertiary education bodies and other key industry figures, YouTube’s creative initiatives are bringing the next generation of Australian creators together with the experts that can help them forge successful careers in an ever changing industry.

Skip Ahead

Skip Ahead is a joint initiative by Google in partnership with Screen Australia that supports the next generation of Aussie content creators. The program provides project funding of up to \$250,000 for Aussies with an established subscriber base who are creating exciting new content on YouTube. The funding helps successful applicants to produce longer, narrative-driven films that could be one-offs, or serve as a pilot for a new series.

As of September 2017, the 14 videos developed in the Skip Ahead program had amassed more than 27 million views on YouTube,³⁹ and RackaRacka called the initiative “the perfect stepping stone” in their career. Past recipients of the funding have included Draw With Jazza, SketchShe and Mighty Car Mods, just to name a few.

YouTube Pop-up Space

In order to support the creative ecosystem in countries around the world, YouTube has established dedicated You Tube Spaces where creators have access to professional studios and equipment.

YouTube Spaces bring together the most creative people on YouTube to learn, connect and create with one another. The Spaces can be found across the globe offering events, workshops, as well as the latest production resources to help creators to bring their biggest ideas to life.

As well as these permanent Spaces, YouTube hosts Pop-up Spaces in order to support a diverse range of creators in different cities. YouTube has hosted three Pop-up Spaces in Sydney, two of which were hosted in collaboration with the Australian Film, Television and Radio School (AFTRS).

³⁹ Screen Australia, *Skip Ahead turns four: \$500K for online creators from Google and Screen Australia* (9 September 2017) Screen Australia News
<<https://www.screenaustralia.gov.au/sa/media-centre/news/2017/09-09-skip-ahead-turns-four>>.

These events have allowed creators to shoot original content in professional studios with access to the latest production equipment and industry expertise. The end goal of the initiative is to produce unique digital video content for the creator's own YouTube channel. Videos that were developed at the first YouTube Pop-up space in Sydney were viewed over 10 million times and included original content from RackaRacka and other successful creators.

As well as the production of amazing new content, the Pop-up Space program has included hands-on training in production fundamentals and improving presence across Google and YouTube, as well as opportunities to collaborate and network with other players in the industry. The initiative is a unique opportunity for AFTRS students and others within the industry to gain an insight into the process of developing content for a global audience on YouTube.

YouTube Red Originals

YouTube's premium ad-free subscription service, YouTube Red, had its Australian launch in 2016. YouTube Red offers original content and is another way for YouTube to help content creators take their careers to the next level.

Through this initiative YouTube has already started to invest in original family programming, with four new programs currently available on YouTube Red. This includes our first Australian original - Fruit Ninja - an animated series created in partnership with Australian game developer Halfbrick.

The partnership between YouTube and Halfbrick will lead to an initial 13 episodes of a new original animated series, which will be shown on its existing Fruit Ninja YouTube channel.

The series is also accessible from within Halfbrick's Fruit Ninja games, which reach around 60 million users per month.⁴⁰

The ability to generate new web series content based on the success of popular mobile games like Fruit Ninja is a perfect example of the diverse opportunities that YouTube makes available for Australian content producers. These sorts of collaborations reflect the changing media consumption habits, and trends that show a move away from broadcast-based linear content.

YouTube also provides families with the option to use the YouTube Kids mobile app, which provides a fun and educational place for families to explore and discover millions of videos. At launch, 25% of the content featured within the app was Australian. The app was also developed with features designed for early literacy, limited dexterity, and easy video viewing.

⁴⁰ Amy Remeikis, 'Halfbrick Studios inks YouTube deal for children's series' *The Sydney Morning Herald*, 26 June 2015.

VidCon Australia

VidCon is the world's leading online video festival, dedicated to developing content creators, strengthening the online video community, and kick starting the careers of emerging video artists.

For the first time in 2017, in partnership with YouTube, VidCon came to Australia, connecting more than 7,000 aspiring YouTubers, industry partners and fans. With a suit of creative workshops, Q&As and networking events, VidCon supported the whole online Australian ecosystem to build and strengthen key connections, develop YouTubers' skills and careers, and fosters a thriving and collaborative online video community.

