AUSTRALIAN AND CHILDREN’S CONTENT REVIEW
SUBMISSION

SEPTEMBER 21, 2017
Executive Summary

Market failure in relation to Australian children’s content and the need for government intervention has never been more apparent.

The ACTF, because of our place at the intersection of children’s media, education and culture, is uniquely placed to provide input into this Review.

In this paper, we demonstrate that children’s content needs special and unique support and attention – not just the same suite of policy measures that apply to adult content.

Children’s content is at a disadvantage because it cannot and does not command the licence fees from broadcasters that adult content does. This influences the type of children’s content that gets made, undermining the public value and social return on children’s content, to the detriment of the child audience.

Throughout this submission the ACTF will demonstrate:

- The high level of market failure that undermines the production of Australian children’s content, accelerated since funding reforms in 2008;
- The outstanding and long-lasting public value achieved by quality Australian children’s content as measured by its value to the audience, parents and educators;
- The imbalance between live action drama and animated content and the way the funding mechanisms have supported less culturally distinctive projects; and
- The unique role of the ACTF in championing, supporting and distributing that content across multiple platforms to ensure that the Australian child audience is the major beneficiary of policies intended to provide Australian content made especially for them.

The ACTF is recommending that:

1. The public broadcasting sector be mandated and funded to deliver a comprehensive multiplatform service for all Australian children;
2. Measures be introduced to ensure that the commercial sector contributes to and transmits quality and culturally relevant children’s content; and
3. There be funding mechanisms in place to support the production and distribution of culturally relevant Australian children’s content, including an enhanced role for the ACTF.

Children’s screen content is the one area that has the greatest capacity to influence future generations and contribute to building a sense of identity, right at the time when identity is being developed by Australian children. Its potential impact and value is profound.
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1. **Introduction**

When you're in the mindset of a little kid who's seeing something for the first time, the world is big … This show is giving our kids and community a sense of adventure, and characters that they can relate to. I think it's really important that we have a show such as this in our country today.

Deborah Mailman, actor, Little J and Big Cuz

For more than three decades, Australia has produced high quality children’s programs which have entertained audiences at home and around the world many times over.

The Australian children's television production industry has been made possible through a combination of government support and content regulation, on the basis that there is public value in television that speaks directly to Australian children and which reflects Australian themes, language and social values. The establishment of Australian children’s television regulations and the ACTF, combined with direct subsidy through FFC/Screen Australia, have created world class children’s television right here in Australia.

The television landscape is in a permanent state of disruption and Australian children's television is especially vulnerable. Children’s television does not command the licence fees or public attention that primetime content does. The introduction of the Producer and PDV Offsets in 2008 have skewed children’s content production towards less distinctive animated content and away from live action children’s drama and distinctively Australian animation. Now the commercial broadcasters are making plain their desire to be relieved of any obligations to the children’s audience at all. Meanwhile, the ABC, with an inconsistent history in supporting Australian children’s television, is decreasing its spending on Australian children’s content and apparently relying on producers to leverage foreign participation in their projects in order to maintain production levels.1

The total market failure in relation to Australian children’s content and the absolute need for Government intervention has never been more apparent.

This Australian and Children’s Screen Content Review is therefore timely, and it is appropriate that “securing quality Australian content for children” is articulated in the Review Consultation Paper as one of three core policy objectives that have been identified to guide the Review.

The Consultation Paper favours, as far as possible, market intervention and the harnessing of competition, in order to achieve policy outcomes, and notes that Government intervention is only appropriate where market failure is such that it necessitates intervention. Furthermore, it states that any Government intervention should achieve clearly identifiable and transparent policy goals.

The ACTF strongly believes that production of Australian children’s content is the clearest case of market failure of any sector of the screen industry, and that on the other side of the ledger, support for quality Australian children’s content produces the clearest example of public benefit. It is therefore, entirely appropriate that the Commonwealth Government should oversee measures designed to stimulate and support the production of quality, culturally relevant Australian children’s content.

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1 Director of Television of the ABC, appearing at House of Representatives Inquiry into sustainability of Film and Television Industry, noted that whilst ABC spending on children’s content was going down, its value was going up due to additional finance leveraged by independent producers. That can only mean international finance as the Screen Australia investment cap has reduced the funding it will supply to children’s projects.
In weighing up different options around funding support, incentives to broadcasters and regulation, it is critical that at all points Australian children’s content be prioritised.
It’s quite possible that the best of Australian children’s television is actually better than the best of our grown-up television. Lockie Leonard, Dance Academy, Nowhere Boys: they’ve all been absolutely world class, and now this completely delightful series for sub-tweens (Little Lunch) joins the ranks …


2. Why Support Australian Children’s Content

In supporting Australian children’s content, the Commonwealth is meeting many of its commitments under the United Nations’ Convention on the Rights of the Child. The Convention requires that information of social, cultural and linguistic benefit be made available to children via the mass media.

Australian children deserve access to content which reflects and respects their community, culture and language, and which addresses issues and tells stories that are relevant and relatable to their own experiences. Children deserve entertainment that is positive, affirming and which opens a window to the world.

Australian children’s content can have a significant impact – building a sense of community and citizenship, firing imaginations, providing positive role models and shared childhood memories. Vital social, cultural and educational objectives are achieved with quality locally produced children’s content.

Children’s film and television production can also contribute immeasurably to a sustainable Australian film and television industry. Many outstanding performers, writers, directors, producers and other crew got their start in children’s television production and the sector provides jobs and economic activity all around Australia. However, the major beneficiaries of support for Australian children’s television must be the children’s audience themselves – now and into the future, and on platforms that exist now and will exist in the future.

It is critical that this Review be focussed on outcomes for the children’s audience.
3. The ACTF’s Credentials

When the ACTF was incorporated in 1982, as a catalyst to improve the quality of children’s television, the children’s television industry itself was fledgling, comprising a handful of studio based magazine style shows such as *Shirl’s Neighbourhood*. The leading writers, directors and producers of Australian drama weren’t thinking about children’s drama. The ACTF and its vision was to change all that.

The ACTF’s first major production was an anthology series of eight one-hour telemovies, called *Winners* in 1984. Leading writers, directors and producers brought together for that series included John Duigan, Esben Storm, Paul Cox, Maurice Gleitzman, Tony Morphett, Jan Sardi and Sandra Levy. The series could not have been financed without underwriting by Robert Holmes à Court’s ITC Entertainment Inc. Announcing ITC’s involvement Robert Holmes à Court said:

“To bring together a group of our country’s leading and proven talent for the purpose of producing high quality children’s television is clearly a worthwhile endeavour … one can reasonably expect this project to achieve a standard equal to the best that has or can be produced in Australia for Australians.”

Robert Holmes à Court

ITC went on to sell the *Winners* telemovies to more than 70 countries and they won numerous international awards, demonstrating what could be achieved with the right resources and talent.

This was just the beginning. The ACTF would follow up *Winners* with other major projects through the 1980s and 1990s including *Touch The Sun*, which won an International Emmy Award, four series of *Round The Twist*, which was one of the most successful children’s dramas made anywhere in the world, *Lift Off, Sky Trackers, The Genie From Down Under* and *Crash Zone*.

The Film Finance Corporation (FFC), established in 1989, became a significant financier of Australian children’s drama, and during this period a vibrant children’s television landscape was developing alongside the ACTF, with producers all around Australia. Yoram Gross, who created Australian animated feature films – beginning with *Dot The Kangaroo* in 1977 – moved into long form animated television production with the *Blinky Bill* series in the early 1990s. Live action producers including Jonathan Shiff, Ron Saunders and Paul Barron created series like *Ocean Girl, Spellbinder* and *Ship To Shore* that attracted considerable followings both in Australia and internationally. Australian children’s drama was unique. No other country had a ‘children’s drama quota’ or enjoyed similar levels of funding support, and this content found a ready international market, especially in Europe. Regulation was therefore essential to the existence of this content.

With this level of international interest in Australian children’s drama it became standard practice to finance children’s drama with the involvement of international broadcast pre-sales and/or guarantees or advances from distributors against international sales.

Three different global distribution companies with headquarters in the UK or France (none of which have survived to the current day) had international distribution rights for the ACTF’s earliest programs in the 1980s. But they all declined the opportunity to distribute *Round The Twist* when they read the scripts for the first series in 1989. They considered the content too risqué, and ‘too Australian’. It was for that reason that *Round The Twist*, one of the first programs financed by the FFC, was financed without an international distributor on board and that the ACTF took the program to the international market itself. The series broke new ground and attracted the support of the BBC where it was hugely successful. Everywhere *Round The
Twist went, other Australian children’s programs – whether from the ACTF or other producers – followed.

