



REVIEW OF THE AUSTRALIAN CONTENT STANDARD

SUPPLEMENTARY SUBMISSION

TO

THE AUSTRALIAN BROADCASTING AUTHORITY

DOCUMENTARY

May 2002

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1. INTRODUCTION

In making its main submission to the review of the Australian content standard the Australian Film Commission (AFC) reserved the right to make a supplementary submission to the Australian Broadcasting Authority (ABA) when revised figures on documentary expenditure by the networks became available. This is that submission.

The AFC has also had the opportunity to examine the other submissions, in particular those of the Federation of Australian Commercial TV Stations (FACTS) and the SPAA/ASDA Documentary Council (SADC). We will take this opportunity to comment on aspects of those submissions as they relate to the documentary sub-quota.

The AFC also recommended in its original submission that the current sub-quota level not be reduced.

2. WHY A DOCUMENTARY QUOTA REQUIREMENT?

In 1958 the American journalist and broadcaster Edward R Murrow addressed the Radio and Television News Director's Association about television:

"This instrument can teach, it can illuminate; yes and it can even inspire. But it can do so only to the extent that humans are determined to use it to those ends. Otherwise it is merely wires and lights in a box. There is a great and decisive battle to be fought against ignorance, intolerance and indifference. This weapon of television could be useful."

(Smith, A (ed), Television: An International History, Oxford, 1998, p.84)

This vision of the role of television as a powerful and positive social and cultural force is not far from the vision of broadcasting expressed by the Parliament of Australia. The objectives of the *Broadcasting Services Act 1992* (the Act) make explicit the values that the Parliament intended to see in the broadcasting system in Australia. These include diversity, quality, innovation, Australian identity, efficiency, competitiveness, fairness, accuracy, respect for community standards and responsiveness to audience needs.

The shape of the broadcasting system that Parliament envisioned is expressed in the objects at s. 3(a):

the promotion and availability of a diverse range of radio and television services offering entertainment, education and information

That is, broadcasting is to be a vehicle for educating and informing the Australian community, as much as it is to be a vehicle for entertainment or amusement. Information and education provided through broadcasting are a powerful means by which nation building and the development of an informed and engaged citizenry can be encouraged. The challenge for broadcasters and program creators is to provide programming that meets this objective in ways that are appealing to audiences. Documentary is one of the ways in which this can be achieved.

Documentary as a cultural form is as old as the invention of cinematograph film. The first use to which the Lumiere brothers put their invention was to provide a record of daily life and they described them as *documentaires*. Since that time the documentary has developed and diversified as a cultural form that has been used not just to record reality, but also to interpret the world for its audiences.

Governments have long seen the documentary as an important tool for education and information. In Australia the first official film unit was established by the Commonwealth in 1913. Today its successor Film Australia exists as a Commonwealth owned production and distribution company whose mission:

"...is the creation of an audio-visual record of Australian life, through the commissioning, distribution and management of programs which deal with matters of national interest to Australia or illustrate and interpret aspects of Australian life."
(About Us, Film Australia website)

The Government continues to support Film Australia because it sees that documentary is one of the most important means of creating a national record. In 1997 in renewing the commitment to the National Interest Program administered by Film Australia, the Minister, Senator Alston said:

"The Government wants as many Australians as possible to enjoy the insights, reflections and often unique perspectives the documentary provides."
(Speech to the SPAA Conference, 2/12/1997)

In relation to the Australian Content Standard, documentary has been a part of the standard since 1973 when the Australian Broadcasting Control Board introduced the points system as the mechanism for encouraging the broadcast of Australian programs across a range of genres. Previously there had been an overall transmission quota and a quota for a minimum number of hours of drama. While there was no minimum level for documentary, licensees earned points towards their overall target through the broadcast of documentary programs.

In 1989 when the Australian Broadcasting Tribunal introduced the new Australian Content Standard 'social documentary' was included as part of the 'diversity' category programs.