Following the success of Australia's first VidCon, with YouTube's support, the festival will return to Australia in 2018.

Creator Workshops

YouTube hosts regular workshops to help Australian YouTube creators develop the skills they need to make appealing content and build successful YouTube channels. Workshops are specifically tailored to creators of different levels of experience on the YouTube platform, such as through 'Content Labs' and 'Creator Days', where YouTube teaches them about things like audience development best practices, the fundamentals of content creation for YouTube and brand-building.

Queensland Government

The Queensland Government has recently partnered with YouTube to invest in original creative content. The partnership has resulted in the launch of two separate programs: CQ Series and Screen Queensland's YouTube Entrepreneur Program.

The CQ Series program is open to Queensland-based YouTuber's and provides five awards between \$10,000 and \$30,000 each. The funding is designed to support both aspiring and established content creators on YouTube to develop the quality of their content and expand their audience globally, as well as offering first-hand experience at the YouTube Space in LA.

Screen Queensland's YouTube Entrepreneur Program is open to proposals from content creators with targeted strategic plans to expand their YouTube audience and business and invests in strategies to increase or diversify content, improve skills, boost marketing, collaborate with other content creators within and beyond the YouTube platform, or engage new audiences in innovative ways.

Part 3 – Supporting future Australian stories

This submission has highlighted the significant shifts in the Australian landscape for the creation and consumption of Australian content. However, this internet-driven transformation has only just begun.

While it is impossible to know the ways in which the internet will continue to revolutionise the creative industries, we can already predict that Australian creators will continue to benefit from a proliferation of services through which to distribute their content to Australians and people around the world. It also seems likely that new content formats will involve increased interactivity, and emerge in conjunction with the development of virtual reality and similar immersive experiences.

However, in reality, it is impossible to predict with any level of specificity the types of creative opportunities that will be available in even five years, let alone how the next generation of Australians will enjoy watching Australian stories. What we do know is that the internet has proven remarkably adaptable, and Australian creators have been adept at exploiting the enormous opportunities it provides, placing Australian voices at the forefront of the world stage.

Google submits that the best way that government can assist creators to continue to embrace the opportunities of the digital economy is to provide a regulatory environment that is sufficiently flexible to allow Australian creators to fully embrace the opportunities that the internet provides.

Given the right opportunities, Australian creators will continue to tell Australian stories in new and innovative ways. In the case of the internet, we believe that this will continue to occur without any regulatory compulsion or intervention.

As a result, Google submits that the focus for any policy solutions should be around content creation, rather than on content distribution side.

An example of this type of creation-focused approach could be the adoption of platform-neutral content production incentives (such as tax concessions or offsets) for Australian content creators that support the creation of high quality Australian content. However, rather than target levels and types of support to particular platforms, such incentives should operate in a platform-neutral manner that empowers Australian creators to place the right content in the right format on the

right platform for their intended audience. That will enable Australian creators to determine the right audience and viewing platform for ***their*** Australian story.

Further, existing content quotas that presently apply to the free-to-air broadcasters, in exchange for the access they receive to public spectrum, should not be applied to the new online entrants. Firstly, this would hamper the amazing innovation in content creation and distribution that the internet has enabled, and risk causing the wrong content to be produced in the wrong formats on the wrong platforms. Secondly, this submission has highlighted the many ways in which the policy objectives set out in the Consultation Paper and as contained within the BSA are already being achieved. Thirdly, as Australian consumers are no longer the passive recipients of whatever content is piped into their living rooms, even if such content was produced there is no practical way of mandating Australians watch it. The best way to ensure Australian content is watched by Australian audiences is to produce high quality content that people choose to watch on the device and platform that suits their needs.

Australian creators have enjoyed incredible creative and financial success on YouTube, to the great benefit of both Australian and worldwide audiences. There is no reason to doubt that Australian creators - our storytellers, film and program makers, educators, videogame programmers and creators in as yet undeveloped formats - will continue to create world class Australian content across the entire content ecosystem, for the benefit of Australian audiences. Australian stories will continue to emerge in traditional formats and online, delivering significant creative, cultural and export benefits to Australia's creative sector.