By distributing its own content the ACTF discovered that it could bypass the very high distribution commissions charged by foreign companies, develop direct relationships with broadcasters and learn firsthand how its programs were received by international audiences. It also meant that the ACTF’s program choices did not have to be dictated to by the requirements of the international market.

In 2002, acknowledging the existence of a highly developed children’s television production industry, the ACTF changed its focus from effectively working as a production house, to one of working and collaborating with independent producers from all over the country, assisting other producers to make quality Australian content. We called this shift a move from ‘making it’ to ‘making it happen’. This opened up enormous opportunities for producers from all around Australia.

The ACTF provides its assistance through development investment, distribution and co-production partnerships. This approach allows it to stretch its funding much further and to work on a national basis, with producers and productions from all over the country. By putting up its investment in a production as a distribution advance, the ACTF is able to recoup that advance in first place, thus enabling it to recycle returns into new productions. By acting as an executive producer on the programs it supports, the ACTF is able to assist with financing and retain a creative feedback role, ensuring that the productions it supports meet the highest possible standards; and by taking on responsibility for distribution, the ACTF is able to ensure that the program reaches audiences and stays in the market place for years to come – whether through repeat licences, ongoing sales into the home market or through its extensive reach in the education sector.

Major productions that the ACTF were involved with between 2002 and 2008 included Holly’s Heroes (with Ann Darouzet and Jenni Tosi), Mortified (with Enjoy Entertainment), Double Trouble (with Central Australian Aboriginal Media Association) and two series of Lockie Leonard (with Goalpost Pictures).

All those series mentioned in the preceding paragraph were commissioned by commercial broadcasters, as a result of the quotas. The ABC was only commissioning very small amounts of children’s drama during those years and a large part of its offering for children, other than its in-house productions such as Playschool and Behind The News (which was axed for a time), was imported.

In 2006, the ACTF publicly highlighted the opportunity afforded by the switch to digital television to provide a much better media service for Australian children. It called for the establishment of a dedicated digital public channel for children. The original vision was for a distinctive, comprehensive, children’s public service channel which was predominantly Australian and available to every family that could receive digital free to air television. Ultimately, the ACTF joined forces with the ABC to champion this idea, which received support from the Howard Government during the 2007 election campaign.

The Rudd Government gave the ABC funding which saw it establish its children’s destinations on ABC2 (for pre-schoolers) and ABC3 (for school aged children) in 2009.

ABC3 attracted new entrants and original programming ideas. New programs commissioned by the ABC and supported by the ACTF from 2009 include My Place 1 & 2, three series of Dance Academy, several series of Nowhere Boys, three series of Bushwhacked, My 24, Worst Year of My Life, Again!, Ready For This, The Flamin’ Thongs and Little Lunch. In addition to ACTF supported programs the new channel also supported a large number of other new Australian productions including Figaro Pho, Dead Gorgeous and CJ The DJ.
The programs commissioned by ABC3 were critically acclaimed, winning numerous awards and being re-run many times over. In this paper we will document the impact of a few of those programs.

The history of Australian children’s television and the ACTF are therefore inextricably linked, with the ACTF playing a pivotal role in supporting distinctively Australian programs on all networks, and advocating for the support mechanisms required to produce those programs.

For 35 years we have embraced, championed and adapted to changing times and opportunities, whilst at all times maintaining a singular focus on achieving quality outcomes for child audiences. Our involvement in every stage of development, production and distribution of children’s television since 1982 has made possible a slate of enduring quality children’s television series that generations of Australian children grow up with. It has also provided us with unparalleled expertise, insight and knowledge of this sector.

We welcome this Review and embrace the opportunity to contribute to a process that we hope will secure the production of quality Australian children’s content for future generations.
ACTF Vision

The ACTF will continually raise the stakes in children’s media production, driving higher standards of creativity and innovation, based on assumption that we should never underestimate children’s desire to be informed and challenged as well as entertained.

4. The ACTF’s Philosophy

To understand why we are best placed to offer the proposals in this paper, it is necessary to understand the ACTF structure and philosophy.

It was through the Australian State and Territory Ministers of Education – through what was then known as the Australian Education Council – that a proposal to establish the ACTF first came to the Commonwealth Government. Funding for the ACTF ultimately came from the Commonwealth through the Arts portfolio, and from individual States and Territories through their Education and/or Arts portfolios. Today, all States and Territories except Victoria, provide a funding contribution to the ACTF through their Education portfolios. (Victoria supports the ACTF through Film Victoria). All Governments that support the ACTF provide a representative to the Board, and the Commonwealth Government nominates three representatives.

The ACTF has, since 1982, occupied a space at the intersection of children’s media, education and culture, and this remains at the core of the ACTF’s philosophy today and influences all of its activities, both day to day and strategically.

The ACTF recognises that children’s media can be an effective and influential learning tool, and that the most powerful learning occurs when minds, senses and emotions are engaged. Stories are among the most powerful ways of engaging children, and drama provides insights that can be a springboard for discussion and learning around issues such as bullying, jealousy, sibling rivalry, conflict with parents, achieving goals and living well.

Given the significant public funds invested in children’s television and their educational, social and cultural value, the ACTF has always sought to maximise the audience’s access to these programs. From its earliest productions the ACTF developed educational resources to support the use of its programs in schools and promote its content to schools. In recent years we have digitised our entire back catalogue to make it even easier to make content available for educational use and have developed digital education resources such as Apps to extend and support the programs we distribute. We now make extensive use of webinar capability to bring students from all around Australia, including regional and remote areas, together with the creative teams who work on the programs we support. We also identify projects that have not received funding support from the ACTF for production, but which have educational value, and promote those projects to the education sector too. (Recent examples of projects like this include Mustangs FC and Lah Lah’s Adventures).
5. The Issues We Need to Address in Order to Secure Australian Children’s Content

Market forces just cannot be relied on to ensure the continued creation of high quality, distinctive Australian children’s content. Without regulation (via content quotas) and the development and production funding that is provided via Screen Australia, the State and territory film and television agencies and the ACTF, such content would never be made in the first place.

The existing regulatory framework was originally developed for an analogue broadcast environment. A fragmented, multi-platform, on-demand and time-shifted viewing environment providing a global smorgasbord of content is now challenging the previously dominant linear broadcasting model of the past. In this environment, local children’s content is more vulnerable than ever, and effective support for it is more critical than ever.

The ACTF maintains that children’s content needs special, unique support and attention – not just the same suite of policy measures that apply to adult content. Children’s content is at a disadvantage because it cannot command the same licence fees upon commissioning that adult content does, and has historically been far more dependent on foreign investment in order to be financed. These factors now influence the type of content that is being commissioned to such an extent that they have undermined public value and social return on investment in children’s content, to the detriment of the children’s audience, and placed the sector itself in a precarious position.

To achieve a vibrant, balanced, outstanding children’s content production environment delivering quality Australian content to Australian children, government will need to ensure:

- that the public broadcasting sector delivers a distinctive, original and comprehensive multiplatform service for all Australian children, which incorporates high levels of Australian content across a range of genres including news, current affairs, factual, comedy, live action drama, animation and educational content;

- that measures are in place to require, support and encourage commercial platforms (whether free-to-air, subscription television, or SVOD and other online services) to commission quality Australian children’s content which they can schedule and deliver in a way that supports their commercial objectives; and

- that there are funding mechanisms in place to support the production and distribution of Australian children’s content, and that these mechanisms acknowledge that children’s content does not command the same licence fees that adult content does, and that it should not be necessary for all Australian children’s content to attract high levels of foreign investment before it can be produced.

The recent House of Representatives Inquiry into the Sustainability of the Film and Television Industry provided a foretaste of what the wider industry will want from this Review. Subscription and free-to-air broadcasters alike expressed a desire for direct access to Screen Australia funding, wanted Screen Australia funding to be applied to a wider range of content, the producer offset increased and budget levels in order to access the offsets decreased. The free-to-air broadcasters also made it clear they wanted to be relieved of their obligations towards the children’s audience. In other words, they want vastly increased subsidy for all manner of content and formats, at the same time as wanting complete absolution from any responsibility to provide Australian content for the children’s audience.
There could be no greater illustration, perhaps, as to why Australian children’s content is so vulnerable, and therefore should be a major priority in the conduct of this review.
6. The Extent of the Market Failure in Children’s Television

In recent years the ACTF has worked with a range of established and accomplished production companies on their first children’s series. Companies as diverse as Goalpost Pictures, Blackfella Films, CJZ, Matchbox, Gristmill, Mint Pictures and Essential Media. These production companies have all brought fresh, new and well developed shows to the children's space (including My Place, Nowhere Boys, Lockie Leonard, Ready For This, Bushwhacked, You're Skitting Me, Little Lunch and My:24). But without exception, they have all discovered the same thing: that raising the finance for a children’s series is infinitely more challenging and difficult to do than it is for an adult series. In an article which appeared in Inside Film on the 11th September 2017, Chris Hilton from Essential Media stated:

“We have invested a lot of effort in kids programming but not had a lot of results. We don’t see a big future in kids.”

