



**Australian Writers' Guild
Media Entertainment and Arts Alliance**

**REVIEW OF AUSTRALIAN
CONTENT ON SUBSCRIPTION
TELEVISION**

SUPPLEMENTARY SUBMISSION

TO

**THE AUSTRALIAN BROADCASTING
AUTHORITY**

May 2003

Supplementary Submission by the Australian Film Commission to the ABA's Investigation of Australian Content on Subscription Television

Introduction

This supplementary submission is made on behalf of the Australian Film Commission, the Media Entertainment and Arts Alliance and the Australian Writers' Guild. It presents data on the transmission of Australian drama by subscription broadcasters, and comments on aspects of other submissions from the subscription broadcasting sector.

Transmission of Australian drama by Subscription Television

The Australian Subscription Television and Radio Association's (ASTRA) submission to the Review comments, '*The regulations were not set up with a reference specifically to cultural importance*' and it is not a 'valuable exercise' to consider the number of hours of drama funded through the 'regulations' subsequently broadcast on subscription television.

While there is no specific transmission requirement, the AFC considers that to evaluate the effectiveness of the scheme to audiences, it is essential to consider drama hours broadcast. We would assume that the ABA accurately monitors expenditure but to evaluate the total impact of the scheme and to answer the complex questions posed by the Australian Broadcasting Authority's Discussion Paper, it is essential to know how much drama the scheme engenders and which of this is broadcast.

In the Discussion Paper, the ABA has indicated that the Explanatory Memorandum and the Second Reading Speech make reference to both cultural and industry support as objectives. As Minister McGauran stated in the Second Reading Speech:

The aim of the licence condition is to require the subscription television industry to contribute to the production of Australian drama programming for the cultural benefit of Australian audiences.

Given that the licence condition contributes a cultural benefit for Australian audiences, it is the AFC's submission that the level of transmission is a measure of the effectiveness of the regulatory scheme under investigation.

At the time of making the AFC's initial submission no information was available regarding the hours of Australian drama broadcast. AFC staff met with ABA staff and commented on the paucity of data accompanying the Discussion Paper. It was our understanding that the ABA would not be undertaking separate data collection but would instead rely on data collected by ASTRA, which would be incorporated in the latter's submission. The AFC anticipated that the ASTRA data would provide the basis for useful analysis so it keenly awaited the ASTRA submission, which was delivered approximately six weeks after the deadline.

ASTRA survey

ASTRA commissioned Ernst and Young to undertake a survey of its members the object of which, as described in the ASTRA submission, was to:

...provide top line results as to the number of hours broadcast and dollars spent on Australian programming in the financial year ending 30 June 2002; an estimate of the number of broadcast hours and dollars spent on Australian programs in the period 1 January 1995 to 30 June 2002; and information as to employment and wages.

ASTRA also states in its submission that it intends to undertake this survey on an annual basis. The AFC welcomes this commitment as an important contribution to assessing the effectiveness of the licence condition.

The AFC understands that the aggregated results of this survey have been supplied to the ABA as part of its investigation. However, the full results have not been released to other submitters. Instead, what is contained in the ASTRA submission is a single figure of 4,275 hours of Australian drama broadcast in 2001/02 (including repeats).

There is also a title listing of all Australian programming, excluding advertising, that was either paid for and/or broadcast in that year. No correspondence is made between these listings and the aggregate figure of drama hours broadcast. So that, for example, there is no indication of the number of titles that comprise the figure of 4,275 hours broadcast.

There appears to be no information at all in the ASTRA submission relating to the second part of the survey that looked at the period from 1 January 1995 to 30 June 2002.

The AFC assumes that ASTRA has made arguments that all or part of the data should receive restricted access, but we cannot understand the justification for this. The ABA regularly publishes data on both hours of and expenditure on Australian content by the commercial television broadcasters so it is hard to see why the same kind of information about subscription broadcasters should remain restricted.

AFC Data

The inability to access ASTRA data has led to an unsatisfactory situation which prevents informed evaluation of the scheme. In the absence of other data the AFC has undertaken its own preliminary analysis of Australian programs - drama, documentaries and short films - broadcast between 1995 and 2001 on pay TV.

The initial tracking revealed several issues which would need to be resolved to make a meaningful assessment of pay TV trends. The AFC stresses that the tables presented here comprise the first steps of analysis. It would welcome discussion with ASTRA and the ABA to interpret and preferably compare AFC data with theirs.

Pay TV programming involves a high number of repeats. The AFC's table of hours only counts one screening of a title when in fact it will have screened multiple times. Also there are a large number of Australian lifestyle programmes, news and sport that are not included in the AFC's data. It is recommended that a complete analysis of broadcast content would provide a helpful context; a one-month sample could be undertaken rather than the whole year.

There has been an increase in the overall titles tracked in 2001. This is due to an increase in screenings, but also reflects improved tracking by AFC staff. Confirmation has always been sought from broadcasters as to which programs were Australian. The level of assistance from the pay TV stations has been reasonably constant - some assist and others do not.

The number of Australian titles could be understated since there are a large number (390 titles) identified as possibly Australian. These queries will be resolved over the next few months.