The Productivity Commission recognises that the market on its own may not deliver the social and cultural outcomes that the regulation of Australian content seeks to achieve. In looking at the nature of the commercial broadcasting market in its Inquiry into Broadcasting the Commission said:

"For the commercial broadcaster, the decision to broadcast a particular program does not depend on its social and cultural value to the community. The broadcaster's main concern is the program's ability to raise a profit – that is, its advertising value relative to its cost. High cost programs with social and cultural value may be vulnerable to replacement by programs with a better revenue to cost ratio, even if the alternative is less popular with viewers and advertisers".
(Productivity Commission, Broadcasting, 2000, p.382)

Regulation is necessary because without it there would not be sufficient programming to meet the social and cultural demands of the community. The encouragement of sub-quotas, including that for documentaries, is the most appropriate and efficient way to achieve these outcomes. As the Productivity Commission states:

"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."
(Productivity Commission, Broadcasting, 2000, p.404)

3. VALUE OF DOCUMENTARY PRODUCTION

There are two measures available for the size of the documentary sector of the production industry. One published by the Australian Bureau of Statistics (ABS) and one published by the AFC.

The ABS undertakes triennial surveys of the level of activity in film and video production and distribution. It has published the following data for production of documentaries for television:

	1996/97	1999/00
Value of Production	\$60.3 million	\$70 million

The AFC has also undertaken research into the value of documentary production in Australia and this is published in *Get the Picture*, 6th Edition (pp. 64-71).

Value of Documentary Production (\$M)

Year	1996/97	1997/98	1998/99
Independent	38.6	29.6	45.2
Broadcaster	10.3	10.0	9.1
In-house			
Total	48.9	39.6	54.3

(Source: *Get the Picture*, pp 66-67)

The AFC uses the same definition of documentary as that contained in the standard and excludes magazine style documentaries. The figures also include IMAX documentaries. The reason for the higher figure obtained by the ABS in 1996/97 may be that it has used a wider definition of documentary.

4. EXPENDITURE BY THE BROADCASTERS

In the Issues Paper published in November 2001 the ABA presented data on the documentary program usage and amortisation of the networks for the period 1990-91 to 1999-2000. On 31 January 2002 the ABA informed submitters to the review by e-mail that:

“The ABA has recently become aware of problems with the data underlying two graphs presented in the Issues Paper - these are Figure 5.1 (page 43) and Figure CX.7 (Appendix C) about documentary usage and amortisation. The actual time series is likely to be flatter and of lower magnitude than that indicated by the published figures. The ABA is currently working on possible corrections to the time series. If the problem can be rectified, a new figure will be made available on the ABA's website in late February.”

The new data was made available by the ABA in late April 2002 and is sourced from both the ABA and the ABS.

The earlier data published by the ABA showed a large decline in expenditure on documentary. The Issues Paper stating “Australian documentary usage and amortisation has fallen, from a peak of \$26.3 million in 1994-95 to \$3.4 million in 1999-00.” (Appendix C p.11)

The new data presents a significantly different picture, but does not cover the same time period as the earlier data. The ABA states “documentary expenditure data for the period

before 1996-97 is not reliable and should not be used.” However, it indicates expenditure prior to that year is likely to be around \$7 million per annum.

There is no explanation of why the data is unreliable before 1996-97. This would not only be useful to know, since the classification of documentary programs has been an issue in the review, but also the ABA needs to give more assurance that it has identified the cause of the reliability problem. For example, was it due to reporting errors, methodological problems or differences in classification of program types? Is it across all networks or is it more specific?

In the earlier years the differences in reported data are substantial. If the new data for the year 1994-95 is indicatively around \$7 million then this represents a reduction of over \$19 million on the previously reported figure for that year. The difference of \$19 million is six times the reported expenditure on documentary in the year 2000. The AFC understands that this amount of \$19 million should be added to expenditure on light entertainment for the year 1994-95.