There are a range of reasons for this.

6.1 Lower Licence Fees From Commissioning Broadcasters

Imported children’s content is a relatively low cost item for broadcasters.

In recent years commercial broadcasters were offering between $2,000 - $5,000 per half hour for imported children’s content, but in 2017 the ACTF understands that at least one commercial broadcaster is paying from nothing, to a maximum of $500 per episode for imported cartoons. This content might be supplied to broadcasters through output deals with large international studios and distributors; or it might be provided for free through licensing agents for whom the broadcast cost is irrelevant, as the opportunity to monetise is through toy and merchandise sales which benefit from the television exposure. The ABC is believed to pay anything from $5,000 to $20,000 per episode for higher quality imported children’s content. Given what the rest of the world is currently paying for imported content from Australia (as we have experienced), the licence fees paid by the ABC for imported children’s content are actually quite generous.

Meanwhile, quality live action children’s drama and distinctively Australian animation, made with high production values, is expensive to produce. It’s not possible to make drama more cheaply, just on the basis that the audience for the end product is younger. Yet children’s drama costs the same as it does adult drama to produce.

Broadcasters, however, pay much less for locally produced children’s drama than they do for adult drama.

To trigger Screen Australia investment, the producer of an adult drama must currently achieve a minimum licence fee of $440,000 per hour, whereas producers of a children’s drama must achieve a minimum licence fee of $115,000 per half hour ($230,000 per hour), which may comprise multiple licence fees (if a commercial broadcaster and a subscription channel or the ABC both pre-buy the series, for example).

What this means, depending on the production budget, is that the commissioning broadcaster is contributing at least in the order of 40 – 50% of the production cost for an adult series, compared to 20 – 25% of the cost of production of a children’s series. That’s without taking into account how frequently broadcasters also contribute equity investments towards adult

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2 Information provided to ACTF by commercial television executives.
3 Information provided to ACTF by UK production companies that sell content to the ABC.
content to assist even further with financing, and how frequently broadcasters refuse to pay Screen Australia minimum licence fees for children’s content. The gap between what broadcasters pay for adult and children’s content is therefore in reality more often far greater.

6.2 The Expectation That the International Market Will Fill the Financing Gap

As recounted in the introductory pages, Australian children’s drama was well received internationally in the early 1990s. No other country had a “C Drama Quota” or the kind of subsidy that Australia then had through the FFC. Australian children’s drama was therefore a unique product, and it was particularly attractive to European public broadcasters who appreciated the contrast with American children’s content (which was predominantly studio animation). For these reasons, historically, children’s drama attracted a higher level of international pre-sale and distribution interest than adult drama, and that assisted to account for the gap in licence fees paid for the content by the commissioning broadcaster. (In its submission to the Convergence Review in 2011, Screen Australia noted that foreign investment in children’s projects was 40% of the total investment in children’s drama, compared to 7% in adult drama.)

The expectation that children’s content will always be financed with significant levels of international finance is now unrealistic in respect of distinctively Australian content for a number of reasons.

The international broadcast environment has changed dramatically over the course of two decades. It has fragmented with many more players and platforms, all paying much lower licence fees than broadcasters paid 20 years ago. European countries and the EU have introduced local content quotas of their own, together with tax offsets and incentives for local production. Many countries, including the United Kingdom, France, Canada and various Asian territories now offer significant subsidies to their animation industries. Global children’s channels brands (Nickelodeon, Disney, Cartoon Network, Discovery, et al) have broadened the American concept of children’s television to include drama, sitcoms and factual content for children which now competes much more fiercely and successfully around the world. Public broadcasters in Europe rely much more heavily on locally produced content for children to differentiate themselves from the global players and new SVOD services. Large vertically integrated companies that operate in multiple markets with production, distribution and broadcast arms have become common place, with the number of distribution companies seeking to work with independent producers significantly reduced.

It’s not the case that the international market has no interest in Australian content, and that producers should give up trying to obtain international partners. A range of international partners – from those who have worked with Australian companies for decades like Germany’s ZDF Enterprises, to new players like Netflix – are talking to Australian production companies upfront about their projects. International partners are less interested, however, in distinctively Australian projects, and projects with fewer episodes. My Place, Nowhere Boys, Ready For This, Little Lunch, Little J and Big Cuz – even Round The Twist going back to its very first series – are all examples of shows that did not attract an international pre-sale for their first series, because they were considered too Australian. Yet all of these shows had a great impact on the audience in Australia, and a number of them have gone on to be very successful internationally, too. It is no longer the case that achieving an international pre-sale is straightforward and it shouldn’t be left to the international market to decide which Australian children’s programs end up being financed.
6.3 The Shift from Live Action Drama to Animation, and Away from Distinctly Australian Content

The last 10 years has shown a major reversal in the type of children's drama being produced.

From 1997 to 2016 the annual average hours of Australian children's animated drama has more than doubled (from 45 hours to 96 hours per year, an increase of 113%) while the number of hours of live action drama has halved (from 71 hours to 35 hours per year, a decrease of 51%).

Graph 1:

![Children's Drama Production Live Action v Animation Hours (Annual Average) 1997-2016](source)

This trend is also reflected in the annual average production spend, which is calculated in Graph 2 across five year periods. From 1997/98 to 2015/16 annual total production spending for Australian animated drama projects increased from $32 million to $61 million per year (a 91% increase), while annual average production spending for live action children's drama dropped from $42 million to $29 million per year (a 31% decrease).
Graphs 1 and 2 demonstrate that whilst the trend in direction for both hours and spending moving upwards for animation and downwards for live action children’s drama began in 1997, it accelerated in 2008.

Prior to 2008, the commercial broadcasters filled their children’s drama quota requirements with a mix of content that was FFC and non-FFC funded. (Particularly the Nine and Ten Networks. The mix on the Seven Network was always more skewed towards animation.)

Since 2008, apart from a blip in 2011, animation content has dominated and live action children’s drama on the commercial broadcasters has slumped, as Graph 3 demonstrates.
The shift from live action children’s drama to animated content has a profound cultural impact, which in turn has ramifications for the engagement that children have with the content.

Live action children’s drama is almost always situated in an Australian setting with familiar characters, settings and voices. Animation sometimes does that too, but frequently doesn’t. The ACTF is not suggesting here that fantasy settings are not appropriate, or that ‘Australianness’ in a series must be invoked in a stereotypical or heavy handed manner. But it is indisputable that very many animated series, particularly the ones the commercial broadcasters have favoured with their very low licence fees, are co-financed with international partners and aimed at a global audience with generic or international settings and voices. While they are an important component of our screen industry, they rarely contribute to the audience’s developing Australian identity. The real issue here is the complete lack of balance, which undermines the entire rationale for the C Drama quota in the first place, which was the provision of Australian content to counteract and balance the influence of high levels of imported content on the child audience.

The review of ACMA and Screen Australia data revealed that more than 40% of all animated C Drama in the last 5 years have been co-productions, with the majority of the remainder including significant international finance and therefore being “unofficial” co-productions. The source material for co-productions is frequently of international origin (for example British comic strips, Canadian picture books, European fairy tales, US popstars). International participation at this level has a huge impact on the distinctiveness or otherwise of the projects, most dramatically illustrated through the accents of the cast.

The ACTF has reviewed all C Drama content (both live action drama and animated) shown on commercial broadcasters in the last twenty years. Graph 4 demonstrates the steady decrease in Australian accented content, with its corresponding increase in ‘international’ accented content. Alarmingly, the chart demonstrates that in fact, international accents are far more dominant than the Australian accent in C Drama projects. The cause of this is the increase in animation generally, which has a predominantly ‘international’ accent. (On
commercial broadcasters the “international” accent is most frequently North American, but also occasionally British.)

Graph 4

All Commercial FTA Children’s Drama Animation and Live Action (First Release) Accent - Australian v International (Hours) 1997-2016

Source: ACTF data collection

It’s beyond question that the Australian Children’s Drama Quota is no longer delivering audiences a balanced mix of live action and animated children’s drama, and furthermore, that international accents and generic settings dominate a quota that is meant to carve out a niche for culturally relevant Australian content.