There are other important considerations in the way the screenings are totalled. For instance, some titles screened on:

- three different channels in one year eg *Crocodile Hunter* on the Discovery Channel (Foxtel), Oh! (Optus) and Animal Planet (Optus)
- two different channels but the same carrier (eg. Movie One, Movie Extra/Optus)
- two different channels and on different carriers (usually National Geographic Foxtel/Optus and A1 Optus).

Table 1 provides data on the number of titles broadcast, including repeat titles from year to year. Table 2 provides data on the number of hours this represented, however not every single screening has been included. For this reason no direct comparison can be made between the AFC's data and the published data of ASTRA.

The number of Australian series/serials and documentaries screened on pay television has increased fairly steadily between 1995 and 2001. The increase in the numbers of documentary channels from one in 1995 to five in 2000 (three full time and two part-time channels) has clearly contributed to an increase in documentaries.

Screenings of all other types of programs have fluctuated. Features and mini-series both sustained decreases in 1999, but have continued to increase in the two years since, to peak in 2001. Telemovies and shorts reached their

peaks in 1997 and 1998 respectively, and have decreased in subsequent years, while remaining above initial levels.

Australian Programs on Australian Pay Television 1995-2001

Note: Includes screenings on pay TV even if prior screenings on free-to-air. Also includes repeat screenings from year to year

Table 1: COUNT						
	Feature s	Series/Serials	Miniseries	Telemovie s	Documentarie s	Shorts
1995	13	2	6	3	32	0
1996	109	12	12	19	15	16
1997	145	12	20	31	57	35
1998	97	10	20	14	89	60
1999	73	17	12	5	102	60
2000	104	22	16	5	129	3
2001	157	27	20	8	220	7

Table 2: HOURS						
	Feature s	Series/Serials	Mini- series	Telemovie s	Docos	Shorts
	Pay	Pay	Pay	Pay	Pay	Pay
1995	20.5	119.9	44.8	4.6	73.8	0.0
1996	184.3	427.7	82.3	29.7	85.3	3.8
1997	241.4	433.7	130.3	47.1	151.7	7.4
1998	167.9	316.3	149.3	20.7	183.5	6.8
1999	118.5	291.8	79.8	7.6	180.6	6.8
2000	167.5	383.7	119.7	7.4	261.6	0.9
2001	243.4	457.1	137.7	12.5	438.1	4.4

Compiled by the AFC

Screenings of Australian and co-produced features, telemovies, documentaries & shorts on Australian Pay TV 1995-2001

Includes titles that have screened previously on FTA, and titles that have screened on pay TV in previous years.

One screening per title, per year, per channel

Source: AFC monitoring, cross checked with Pay TV stations wherever possible

Table 3 details the numbers and hours of first release Australian programs on pay television. These figures include first release on pay even if a program had prior screenings on free-to-air. It does not distinguish between those programs that were eligible to count as new drama under the scheme and those that were not.

Table 3 demonstrates similar patterns as in Tables 1 and 2 with the number of first screenings of features, series/serials and mini-series starting high, dropping in 1998-2000 and increasing again by 2001. First screenings of documentaries have increased with the increase in the number of documentary channels. First screenings of telemovies and shorts peaked in 1997 and have subsequently decreased.

Table 3 also shows that in 2001 a total of 512 hours of first release drama was shown on subscription television. This compares with 536 hours of first release drama shown on commercial broadcasters as reported by the ABA. However, this latter figure was across three channels, whereas in the case of the former it was broadcast across at least 17 channels.

First release on Australian Pay Television

Note: includes first screening on pay even if prior screenings on free-to-air; excludes repeats from year to year

	Features		Series/Serials		Mini-series		Telemovies		Documentaries		Shorts	
	Count	Hours	Count	Hours	Count	Hours	Count	Hours	Count	Hours	Count	Hours
1995	14	20.5	2	119.9	6	44.8	3	4.6	32	74.5	0	0.0
1996	96	149.7	12	427.7	10	73.3	16	25.1	11	60.6	16	4.0
1997	82	129.1	9	322.2	14	86.8	16	24.1	48	121.6	34	7.3
1998	45	71.6	8	211.3	9	77.8	5	7.3	54	103.3	24	2.3
1999	28	45.2	14	275.8	8	67.6	3	4.5	68	121.3	26	2.7
2000	48	78.1	11	292.6	9	68.4	3	4.4	61	131.3	2	0.6
2001	63	98.7	16	339.3	11	67.5	4	6.3	129	241.2	4	2.4

Compiled by AFC Research and Information

Source: AFC monitoring, cross checked with TV stations and ABA Compliance reports

Increase in the Requirement

In its submission ASTRA argues that the current scheme is 'onerous' in that it "imposes an unnecessary financial and administrative burden on an industry that has yet to become profitable." Ideally it would argue for the abolition of the scheme on the basis that it already invests in Australian content, across all genres, 'above and beyond any legislated requirement'.