The AFC submits that the ABA needs to provide a more substantive explanation of how the differences came about and assurances about future monitoring.

The new data reveals that the level of expenditure has been flatter than indicated by the previously published data. Nevertheless expenditure on documentary has fallen every year but one since 1996/97. The biggest decline being between 1999-00 and 2000-01 when expenditure fell 48.3 per cent, from \$6.2 million to \$3.2 million in real dollars.

This does not substantially change the argument we put in our main submission that while the level of expenditure is falling the number of hours being broadcast is increasing. Information is not available regarding licence fees paid for documentary by the commercial broadcasters. However, in 2000 90.5 hours of documentaries were broadcast. This would indicate that the broadcasters are paying an average of about \$37,558 per hour in 2000. By comparison the Australian Film Finance Corporation (FFC) proposes in its 2002-03 Investment Guidelines that non Accord documentaries have a minimum licence fee of \$85,000 per hour to trigger FFC investment.

Research undertaken by the AFC on the production of independent documentaries indicates that the average production cost of documentaries is increasing across all budget ranges.

Cost per title (\$) by budget range

	Under \$200k	\$200k-\$500k	\$500k-\$1m	\$1m+
1995/96	73,626	295,652	610,000	2,900,000
1996/97	84,444	274,545	583,333	1,771,429
1997/98	81,429	273,333	650,000	N/A
1998/99	94,828	288,095	684,615	2,671,429

Source: AFC, Get The Picture, 6th Edition p69

There is a long term trend away from the production of documentaries with budgets under \$200,000, even though in 1998/99 just under half (48%) of independent documentaries produced were in this budget range.

The AFC has also analysed the budgets of documentaries broadcast in fulfilment of the quota in 1999 and 2000. In 1999 the AFC was able to analyse 68% of the titles broadcast and in 2000 60%. Of the 93 titles examined over the two years 64% of them had budgets

less than \$200,000, 23% between \$200,000 and \$499,000 and 16% above \$500,000. This suggests that the quota is predominantly being met by documentaries with budgets under \$200,000. This supports the argument made in our main submission that the documentary quota does not seem to be stimulating the production or acquisition of higher budget documentaries. This is not just an issue for the development of the production industry. It indicates that the audience of commercial television is not being exposed to a diversity of documentary types.

Comparing the value of production figures above with the latest expenditure figures shows that over the three years 96/97 to 98/99, the expenditure of the networks varied between 12% and 16% of the total value of production. The national broadcasters, the State and Federal film agencies and private investment contributed the balance to the value of production. In 1999-00 the film agencies contributed \$19.6 million to the total value of production or three times that of the commercial broadcasters.

The AFC supports retention of the current sub-quota, but is concerned that there is insufficient incentive for the commercial broadcasters to invest in a more diverse range of documentary, particularly those with larger budgets and more ambitious themes and subject matter.

There may be merit in the arguments advanced by the SADC that a points score system be considered as an alternative to the current hours quota as a means of encouraging diversity. In its main submission the AFC recommended that the drama points score system should be based on budgets. If a points score system were introduced for documentary, then this should follow the drama system and also be based on budget.

5. FACTS SUBMISSION

FACTS recommends that the documentary sub-quota should be reduced to 10 hours a year. The main argument being that as the prior increase was driven by concern about the potential impact of New Zealand programs, and as there has been no impact in FACTS view, the quota should be reduced.

The AFC accepts that the overall impact of New Zealand (NZ) programs to date has been minimal, but notes the submission of the SADC that of the nine New Zealand programs broadcast since the change to the standard, four have been documentaries. The AFC argues that it is premature to make any conclusions regarding the impact of NZ programs.

Even though FACTS are not directly arguing for the abolition of the sub-quota they make subsidiary arguments, which call it into question. The AFC wishes to examine some of these arguments.