It is also clear that this all comes down to one thing: the refusal of commercial broadcasters to pay for quality children’s content. Another way to look at what has been happening is to review the ACMA’s Broadcasting Financial Results (BFR). Over the last decade, the commercial broadcasters have reduced their reported annual spend on children’s content from around $30 million each to $10 million each. This represents less than 2% of their overall content spend.

6.4 The Connection with Changed Funding Models in 2008

It is not a coincidence that in all the graphs above the trends towards the internationalisation of the C Drama quota and the decline of live action drama accelerate around 2008. They coincide with the introduction of the producer tax offsets and the merger of the screen agencies into Screen Australia.

Prior to 2008, where content was FFC funded, the production budget was typically made up in the following way:

- 20% Australian broadcaster licence fee at FFC minimum level;
- 40% FFC investment;
- 7% State screen agency investment; and
- 33% other market place attachment via distribution advance(s), international pre-sales(s) etc. (An ACTF distribution in the mix counted as market place attachment.)
The content that was not FFC funded, was predominantly animated content, which achieved a lower than FFC minimum licence fee, but which was still able to be financed via international contributions and partnerships. In 2008 commercial broadcasters were paying between $75,000 - $90,000 per episode for non-Screen Australia funded C drama. That content might sometimes receive investment from state screen agencies, but it was able to be financed without any Commonwealth contribution at all.

Around the time the Producer Offset and PDV Offset were introduced in 2008, this balance between live action drama and animated drama appearing on the commercial broadcasters changed. Access to the Producer Offset or PDV Offset meant that animated series that were commissioned for lower licence fees than Screen Australia required, were able to access Commonwealth support. Perversely, the licence fees paid for that content by commercial broadcasters began to steadily decline as producers were able to access the Offset funding and bring international partners (and frequently internationally originated concepts) to the table. By early 2017, this downward trend had become so pronounced that the viability of production of animated drama was also in doubt, as the commercial broadcasters were offering producers as little as $45,000 per episode. 4

For a producer of animation that didn’t achieve the FFC minimum licence fee, the introduction of the Offsets – especially the increase of the PDV offset to 30% in 2011 – was a significant improvement to finance conditions. This boost to animation production has, however, coincided with the downward trajectory of licence fees paid by broadcasters, which producers have been able to accept on the basis of completing their finance with international participation and the PDV offset contribution.

For a producer of live action drama, however, the introduction of the Producer Offset introduced a further complication. Whereas previously the producer obtained Commonwealth investment through the FFC at around 40% of the production budget, now the producer obtained that 40% via a combination of the 20% Producer Offset and the 20% that Screen Australia would invest. The increased paperwork associated with two different applications and the cost of cash flowing the Offset meant increased cost and administration, but no advantage. Indeed in cash terms it actually meant less money going into the production.

It is also relevant to compare the relative allocation of funding to children’s drama at the FFC and Screen Australia.

Under the FFC (from 1988 to 2007), screen agency funding directed at drama projects varied between adult and children’s drama content considerably year to year, but was apportioned equally overall. $269 million was invested in drama by the FFC over those years, with 48% of funds going to adult drama and 52% to children’s drama.

Following the establishment of Screen Australia, and the introduction of the Producer Offset, direct screen agency funding of all drama projects declined overall, with the average amount of direct funding per project decreasing to take into account the contribution of the Producer Offset. This decrease was also accompanied by a significant reduction in funding directed at children’s drama projects when compared to adult drama projects. $101 million has been invested in drama by Screen Australia since inception, with 60% going to adult drama and 40% to children’s content, and this trend appears to be continuing downward in respect of children’s content.

4 According to a number of children’s screen content producers attempting to finance projects in 2017.
It is likely that this reduced allocation in direct agency funding for children’s drama is in part linked to the reduced number of projects being offered the Screen Australia minimum licence fees for children’s drama, and the corresponding rise of animated projects counting towards the commercial network C drama quotas.

It is also clear that if the ABC had not been given the injection of funding to establish ABC3 that it received in 2009, the picture would be far worse, as hardly any children’s drama would have achieved Screen Australia minimum licence fees, without the ABC commissions.

All this is occurring against a backdrop in which Screen Australia has been dealing with reduced funding on the one hand, and pressure from producers to lower the minimum licence fees it accepts, and a push from the commercial sector to fund a wider range of adult formats, on the other hand.

Screen Australia has struggled with how to deal with these issues in a policy sense as follows:

- In 2009 – 2011 when ABC3 was busy commissioning a lot of new children’s drama, but the commercial broadcasters were not, ABC3 was told not to bring too many projects to Screen Australia at once as that they could not invest all their children’s money in ABC projects. This approach meant that even where there weren’t projects coming to Screen Australia with commercial broadcasters attached, the agency was indicating that it would limit the number of children’s projects it would invest in on the basis that they could not all come from the one broadcaster.
- A few years later, in 2015/16, as the audience drift away from the commercial broadcasters and towards the ABC became more pronounced, Screen Australia indicated that even where a commercial broadcaster did pay Screen Australia minimum licence fees, it would not invest unless the commercial broadcaster agreed to air the program on its main channel or the ABC held secondary screening rights, because the audience reach on the commercial broadcaster’s digital channels was too small. (This approach provided no encouragement to commercial broadcasters to
invest higher licence fees or to put quality children’s content on their digital channels to grow audiences.)

- In an attempt to deal with reduced funding Screen Australia introduced a $2 million cap on investments in children’s projects. This makes financing a distinctively Australian project without an international presale difficult. It also makes it virtually impossible to finance a 26 episode children’s series. This, in turn is problematic because children’s drama is unique, in that volume remains extremely important to its ultimate success with the audience and in the market place. The ACTF’s experience is that 13 x half hour series are very difficult to place without a guaranteed second series, which frequently doesn’t happen because decisions are not made quickly enough and cast become too old for a second series too quickly or the market is unprepared to wait a few years for the next 13 episodes. The sales potential of many projects is therefore limited by this restriction.

In the current environment the most successful Australian children’s series would not be financed:

- *Dance Academy* at 26 episodes per season (and ultimately 65 episodes in total) due to the lowering of the Screen Australia investment cap and low level of investment overall into children’s drama, makes both a 26 episode series, and any subsequent series impossible to finance;
- *My Place* at 13 episodes per season required an investment by Screen Australia above the current cap as it’s distinctly Australian and could obtain no international investment;
- *Ready For This* at 13 episodes – again required more than the current Screen Australia cap;

And series such as *Lockie Leonard* and *Mortified* would not be financed at 26 episodes in the current environment, and yet, they are the most successful in the international market for ACTF having recouped their distribution advance and seeing returns to investors.

All these issues throw up the real policy conundrum – a decision which may be taken for good reasons on the one hand, will almost always have an unintended negative outcome somewhere else, because so many different policy levers are interacting. Whilst the producer tax offsets have had a positive impact on Australian production generally, the ACTF believes that live action children’s drama has not been a beneficiary in any sense and is in danger of disappearing off our screens altogether because of it.

Australian children’s content production therefore has to contend with the following disadvantages:

- Lack of interest from commercial broadcasters and refusal of those broadcasters to pay licence fees that will enable quality content to be produced;
- Even when broadcasters (for example the ABC) do pay Screen Australia minimum licence fees, there is a much larger gap to finance the rest of the series than there is for an equivalent adult production;
- Increased difficulty in securing international attachments and pre-sales upfront for distinctively Australian content skews the kind of content that is commissioned to less culturally distinctive animation; and
- Overall reduced funding at Screen Australia leading to lower contributions from the agency at a time when a higher level of contribution is needed, together with an inconsistent approach to children’s production investment.
7. Children’s Content on Public Broadcasters

So, if over a period of more than sixty years Australia has steadily developed a public policy framework that strategically connects Australian screen content with the screen industry and creative sector that produces it, where does the ABC fit within or align with this framework?

Kim Dalton, Missing in Action: The ABC and Australia’s screen culture, Currency House

It is an anomaly that Australia has regulated in favour of children’s content on the free-to-air commercial broadcasters, but that the public broadcasters exist outside this framework.

The Consultation Paper asks how we should think about the role of the national broadcasters and this is a critical question.

The ABC plays a vital role in the lives of Australian children and families.

According to the ACMA, 65% of children nominate an ABC children’s channel as their favourite, with subscription television coming a distant second at 22% and the commercial channels coming along way behind.

What the ABC does in the children’s space is therefore extremely important.

