

REVIEW OF DIGITAL TELEVISION FORMAT STANDARDS (HIGH DEFINITION TELEVISION)

Response to Options paper

AUSTRALIAN FILM COMMISSION

Summary

The AFC's comments in response to the Options paper on digital television format standards (High Definition Television) deal with the Australian content issues raised by the paper. Our view is as follows:

- There should be mandatory amounts of Australian content within any requirements that are set for HDTV broadcasts.
- Programs shot on Super 16 film should be regarded as meeting the standard required for quality HDTV material.
- There should be a transmission requirement established for overall HDTV broadcasting and 55% of this should be occupied by Australian programs.
- In the event that requirements are also established for HDTV originated material, this should include a minimum Australian requirement.
- It would be reasonable to also establish some prime time requirements for HDTV material.
- While it may not be appropriate to place specific requirements on particular types of programming at this early stage, the mix of Australian and foreign material in particular genres should be monitored.

Regulation should be considered if it emerges that in the case of particular program types, most HDTV programming is foreign and Australian programs of the same type, are primarily still broadcast in standard definition.

1 Introduction

The Australian Film Commission (AFC) is the Commonwealth Government's primary development agency for the film, television and interactive media sectors.

The AFC has a key role to play in the development of a vibrant audiovisual industry in Australia capable of producing a diverse range of quality products for Australian and international audiences.

The AFC's main interest in relation to digital television is accordingly in relation to Australian content. The Digital Conversion legislation requires that the current content requirements that apply to the commercial broadcasters carry over into digital broadcasts.

We are concerned that the arrangements for digital conversion do not undermine the underlying cultural objectives of content regulation and that Australian programming is not disadvantaged in relation to foreign programming. To achieve this, we feel it is essential that Australian programs are well represented in HDTV programming.

The current content requirements stipulate that 55% of overall transmission time between 6 am and 12 midnight should be occupied by Australian programs ('the transmission quota').

There are also the subquota requirements, which provide the following minimum yearly amounts;

- Adult drama - 80 to 258 hours of first release programs in prime time; ¹
- Documentary- 20 hours of first release programs; ²
- Children's drama -32 hours of first release Australian children's drama programs and 8 hours of repeats; and
- 130 hours of school age children's programs and 130 hours of pre-school programs.³

The AFC will be making a more substantial submission on content issues to the Convergence review. We understand that the Government's intention is to take into account the broad range of issues considered across the various digital reviews when finalising its policy position and reporting to Parliament later in the year.

¹The adult drama requirement is based on a points system which requires 775 points over three years, an average of 258 points a year. Points per hour depend on program type.

² The requirement is currently 15 hours increasing to 20 from 1 January, 2000.

³ The children's drama quota is included within the 130 hours of "C" programs.

2. How much HDTV?

What proportion of HDTV should be required at the commencement of digital terrestrial television and how might this change over time ?

We do not have firm views on how much HDTV material should be required at the outset of digital television. It would seem reasonable to initially set a fairly modest requirement and increase this over time, perhaps on a yearly basis.

We support the view that the requirement should have some flexibility to allow for experimentation in the initial settling in period. In this respect other submitters have suggested a weekly or monthly requirement rather than a daily one.

There should be a requirement that a proportion of the HDTV material requirement, be Australian. We consider this should be 55% which is the amount of Australian programming required under the transmission quota.

3. What kind of HDTV?

What constitutes acceptable HDTV programming?

Should there be a requirement for production of a certain quality or merely a requirement to transmit in a certain format?

The paper draws attention to the distinction between HDTV originated material and 'upconverted' material.

HDTV originated material is described as material using HDTV equipment, (film or video) or derived from 35mm film. 'Upconverted' material is standard definition programming which is 'upconverted' or enhanced using various techniques before it is transmitted as HDTV product.

As the paper says, the amount of HDTV material available locally is very pertinent to determining what sort of regulation should apply.

3.1 The Availability of Australian programs

The Super 16 argument.

Most feature films are shot on 35 mm. Miniseries, telemovies and some series are also shot on film, sometimes 35 mm, or more usually Super 16 or standard 16mm. Most documentaries are shot on film or increasingly with digital equipment.

As the Screen producers Association of Australia has advised in its submission to the initial issues paper, Australian producers are taking steps to ensure their productions are suitable for digital broadcast including in high definition, by moving more to Super 16. *Water Rats* for example is shot on Super 16 as were *Stingers*, and *Murder Call*. ABC programs shot on Super 16 include the telemovies *Secret Men's Business* and *A Difficult Woman* and the mini-series *Queen Kat*, *Carmel* and *St Jude*.

There is broad industry consensus that material shot on Super 16 is suitable for quality HDTV broadcast. It is also a format that is widely accepted in Europe, Australia's major market for television programs, and other international territories. The film *Bored Olives*, shot on Super 16 has recently been accepted by NHK, the Japanese national broadcaster, as meeting the standard required for digital broadcast in Japan.⁴

Shooting on Super 16 will continue to be the most viable and aesthetically appropriate format for the 'higher end,' quality Australian productions, such as telemovies, mini-series and some series, well into the future. As is widely acknowledged, the size of the Australian television market will prohibit shooting on 35 mm film for the foreseeable future.

Including Super 16 in the HDTV originated category will significantly increase the amount of Australian material available for HDTV broadcasts. It is important to note that while many Australian films and possibly some mini series are shot on 35 mm, these forms of Australian drama are not as widely broadcast by Australian networks as series and serials.