5.1 Factual programming and documentary

FACTS questions the basis on which the traditional documentary category is judged as being more culturally desirable or worthy than other forms of factual programming. The 20 hour documentary quota places significant restrictions on the ability of broadcasters to schedule other forms of factual programming which may be of equal or greater relevance and enjoyment to the viewing public.
(FACTS Submission, p.34)

There is undoubtedly a great range of non-fiction programming on television of which documentaries are a part, but the AFC submits that it is inappropriate to regard non-fiction programming or reality based programming as interchangeable with documentary.

Documentary is judged to be more culturally valuable than other non-regulated forms of 'factual' programming for the reasons cited above in section 2. It is also misleading to call all non-fiction programming 'factual' and then set up an opposition between 'traditional documentary' and 'factual' programming. Popular non-fiction programming such as *Big Brother* or *Survivor* present real people in real situations and this may be at the heart of its appeal. However, it cannot be said to be dealing with factual material in the way that documentary or news and current affairs programming does.

One of the pioneers of 'reality television' Peter Bazalgette, Creative Director, GMG Endemol (*Big Brother*, *Changing Rooms*, *Ground Force*), recently warned of the dangers of reality television in a lecture to the Royal Television Society. He argued that reality television was injecting new levels of creativity and connection with audiences, but that broadcasters still had a responsibility to ensure parents could control the access of children to some of the stronger material. He then went on to say:

"The other danger attached to more real or reality television is related to its cost and popularity. Reality television in its many forms, whether a docu-soap or a game show, can be made relatively cheaply - for between 60 and 120 thousand pounds an hour. A comedy show can easily cost four hundred thousand pounds an hour, and good television drama typically costs more – perhaps a half of a million pounds. How can we ensure that we keep a rich diversity of programme genres in the schedules? Just have a look at some of the most successful shows in the past year and approximately how much they cost per hour to make."

(Peter Bazalgette, Huw Wheldon Memorial Lecture, 13 September 2001, Royal Television Society)

While successful reality television helps broadcasters compete for advertisers and audiences, it is not a replacement for other forms of television that have a cultural and social value identified by the community. Broadcasters must continue to invest in a diverse range of programming and be encouraged to provide Australian audiences with a richness of choice in the kinds of programming on offer.

The AFC also challenges the assertion that the sub-quota prevents the scheduling of a broad range of non-fiction programming. When considering the range of non-fiction programming currently broadcast on Australian commercial television, it can be seen this consists of:

- News bulletins;
- Current Affairs – including analysis, discussion and argument on current political and social issues;
- Lifestyle programs – programs that deal with cooking, gardening, home decoration and repair, travel and hobbies have been a feature of television since it began but in the last decade more of them occupy prime time slots;
- Sports – this includes both coverage of events and panel discussions of sport;
- Religion – Services and preaching and programs that discuss religious issues;
- Game shows – this includes both quiz based shows as well as those involving some form of physical and interpersonal challenge;
- Music performance and variety;
- Home shopping;
- Documentary.

In its submission to the Productivity Commission Broadcasting Inquiry FACTS similarly argued that the current standard impeded diversity and innovation, preventing broadcasters focussing on other types of programming.

The Commission responded by saying:

“It is not clear how much, if any, of this alleged lack of diversity and innovation in programming is due to the quota system rather than market factors. The drama and documentary sub-quotas do not define the subject of the program, only its broad genre and its labour inputs. The drama quota is broadly defined to include scripted comedy and musicals, while the documentary quota excludes only current affairs and ‘infotainment’ material. Neither quota precludes other types of programming.”

(Productivity Commission, Broadcasting, 2000, p.402)

The potential subject matter of documentaries is as broad as the human experience and the natural world. The commercial broadcasters, by and large, have chosen to program predominantly travel/adventure/wildlife documentaries. The AFC submits this is not imposed on the networks by the sub-quota.