The Australian community looks to the ABC for children’s content, both for pre-schoolers and school-aged children. There can be little doubt that there is a widespread expectation that the ABC, consistent with its public broadcaster obligations, would undertake the heavy lifting in terms of commissioning, producing and scheduling the widest and most distinctive range of Australian content for the children’s audience.

The ABC has no formal requirements in respect of children’s content, however, and its history in providing locally produced children’s content, can only be described as variable. Children’s content has been a priority for some management regimes at the ABC, and not for others. Children’s television is sometimes used as a pawn by Managing Directors in public funding spats with government, and the Bananas In Pyjamas make an annual pilgrimage to Canberra for the ABC showcase, yet the level of investment in children’s content is inconsistent.  

In the early and mid-2000s, the commercial broadcasters were frequently the drivers of high quality, distinctively Australian children’s live action drama. In the three years 2005, 2006 and 2007 for example, the Nine Network’s slate of children’s drama included Mortified, 26 episodes filmed in Queensland; Lockie Leonard, 52 episodes based on the Tim Winton novels and filmed in Western Australia; and Double Trouble, 13 episodes about indigenous twins separated at birth, filmed in Alice Springs and Sydney. Each year the Nine Network was meeting the 32 hour a year drama quota with a mix of live action and animated projects from a diverse range of producers around the country. By way of contrast, in that same three year period, the ABC commissioned just 13 hours of children’s drama each year – three series of Blue Water High.

In the United Kingdom, the commercial broadcasters were relieved of their obligation to screen locally produced British content in 2003, and production levels on ITV dramatically began to decline. British producers were mounting a Save Kids TV campaign and decrying the fact that

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5 As when Behind The News was axed in 2004 to protest funding cuts, and when the Managing Director in 2014 foreshadowed that funding cuts might endanger Peppa Pig.
they were being left with one commissioning door – the BBC. But what a door that was. The Children’s Department at the BBC was well resourced. It had two digital channels (one for pre-schoolers and one for school aged children) and it ran a comprehensive schedule featuring high levels of locally produced British content that included news, current affairs, entertainment, factual, animation and live action drama. Children’s television was not a ‘genre’ - children were an audience, and they were given the complete public broadcaster offering, tailored to their age group and interests.

In 2006, the ACTF made a submission to the Department of Communications, Information Technology and the Arts, in response to a Discussion Paper from the Department entitled *Meeting The Digital Challenge: Reforming Australia’s Media in the Digital Age*. We argued that the changing media landscape meant that Australia was slipping behind other countries in the service that it was providing for Australian children, that the quality local children’s programs reluctantly being commissioned by the commercial broadcasters were not reaching their potential audience due to poor scheduling and promotion, and that the ABC was able to claim to be the market leader amongst free-to-air broadcasters for children, despite commissioning much less new Australian children’s content than the commercial broadcasters did. We proposed that the Commonwealth Government should fund a distinctive, comprehensive children’s public service channel which would be predominantly Australian and available to every family in Australia that could receive free-to-air television.

The ACTF also put forward this proposal in the 2006 Review of Australian Government Film Funding Support and the 2007 Review of the Children’s Television Standards. The proposal was not acknowledged or taken up in either review.

The ABC, however, saw merit and opportunity in the proposal and joined forces with the ACTF to lobby Government for funding in order to establish the channel.

The proposal won the support of the Howard Coalition Government which agreed to fund the ABC children’s channel in the election of 2007, and the Rudd Labor Government which ultimately funded the channel in 2009.

In his *Currency House* essay published earlier this year, Kim Dalton, the former Director of Television at the ABC, says that what the ABC received from the Rudd Government in respect of children’s television was an additional and specific allocation which rose over three years to $27 million per year to enable the broadcaster to expand its children’s offering, and that the funding remained at that level as part of base and indexed funding. At the time, the ACTF had been told by ABC management that the children’s department had a pre-announcement budget of $12 million a year, which would be maintained. The additional funding therefore effectively tripled the ABC’s children’s budget.

The funding and announcement of a children’s channel was accompanied by much fanfare, with the ABC launching ABC3 (for school aged children) and using all the daytime hours on ABC2 for pre-school content. The ABC invited the Prime Minister to ‘switch on’ the channel and announced its ambitious target of 40% Australian content on launch date and increasing to reach 50% Australian content on ABC3 within a year.

That funding transformed the children’s television offering in Australia.

The ABC commissioned new content which included:

- Live action drama series like *My Place*, *Dance Academy*, *Dead Gorgeous* and later *Nowhere Boys*, *Worst Year of My Life, Again!* and *Little Lunch*;
- Animated series like *Figaro Pho*, *The Flamin’ Thongs* and *CJ The DJ*;
Factual series like *Bushwhacked* and *My24*;
Sketch comedy like *You’re Skitting Me*;
Australian versions of formats like *Prank Patrol* and *Escape From Scorpion Island*; and
Junior versions of adult formats like *Goodgame*

It provided a daily version of *Behind The News* as *News On 3*.

It created channel personalities and it promoted its shows extensively. It built an audience and provided its content to that audience via its channels and through its catch up service.

It acquired the rights to a large number of series that had previously been commissioned by the commercial broadcasters, but aired only a few times and to very small audiences. A series like *Mortified*, for example, which had only modest success on the Nine Network gained a new life and was highly popular on ABC3. Acquiring this back catalogue of Australian content enabled the ABC to reach comparatively high levels of Australian content quite quickly.

ABC3 had a significant impact on the way children’s drama was valued in the market. Whilst the commercial broadcasters were pushing prices paid for children’s content down, there was also a cosy arrangement whereby the subscription children’s channels were purchasing that content for as little as $8,000 - $15,000 per half hour and sharing windows with the free TV sector. In order to obtain exclusive rights to that content and build an audience for ABC3, the ABC3 started building those fees into its licence fee and offering more than Screen Australia minimums to acquire that exclusivity. This move annoyed the subscription channels greatly, as it disrupted their capacity to acquire quality local content so cheaply. It meant, that for the first time ever, two sectors (the public broadcaster and the pay television sector) were valuing the content and for a time, prices for quality content that both sectors wanted on their service were actually pushed up.

The rise of ABC3 coincided, however, with the decline of distinctly Australian live action drama on the commercial broadcasters, which has already been documented in this paper.

Critically, the initial level of funding provided to the ABC Children’s Department for its service was not maintained.

In his *Currency House* essay Dalton says: “Notwithstanding the very specific allocation from the Rudd Labor Government, within less than four years the ABC was reallocating these funds. While Labor was still in power up to a third of the budget had been transferred out of children’s. Further cuts have been imposed in the years since.”

The ACTF had not envisaged that Government funding allocated to the ABC to enable it to expand its children’s offering would prove to be so short lived. We had proposed a digital children’s channel as a policy solution to a major issue and assumed that the funding would be tied to its purpose. We also assumed that there would be reporting mechanisms back to Government to ensure that the outcome intended to be achieved with the allocation would be achieved. It turns out that there was no such mechanism, or protection.

Emma Dawson, a former advisor to the Minister for Communications in the Rudd Labor Government, has written that: “…the original funding endowment that supported ABC3 and the increase in Australian content across the ABC was never formally ‘tied’ by any regulation to the children’s or local content purpose to which the ABC put it in 2009. The intention was honourable: by putting the money into base funding and subjecting it to annual indexation, the then Government was seeking to embed the additional funding into the ABC’s core operating budget, making it harder for any future government to remove it by simply discontinuing a specific activity-tied grant….While this is an important principle of ABC independence, it leaves
commitments such as the one made by Dalton to children’s television content entirely at the mercy of the ABC management and board.”  

It certainly does.

As the ABC did not have to report back publicly on that spending, or the targets it achieved, we do not know the extent of expenditure on children’s content in the first three years during which the commissioning and establishment of ABC3 commenced (2009/10, 2010/11, 2011/12). Figures supplied by the ABC to the Senate Standing Committee on Environment and Communications in May 2017, however demonstrate that in the four financial years from 2012/13 to 2015/16, funding for both children’s production and children’s acquired content decreased by approximately 20%.

Table 1:

<table>
<thead>
<tr>
<th>Content Unit</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children's Productions</td>
<td>$20,326,000</td>
<td>$16,191,000</td>
<td>$16,642,000</td>
<td>$16,164,036</td>
</tr>
<tr>
<td>Children's Acquired</td>
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<td>$8,200,000</td>
<td>$8,200,000</td>
<td>$7,477,964</td>
</tr>
<tr>
<td>Children's Total</td>
<td>$29,526,000</td>
<td>$24,391,000</td>
<td>$24,842,000</td>
<td>$23,642,000</td>
</tr>
</tbody>
</table>

Source: ABC

If we assume that the information provided to the ACTF at the time of establishing ABC3 was correct, then it seems likely that in seven years, funding for children’s content on the ABC has reduced by a figure that would be slightly more than 30%.