The ABA 1998 Compliance results show that most of the Australian drama programming of all three networks was comprised of series and serials:

- Channel 7 showed no Australian movies or mini-series.
- Channel 9 showed 9.7 hours of film/telemovies and 4 hours of mini-series which together represented just under 10% of all its Australian drama programming.
- Channel 10 showed no mini-series and 8 hours of feature films/telemovies, which represented 3.5% of its overall Australian drama hours.⁵

The quality of material shot on Super 16 is such that it should be regarded as HDTV originated.

⁴ 'Bored Olives' is being made under the AFC/SBS Independent, Million \$ Movie initiative which operates in association with Beyond Films, the Premium Movie Partnership and UK Channel 4.

⁵ ABA Compliance Results.

HDTV equipment

Turning to video, all indications are that it will be some considerable time before Australian productions now being shot on video will be shot on HDTV equipment. The facilities industry which provides equipment both for broadcasters and the independent sector, is currently focusing on the transition to digital and on tooling up with digital widescreen equipment.

There are clearly significant costs involved in this and even greater costs in moving to HDTV equipment. For independent producers, the majority of whom rely on hiring equipment from facilities houses, this will impact directly on production costs in the form of increased hire charges.

There is currently no capability in Australia to shoot with HDTV equipment. However material shot on digital widescreen can be upconverted to HDTV with, we understand, very good results.

In summary, Australian material shot on 35 mm or Super 16 film, or increasingly on digital widescreen will all be suitable and available for quality HDTV broadcasts. In addition, material shot on video can be upconverted.

3.2 The Options

The options paper identifies three possibilities.

1. Limit HDTV targets only to material in HDTV format.
2. Require a certain amount of HDTV programming which can be either upconverted or HDTV originated, while still requiring some minimum, but a lesser amount of HDTV originated material.
3. Regulate HDTV requirements solely by reference to a transmission standard and omit any provision relating to the format of the original material.

While we do not have firm views at this stage on the preferable option, we believe the test that should be applied is which option will maximise the amount of Australian programming available.

We believe, provided Super 16 is included, option 2 has potential benefits by providing an incentive to broadcasters to acquire Australian HDTV originated programs.

If specific amounts of HDTV originated material are required, then a percentage of this must be an Australian.

4. Why Australian quotas?

The transition to digital television and HDTV will have a significant impact on the broadcasting system and the viewing experiences of the Australian community.

A key object of the Broadcasting Services Act is the promotion of a "sense of Australian identity, character and cultural diversity."

There should be requirements for minimum levels of Australian programming within any HDTV requirements to ensure this objective continues to be met, and to avoid Australian programs being 'ghettoised' in STDV while foreign programming dominates the prestigious HDTV end.

The rationale for this is the same as that which applies to the overall content regulations. Reasonable levels of Australian programming are necessary to ensure audiences have a choice between Australian and foreign programs. This goal cannot be left to the market alone, particularly with the relatively more expensive forms of programming such as adult and children's drama and documentary.⁶ This is due to the nature of international television markets which means that imported programming is always much cheaper to acquire than domestically produced programs.

This paradigm will continue into the digital age. Top US drama series sell to Australian broadcasters for between A\$11,000 and \$40,000 per hour, - a fraction of the cost of producing or licensing Australian drama.⁷ Many of these top US shows are shot on 35mm thus providing a ready supply of HDTV material for Australian networks.

There need therefore, to be clear and firm targets placed on broadcasters to ensure they support the acquisition of Australian HDTV material.

5. Specific requirements for prime time and/or for specific types of programs.

The government's decision in taking the HDTV route was to a considerable extent driven by the desire to bring an enhanced viewing experience to Australian viewers.

It would seem reasonable therefore to include some prime time requirements to ensure HDTV broadcasts are available when the majority of the viewing audience is watching.

In relation to particular types of programming we believe it is important that HDTV broadcasts are available across a range of program types. This is relevant to achieving diversity and audience choice.

The program types that are commonly cited as being particularly suitable for HDTV are sport, films, 'high end' drama, documentaries and special event programs, eg. major concerts.

⁶ Australian programs are produced very efficiently with hourly drama production costs considerably lower than for similar formats in the US and the UK. The reference to drama and documentary being 'relatively expensive' types of Australian programming is in relation to the costs of importing the same types of programs, and to the production costs of cheaper forms of Australian programs, eg. magazine style programs.

⁷ Television Business International Yearbook 99, p. 444

It may not be appropriate to place detailed requirements on particular types of programming at this early stage.

However there should be a more general requirement to broadcast a variety of programs in HDTV.

Further, the mix of Australian and foreign material in particular genres should be monitored. Regulation should be considered if it emerges that in the case of particular program types, HDTV programming is predominantly foreign and Australian programs are still primarily in standard definition.

6. National broadcasters

We believe there are grounds for treating the commercial sector and the national broadcasters somewhat differently given the very different frameworks under which they operate.

Particularly relevant are the charter requirements of the national broadcasters and their being able to multichannel.

While recognising that different targets might apply to the national broadcasters we believe these should also encompass a requirement for minimum levels of Australian content.

This will enhance the choice and diversity of HDTV programming on offer to viewers. Both national broadcasters include in their schedules program genres which are rare on commercial television, eg. documentary, arts programs including full works of dance and opera and programs by indigenous filmmakers.

Particular kinds of HDTV programming will therefore primarily be available via the national broadcasters and should include an Australian component.

7. Further reviews

We support the idea of a further review of the HDTV requirements. While the time frame suggested in the paper may be appropriate, ie., before the end of 2001, there should be flexibility for 'fine tuning,' or an earlier review if circumstances warrant it. We believe it is particularly important that this option is kept open in relation to Australian content issues.

Australian Film Commission
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