6. DEMAND FOR DOCUMENTARY

“FACTS considers that the sub-quota does not serve the objective of the Standard as there is little demonstrated audience-demand for traditional documentaries on commercial television. And Viewers seeking traditional documentary formats generally look to the ABC and SBS, and the three specialist pay TV documentary channels, rather than commercial television.”

(FACTS Submission, p.34)

As the SADC points out in their submission well promoted documentaries scheduled in consistent timeslots can attract significant audiences as demonstrated by the ratings performance of *RPA* and *World Around Us*. In 2000 *RPA* was in the top 10 programs regularly shown on the Nine Network across the five mainland capitals (Documentary Programs-Audience Ratings, ABA, 2002, p 4).

The same arguments made about scheduling and promotion of children’s programming can equally be applied to documentaries. If meagre resources are applied to acquiring documentaries with a limited range of subject matter and to scheduling and promotion, then it is harder for audiences to come to these programs.

The ABA reports that there were 700 documentary titles broadcast in Sydney in 2000 across all five channels, of which 64 titles were first release Australian documentaries. The ABC and the SBS do broadcast a greater number of hours of documentary than the commercial broadcasters, but the larger proportion of documentary hours shown are foreign. (ABC and SBS Annual Reports 1998/99 and 1999/2000)

Despite the documentary output of the national broadcasters, documentaries perform better on commercial broadcasters. The ratings information published by the ABA shows that of the top 50 documentaries shown on free to air television in Sydney in 2000, all but five were shown on commercial television. The other five were broadcast on the ABC. Of the top 50 documentaries 20 were first release Australian documentaries (Documentary Programs-Audience Ratings, ABA, 2002, p 4-5).

The fact that Pay television provides documentary channels does not reduce the need for a sub-quota on commercial television. In July 2001 there were 1.4 million households connected to pay television. On a national level this represented 20.7% of all television households. However, the level of penetration varies across the country. It is highest in Sydney with 26% of households and lowest in Perth with 12.6%. The majority of people

still use free to air television as their means of access to television services. (Pay TV Trends, 2001, AC Nielsen)

Viewing of pay television within pay TV households has been increasing, but the average daily viewing of free to air television in pay TV households still exceeds viewing of pay television. Of the three wholly documentary channels available, two, Discovery and National Geographic, attract audiences that are competitive with movie and sports channels. The third, The History Channel, performs less well, but this may be because it is not available as a basic service and subscribers must pay a premium to receive it (Pay TV Trends, 2001, AC Nielsen).

Research commissioned from Audience Development Australia for the AFC based on their Q-score methodology suggests that there is a strong positive attitude to most Australian documentaries when they are viewed. However the biggest hurdle to improved ratings success is viewer trial, which is made more difficult when documentaries are not shown on a regular basis. There is a potential to attract larger audiences to documentary programming by using different scheduling strategies. The use of series or the packaging of documentaries, as in *The World Around Us* and *Sandra Sully Presents*, has proven very popular with commercial television audiences.

At the time of writing, Real Life on Film, described as Australia's Premier International Documentary Festival, was touring the country to capacity audiences. Addressing the Sydney opening, SBS Movie Show host Margaret Pomeranz, commented that in her vast experience of film criticism, it was increasingly documentary which had the capacity to stimulate and engage an audience. She stressed that the youthful audience crowding the Chauvel Cinema in Sydney that night was indicative of the growing demand for challenging documentary, particularly from one's own country.

7. CONCLUSION AND RECOMMENDATION

The AFC submits that there remains a strong argument for the retention of the current documentary sub-quota at the level set in 1998, being a minimum of 20 hours per year of first release Australian documentary programs. We do not believe that the commercial broadcasters have presented a compelling case either for its abolition or for its reduction.

The AFC is concerned at the falling levels of expenditure by commercial broadcasters on new documentary and believes there is merit in considering a points based score system as a means of encouraging diversity.

The AFC submits that the ABA should provide a more substantive explanation of how the differences in reported expenditure by the networks on documentary came about and some assurance that future monitoring will deliver reliable data.