Regardless of the level of reduction, the ABC maintains that the decrease in expenditure on children’s content is either not an issue, or is cyclical.

Appearing before the House of Representatives’ Inquiry into the Australian Film and Television Industry on the 16th June 2017, the Director of Television at the ABC said that “Volume is sometimes dictated by spend or what, as far as the ABC is concerned, is leveraged by the independent producer that is bringing projects to us. I know that while our spending on children’s might have decreased over a few years, the total production value of what is produced and seen on air has actually increased.”

This comment implies an increased reliance on projects that come with significant international finance attached. As previously discussed in this paper, projects like that are less likely to be distinctively Australian.

Without transparent reporting, it is difficult to test the claim made by the ABC at the Parliamentary Inquiry that both the value of what is being produced and the level of Australian content seen on air has actually increased, despite an acknowledged 20% decrease in expenditure.

To review the claims in respect of Australian content, an outside party could, however, review the actual published TV guide. The ACTF has examined the ABC3 program schedule for the month of June 2011 and compared it to the program schedule for ABCME for the month of June 2017 to see what we could learn. Clearly one month does not tell the story for an entire year, and the ACTF did not consider the extent to which any content was “first release”.

A review of the June 2011 schedule for ABC3 revealed that Australian content made up only 25% of the schedule, even back then. Animated content with international accents made up

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6 Stories To Tell, Protecting Australian children’s screen content by Emma Dawson, published by Per Capita in June 2017.
the largest category of the schedule at 40%. Overall, international accented drama content (both live action and animation), comprised 67% of the schedule, far exceeding the combined Australian drama content (live action and animation), which comprised only 9% of the schedule.

As the ABC has no Australian content obligations such as the Children’s Television Standards (CTS) requirements that commercial broadcasters must meet, our analysis categorised content according to accent (Australian or international) as well as the country of origin of the relevant production companies.

Graph 6:

The review of the June 2017 schedule for ABCME (previously ABC3) revealed that the presence of Australian content had declined to 20% of the schedule, with Australian children's drama (be it live action or animated) comprising only 5% of the schedule.

By 2017, children’s animated series with international accents accounted for almost half of the entire schedule, at 49%. Combined international accented live action drama and animation accounted for 68% of the schedule. While the combined level of international accented live action drama and animation was steady in both the months we examined (at 67% June 2011 / 68% June 2017), the amount of Australian accented drama halved (from approximately 9% to 5% of the schedule).
The ACTF suspects (and hopes) that June 2017 was a particularly bad time for Australian content, and especially Australian drama, on ABCME. We think that after a sustained decline in commissioning and expenditure on children’s content over the last few years, that the pendulum is swinging back around, as we know that there is now a full range of potential projects on the ABC Children’s development slate.

We do not doubt that there is a high level of commitment to children’s content within the ABC television division. But we make the following points:

- The track record is inconsistent. The funding previously made available to invest in Australian children’s content was clearly re-allocated away from that area;
- Given that the funding for children’s drama projects generally receives contributions from Screen Australia, the state film funding agencies and sometimes the ACTF, it is problematic if the ABC elects to commission fewer projects in some years and then goes into ‘catch up mode’ with a large number of projects in another year. An agency like Screen Australia is likely to have re-allocated unspent funds on children’s television from previous years and will be unable to deal with a sudden influx of applications;
- The funding that is allocated towards children’s television, even when ABC3 was established, is clearly not sufficient to maintain high levels of Australian content;
- The levels of Australian content on the ABC for children are demonstrably inadequate; and
- The ABC relies on content that has previously been commissioned by commercial broadcasters to fulfil their C drama quota to maintain its levels of Australian content. This means that (a) levels of Australian content on the ABC would decrease even further if the quotas were removed from the commercial broadcasters, and (b) the more ‘international’ and generic the content being commissioned by the commercial broadcasters to meet its C quota, the more international and generic the Australian content on the ABC will be.
To demonstrate this point, our review of the ABC schedule also identified projects produced by Australian production companies. For the purpose of this analysis, a project was considered ‘Australian’ where an Australian producer partnered with international co-producers, and ABC in-house production was also categorised as a project by an Australian production company.

The analysis revealed that although the largest genre of Australian original produced content is in non-drama content, a sizeable amount of content “produced by an Australian production company” is international accented animation series.

In both 2011 and 2017 the amount of international accented animation series broadcast by the ABC and created by Australian producers actually exceeded the total amount of Australian accented live action and drama series created by Australian producers:

- **2011 ABC3** - International Accented Australian Animation – 31.9% v Australian Accented Live Action Drama and Animation – 23.6%
- **2017 ABC ME** - International Accented Australian Animation – 25.2% v Australian Accented Live Action Drama and Animation – 20.2%

The reason this happens is that much of the Australian content broadcast by the ABC is actually content on its second licence from the commercial broadcasters, and not unique to the ABC. As the ‘Australian children’s content’ with international accents broadcast by the commercial broadcasters increases, this in turns leads to an increase of that type of content on the ABC.
Graph 8:

ABC 3
Australian Origin Content % by Genre/Accent
June 2011

Source: ACTF analysis of ABC Schedule

Graph 9:

ABC Me
Australian Origin Content % by Genre/Accent
June 2017

Source: ACTF analysis of ABC Schedule
The ABC Director of Television told the Parliamentary Inquiry on 16th June 2017 that “if I compare what commercial free-to-air quotas are for kids, which are in the hundreds of hours per annum, we do over 3,400 hours per annum. I think that it becomes academic as far as a comparison between those two is concerned.”

On page 4 of its submission to the Parliamentary Inquiry, however, the ABC quantified its investment in children’s content in different terms. It said that over the past two budget trienniums (that is, six years from 2009/10 to 2015/16) it had invested $84 million towards 659 hours of children’s content, including children’s drama, valued at more than $263 million in total. These figures would have the ABC investing an average of $14 million a year into an average of 109.8 hours per year of children’s content.

Under the CTS, we know that the commercial broadcasters must show 130 hours of first run Australian content for school aged children, in addition to new pre-school content. This appears to be a higher amount of first run Australian children’s content than the ABC is reporting in its submission, although we know that the commercial broadcasters are spending less than the ABC on the children’s content, and we would contend that the ABC has invested in higher quality content.

The ACTF maintains that the disappointing performance of unwilling commercial broadcasters is a poor benchmark for a public broadcaster to use. It is also an unsatisfactory policy outcome if Australian content levels on the ABC children’s service are propped up with generic content that neither looks nor feels Australian, and is on its 5th or 6th run after its outing on a commercial broadcaster. The community looks to the ABC for the distinctively Australian content that has been most popular on the ABC children’s channels and there should be more, not less, of that content.

A decade ago the commercial free-to-air channels were actually the drivers of high quality, distinctively Australian children’s content in Australia. The ABC properly raised the bar with the establishment of its digital children’s channels in 2009, and the content it has commissioned since then. The commercial channels have now effectively abandoned live action children’s drama and pushed prices for animated content to breaking point, leaving it to the ABC to provide an Australian children’s service. The ABC, however, has pulled back, commissioning less new local content, and is heavily reliant on the content that is commissioned via the content quotas on commercial broadcasters to fill its hours. Whilst it remains the market leader, and the broadcast home of the best Australian children’s content in Australia, the ABC’s overall levels of new and distinctly Australian content are disappointing, and the amount of money it spends on children’s content is neither adequate nor protected.
8. The Public Value in Australian Children’s Content and Children’s Engagement with Screen Content Made Especially for Them

“… my class are tricky. They have behavioural, processing, emotional, learning and sensory needs … Every one of them relates to one or more of the characters. Every one of them had a “favourite one” before the end of the first episode … We have used your show to unpack social problems, to explain complicated emotions, to learn about safety and to learn of Aboriginal peoples’ perspective and culture … Thanks for giving them an authentic identity and narrative to look to, and thanks for giving us the means of exploring our best selves.”

Elissa, primary teacher, Canberra, in an email to the producer of Little J and Big Cuz

In 2015, Dr Anna Potter asked 1,000 young Australian adults to name their favourite television characters from their childhood. She reported that the most popular characters were the Round The Twist siblings Linda and Bronson (in a tie), followed by Mortified’s Taylor Fry. Dr Potter says that the survey data suggests that these programs and others like them, play a significant role in shaping and reinforcing children’s perceptions of Australian life, and that they hold a special place in the imaginations of Australian children when compared to imported programs.  