Yet ASTRA also argues that its members are able to meet the obligation without 'substantial risk' to their businesses. However, they would resist any increase in the requirement because it would adversely affect businesses. It is difficult to deal with these arguments opposing any increase in the absence of data on actual levels of expenditure on Australian content or on the amount of Australian content actually transmitted.

Australian audiences must be confused as to the real position of subscription television in this country. The ASTRA conference in February this year presented a convincing picture of robust growth in an increasingly important

industry sector. Such a depiction is impossible to reconcile with claims that an increase in the expenditure requirement would 'de-rail' the industry. ASTRA Chairman John Porter recently commented that pay TV advertising revenue has grown 43 per cent from the previous year (*'Pay TV Close to OzTAM deal'* *The Age* 26 May 2003).

The ABA has published data on the compliance with the scheme in Table One of the Discussion Paper. However, there is no published data on total Australian program expenditure by these channels nor on Australian program expenditure across all channels. What proportion of program expenditure is spent on Australian programming across the whole sector? Is it higher or lower for drama channels than non-drama channels? What affect would an increase have on operational costs and on profitability? These are some of the questions that would need to be examined before ASTRA demonstrates that an increase in the requirement is not justified or is not justified until some specific business conditions are met.

We appreciate that the Premier Movie Partnership's (PMP) submission has published some data on its own performance in relation to the scheme - \$25 million spent since 1995 on investment in nearly 60 Australian features. It also states that its level of recoupment or revenue return on its investments is on average eight per cent. PMP argue that an increase in the requirement would make it difficult to sustain this level of commitment.

The AFC acknowledges the commendable level of commitment by PMP, which has been an important factor in the financing of Australian features. It may be that the effect of an increase in the requirement would have the outcome predicted by PMP. However, this cannot be confirmed until there is a more comprehensive assessment by the ABA which answers some of the questions posed above.

Dearth of Data

The AFC tracks the screening of Australian features, TV dramas, documentaries and shorts on Australian free to air and pay TV. Our emphasis is on the performance of Australian programs. The AFC can comment on the numbers of Australian titles and hours screened, but like the ABA's free-to-air compliance figures, only Australian hours are considered, rather than all programs broadcast.

Analysis of *all* free to air programming has been done twice by the ABA - in 1992 and 1998. This extremely useful analysis of titles by country of origin (first and only time done in 1998), first release drama, gave a unique insight into what is screening on Australian TV. [See 5 pages of tables GTP online at: <http://www.afc.gov.au/gtp/wftvcbreadcontent.html>]

The ABA has the raw data for 1999-2001 from which it has published only one table. Limited resources appear to have prevented further analysis. Yet such analysis assists many, from policy planners to industry practitioners interested in programing trends. The AFC would welcome the opportunity to discuss

the development of data analysis with the ABA and broadcasters. We are keen to streamline the monitoring of Australian titles screened if possible.

Although of particular relevance to free-to-air, the above example highlights the problem that the ABA, the official regulator, is not able to undertake the research required to adequately assess the affect of regulation. Rather, the focus is simply on compliance.

Since subscription television was established, its audience share has been measured separately from free-to-air networks. The ten-year absence of a cross platform ratings system is further evidence of the scarcity and opacity of data needed to understand the subscription television industry. It has been reported that OzTAM will soon begin measuring ratings across both free-to-air and subscription networks for the first time (*'Pay TV Close to OzTAM deal'* *The Age* 26 May 2003). The AFC welcomes this long overdue arrangement for the additional comparative tool it will offer for industry analysis.

In the interests of addressing the current dearth of pay TV data, the AFC in collaboration with Murdoch University has been awarded an Australian Research Council Linkage Project Grant to fund a project on pay television being undertaken by PhD scholarship candidate Marion McCutcheon.

The project aims to explore the emergence of pay TV in Australia and its cultural and industrial outcomes. The project will consider regulatory issues concerning industry structure in addition to a study of content rules.

Among the key questions being canvassed by the project are:

- Where do pay TV industry revenues come from and where do costs lie?
- How is the pay TV industry engaging with the local production industry? Which sectors and in what capacity?
- An analysis of the pay TV drama expenditure; how it is spent and its affect on overall local content levels.

The need for quality media research is also emphasised by Jock Given in his recently released book, *Turning Off The Television - Broadcasting's Uncertain Future* (2003):

'... governments need to keep a watchful eye on the data sources used to make sense of the information economy and society. Information about the take-up of new technologies and services, the use being made of them, their social impact and their future prospects have been vital parts of the making and unmaking of myths and truths which inform individual, corporate, government and community actions. Competing versions of the winners from TV ratings wars and the roller-coaster of numbers about productivity performance in the latter part of the 1990s provide others. Government statistical agencies and regulators cannot leave too much of the data-gathering and analysis in these critical areas to industries whose commercial fates are dependent on the outcomes. They need to investigate the mundane along with the currently fashionable, gathering data not just to meet today's priorities but to help inform tomorrows.

The trick for policy-makers is to craft and create space in the digital age for institutions and individuals who can be trusted to keep exploring and explaining the on-going surprises'.

The AFC strongly urges the ABA to release publicly the survey data in ASTRA's submission to the current review in order to allow further analysis and debate on its findings.