Quality children’s drama is expensive to produce, but it is re-run many times over, and entertains a fresh generation of children every few years in a way that programs made for adults simply can’t match.

No wonder the young adults in Dr Potter’s survey remembered Taylor Fry. Since its first broadcast in 2006, Mortified has had 5 runs on the Nine Network, 25 runs on the ABC, multiple runs on The Disney Channel and is also available on Netflix, iTunes and DVD, where it is one of the ACTF’s strongest performers. Mortified has been incredibly successful, but it is not an isolated example. The best Australian children’s drama series, whether they get a begrudging start (with barely any promotion) on a commercial free-to-air broadcaster, or the on-air promotion and support that ABCME affords them, have the potential to be repeated over and over again, building a following and being newly discovered by a new group of children every few years. It’s misleading in the extreme to measure their impact or their success on the basis of their first broadcast outing.

It is true that children, like all viewers, are watching programs on different devices and in many different ways. But whether they are watching on television, online or on catch up, children are still watching quality professionally produced content, and Australian children’s content made specifically for them is highly valued. Little Lunch, for example, has run up a staggering 7 million plays on ABC’s iView since launching in 2015. Viewing figures like that demonstrate the audience appetite for locally produced content that they can relate to.

The potential for high quality Australian children’s content to entertain young audiences for years to come on broadcast and other platforms is one way of measuring its public value, as are the shared memories of those who grew up with this content. An equally significant marker of public value is the extensive use of Australian children’s content in Australian schools.

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7 The Memory Project, by Dr. Anna Potter, University of Sunshine Coast
Australian children’s content is widely accessible to Australian schools and used extensively in the Australian curriculum. It can be copied off-air via the Screenrights collection scheme. Children’s programs that the ACTF supports are also made available to schools via DVD and digital downloads and through the ClickView digital subscription platform. The ACTF promotes all the children’s series it supports through these channels and provides ancillary resources, curriculum mapping and webinars for teachers and students to promote the use of Australian children’s programs in schools. The ACTF also licences the content it supports to Education Department portals for very reasonable licence fees, which are distributed as returns in respect of individual projects. Indeed, the Education Departments in Western Australia and the Northern Territory have each licensed the entire ACTF catalogue for use in the schools via their online portals. The Victorian Education Department has recently licensed Little Lunch and My:24, and plans to use Little Lunch in a major literacy project for primary schools. The NSW Department of Education is writing the My:24 series into its Year 11 English curriculum.

Australian children’s content is a highly prized and valued education resource.

8.1 Case Study: My Place

The My Place picture book, written by Nadia Wheatley and illustrated by Donna Rawlins, had been continuously in print since it was published in 1988 to celebrate the Bicentenary. The book told 21 different stories, each separated by a decade, and featuring a different child character, living on the same piece of land in Sydney. The fig tree, creek and (in stories from 1888 onwards, the house) were the consistent, but ever changing features.

Producer Penny Chapman (of Matchbox) had acquired the screen rights for the picture books and been trying to finance a series for a number of years before she brought it to the ACTF. Her proposed 26 episode series would extend the picture book with additional stories at either end, to ensure the series covered the full sweep of Australian history. There would be episodes set before 1788, 1788 would be covered from two different perspectives, and there would be episodes set in 1998 and 2008. The series would be a grand history of Australia, told through the eyes of children.

The series concept was unique and impossible to finance in the conventional manner. It was unable to attract international partners because:

- period children’s drama of any sort is unusual and usually unpopular;
- having every episode set in a different era with different child characters meant that it wouldn’t be a series where you become engaged with the characters and want to come back to see what happens to them next; and
- the Australian history theme meant that it was of limited interest overseas.

When Penny Chapman had initially taken her concept to the ABC, the ABC was commissioning very little children’s drama at all, and was committed to that drama being Blue Water High. If My Place was of little interest to the ABC at that time, it certainly wasn’t of any interest to the commercial broadcasters. But when the ABC was developing its concept for the ABC3 children’s channel, Penny approached the broadcaster again. As the ABC was now championing its proposal for a children’s channel, it was now interested in an ambitious proposal like this, but could not conceive how the series would be financed without international partners and doubted (correctly) that they could be found. The ABC referred the producer to the ACTF.

The ACTF’s initial view that a proposal to set every episode in a different era was extremely ambitious. Discussions with the producer convinced us, however, that it was feasible. The ACTF agreed with the ABC that financing the series would be difficult. Both the producer and
the ACTF showed the series to international broadcasters but there was absolutely no interest. The ACTF felt, however that the series would be a landmark children’s series which would be highly valued in the education sector and which would be able to be repeated on television many times over. In order to make the series happen, we agreed to invest a distribution advance against international sales, knowing full well that international sales would be difficult to achieve and the advance would likely never be recouped.

Ultimately the ABC decided to commission 13 episodes (starting in 2008 and going backwards) to coincide with the launch of ABC3, and the remaining 13 episodes were commissioned the following year.

The ACTF invested a total of $1,100,000 as distribution advance across both series. Quite simply, the series could not have happened without that support, which was regarded as the international market attachment required to trigger Screen Australia investment.

The ACTF invested an additional $100,000 in the education website that accompanied the series.

The end result

The international market was actually quite stunned that Australia had produced such an ambitious concept for children, but predictably, actual sales have been extremely modest.

In its home territory, however, *My Place* has been screened 21 times on the ABC, including 5 screenings during its schools television timeslot.

The *My Place* series is now a thoroughly embedded education resource, in use by virtually every Australian primary school in Australia. Importantly, almost ten years after its production, its use in Australian schools is growing.

The ACTF and Education Services Australia (ESA) built an extensive education website [http://www.myplace.edu.au](http://www.myplace.edu.au) to support the use of the program in Australian schools. The website provides teachers with extensive resources to support the series in the classroom. An extensive decade timeline and teaching activities support the use of the program for teaching history, geography and English.

As Graph 10 shows, the use of the *My Place* website increased year by year between 2010 and 2015, and is now showing in excess of 1.5 million page visits and 425,000 unique site visits last year. For an education website aimed at teachers, these are remarkable figures.
The series itself is available via DVD, through the ClickView digital platform for schools who subscribe to that, and it is now available to all schools in Western Australia and the Northern Territory through their education department portals.

The ACTF has sold 3,575 *My Place* DVDs to the education sector (a figure which equates to around a third of all schools in Australia) and 2,330 of copies of the *My Place* picture book (which is also available everywhere else books are sold) to schools. Viewer numbers of ACTF catalogue content within Clickview indicate that *My Place* is the single most viewed ACTF program, accounting for 20 - 25% of overall views of ACTF programs within ClickView. Indeed *My Place* has been watched 7,636 times by primary schools in ClickView in the two years to the end of April 2017; with 5,243 of those views occurring in the second 12 month period, demonstrating that the viewership of *My Place* continues to rise.

*My Place* demonstrates the significant ongoing public value that flows from investing in high quality, distinctive Australian content. It is a series that benefits multiple generations of children as they grow up and develop their Australian identity and knowledge of Australian history.

The ACTF wonders if it would be possible to finance *My Place* today. With reduced spending at the ABC, and a reduced Screen Australia cap for children’s drama now below what these series achieved, we think it extremely likely that it simply would not happen. The ACTF would need to invest twice as much to get there.
9. ACTF’s Recommendations: What Interventions Are Required?

9.1 Recommendation Group 1: Children’s Content on Public Broadcasters

The ABC is now the home of high quality Australian children’s content. Its role as the key provider of Australian children’s content must be enshrined, and the benchmark set appropriately high.

The point isn’t whether the ABC is the only door for Australian children’s content or how its performance compares to the commercial sector. Regardless of what the commercial sector does, the public broadcaster’s commitment to the children’s audience should be at a much higher level in every sense. It is also not relevant whether the ABC has one children’s channel or two, or whether its offering for children is online or not. The way in which children will consume content will change over time. Rather than focussing on those details and issues, the key principles should be articulated as follows:

- That the ABC’s mission for children is to inform, educate and entertain all Australian children with a fully comprehensive public broadcasting service which includes all genres from news, current affairs, documentary, live action drama, animation, comedy and light entertainment;
- That the ABC delivers children high levels of Australian content, reflecting Australian culture, values, voices and diversity, with content that is distinctive, original, innovative, entertaining, aspirational and inspirational;
- That the ABC’s children’s offering is freely and widely accessible to all children in Australia, no matter where they live, across all its platforms;
- That the ABC provides content for children in all age groups; and
- That the ABC endeavours to give Australian children a voice and a role in the civic life of our country.

The ABC should be transparent and accountable for the levels of Australian content (new and repeat) that it achieves for children, the range of genres it provides and the funds that it invests in children’s content.

The 2014 ABC and SBS Efficiency Study undertaken by the Department of Communications, discussed several areas of reform of the ABC where increased transparency could improve and better align the operation of the broadcaster with government and community expectations. Broadly, the efficiency study surveyed the potential introduction of:

- “whole of organisation” methodologies to align initiatives with the broadcaster’s Charter obligations; and
- A Ministerial Statement of Expectations to improve communication of Government’s goals and objectives for the broadcaster.

Implementing the following recommendations would improve the outcomes for locally produced children’s content at the ABC while increasing transparency and accountability of the ABC’s operations.

- **ABC Charter**

The ABC Charter does not currently refer to children’s content or the children’s audience at all. It should explicitly state that the provision of Australian children’s content is a core obligation of the ABC.

- **Tied funding and KPIs**
The ABC should receive tied funding for children’s content on all platforms, to a level which is sufficient for the ABC to provide a comprehensive service for Australian children including locally produced content for all children’s age groups, in a range of genres, including live action drama. This funding should be quarantined from the rest of the organisation’s funding, and tied to key performance indicators (KPIs) which set out explicit targets for the level of Australian content provided by the ABC to children. As a minimum these should be:

- 50% of content for school age children is Australian, and 25% of all content for school age children is new Australian content;
- New Australian content for school age children should include 64 hours of new Australian children’s drama each year, of which at least 50% (32 hours) should be live action children’s drama. Australian children’s drama for the purposes of the ABC, should mean that it is based on Australian source material or contains distinctively Australian elements;
- 40% of content for preschool children should be Australian, and 20% of all content for preschool children should be new Australian content; and
- In addition to percentages, acceptable minimum overall hours of first run Australian content for both pre-school and school aged children should be established.

The ABC’s KPIs and reports against those KPIs should also be publicly available.

Transparent KPIs will hold the ABC to account for the levels of locally produced children’s content it transmits and assist the ABC and Government to engage productively to ensure the area is adequately funded. The ABC and producers of children’s drama will need to be able to leverage other funding (the Producer Offset, direct funding from agencies, pre-sales, etc) to finance its drama slate, but it should have adequate funding to fully fund other kinds of content and be able to invest at a sufficient level in a high volume of drama.

- **NITV**

NITV should also be given quarantined funding to continue and expand its children’s offering.

### 9.2 Recommendations Group 2: Commercial Platforms - Regulation and Contribution

Making recommendations around children’s content on commercial platforms will no doubt be one of the more vexed issues for consideration by this Review.

The free-to-air commercial broadcasters wish to be relieved of their obligations to the children’s audience under the Children’s Television Standards (CTS) and Australian Content Standards. The CTS themselves have clearly failed to deliver a balanced mix of identifiably Australian drama for children over the last decade or more. The children’s audience is watching the children’s programs on the commercial digital channels in ever smaller numbers.

The temptation may be to simply repeal the regulations, and leave it to the ABC to provide Australian content for Australian children (assuming that the ABC is properly mandated to provide sufficient levels of children’s content). Certainly that’s where the majority of children find Australian content at present. But the ramifications of making that decision are huge, given that the outcome would certainly mean the disappearance of Australian children’s content from commercial television, and the opportunity to re-introduce quotas if a future Government...
changes its mind (as the UK Government is currently doing) has been curtailed by virtue of Australia’s Free Trade Agreement with the United States.

The ACTF has considered these issues carefully.

We believe that Australian children’s content should be available on a wide range of platforms. The commercial sector – whether free-to-air, subscription or SVOD, is not abandoning the children’s audience. We can expect to see a plethora of imported children’s content on all those platforms in the years to come, and indeed the commercial free-to-air broadcasters are actively developing Apps and online children’s destinations even as they ask to be relieved of their obligations to screen local children’s content. If we abandon support for Australian children’s content in a commercial environment, then we can expect to see no Australian content amongst the extensive imported offerings on commercial platforms. This would be an unacceptable outcome.

Regulatory reform is therefore required. The starting point should be to ask what a new regulatory regime is expected to achieve. In our view the guiding principles for any new regulatory regime should be that it is aiming to achieve:

- Quality content on commercial platforms where children will find it;
- Content for a range of age groups (pre-school and school-aged);
- Distinctively Australian content; and
- Competition between services for the audience (whether the competitor be the ABC, subscription channels, free-to-air or SVOD services).

The purpose of regulation is to ensure the demand for children’s content on commercial platforms exists. It is difficult to conceive how another form of incentive (such as a content fund) would create that demand without some form of regulation.

**Commercial free-to-air broadcasters**

The CTS requires commercial broadcasters to screen 260 hours of C content per year, of which only half must be first release Australian content; and 130 hours of P content, which may not be repeated more than 3 times. These regulations were devised when free-to-air was the only platform and it was envisaged that broadcasters should provide an hour a day of C Content and 30 minutes a day of P content on their linear services. These regulations don’t fit the digital “any device, any time” environment – they favour cheaper content over quality content, and the classification system has failed to keep up.

In the ACTF’s view, the most important element to retain is the requirement to continue to support high quality Australian children’s drama. We recommend that:

- A C Drama quota of 32 hours a year of first release children’s drama per commercial free to air broadcaster be maintained; and
- A P Drama quota of 16 hours a year of first release children’s drama per commercial free to air broadcaster replace the current 130 hours of P requirement.

We further recommend that the definition of drama should be restricted to scripted narrative content (live action drama or animation) but that episode length be flexible. A minimum of 50% of the C Drama quota should be live action drama.

We consider that the broadcasters should be responsible for classifying their own content, but that ACMA should set minimum licence fees and monitor terms of trade and expenditure on children’s content.
The broadcasters should be free to show the C and P Drama it commissions on any of their platforms.

The broadcasters should also, through ACMA, be enabled to trade these quotas amongst themselves (where a particular broadcaster wished to carry more P Drama and another agreed to take some of their C Drama quota in return, for example); or where a broadcaster agreed to fund another broadcaster or commercial platform to acquit its quota obligations or even to trade with the adult documentary quota. Any trading should be between commercial platforms only, that is, it should not extent to the ABC.

**Subscription broadcasters**

The New Eligible Drama Expenditure (NEDE) scheme has resulted in some outstanding adult drama series premiering on subscription television. In the children’s space, if the NEDE applies, it has more often resulted in subscription children’s channels obtaining secondary licences at modest licence fees for content that has already been commissioned by free-to-air broadcasters to meet their C Drama obligations. (It hasn’t resulted in much new content).

The NEDE scheme should therefore be reformed to:

- Apply to all children’s channels (not just those classified as “drama” channels) at an increased expenditure level of 20%; and
- The definition of “new” content should be amended to ensure that the expenditure is for genuinely “new” and original content, not just content that is “new to Pay TV.”

**SVOD and other platforms**

An expenditure quota for SVOD and other platforms (domestic and international) should specifically include children’s content.

Where a platform does not wish to commission children’s content, it should make a contribution to a commercial content fund, which should be available for investment in Australian children’s content on other commercial platforms. In other words, the fund should benefit those commercial players who do choose to or are required to invest and commission Australian children’s content.

### 9.3 Recommendations Group 3: Funding

In this paper the ACTF has demonstrated that distinctively Australian children’s drama is at a significant disadvantage when it comes to being financed, relative to any other genre. We have demonstrated:

- The lower licence fees paid for this content relative to content for adults;
- The steadily reducing licence fees paid by commercial broadcasters for children’s content;
- That additional funding provided to the ABC to expand its children’s offering in 2009 has steadily decreased and has been re-allocated to other areas;
- That Screen Australia’s direct funding has favoured content produced for adults over children and that policies (such as the reduced funding cap) make it harder to finance children’s content; and
- The reliance on international finance to contribute to children’s television projects has skewed the type of content that is being produced for children to less distinctive, more generic mostly animated international content.
We have also demonstrated the considerable and profound social and cultural benefits over a long period of time that are returned to the community by distinctively Australian children’s drama.

Funding priorities should be set so as to ensure Government assistance is directed to supporting content that meets a public value criteria and addresses clear market failure.

When determining the overall quantum of funding required for children’s content, the Review should look at the final recommendations that it makes regarding children’s content on the ABC and the commercial sector, take into account what it expects those sectors to contribute, and determine the level of financial support needed to achieve the desired outcome.

As the Consultation Paper indicated, the overall funding envelope provided for the film and television sector, via all Offsets, one-off contributions to foreign films, funding provided to Screen Australia and other organisations is substantial. The ACTF maintains that when considering the overall allocation of public funding to the Australian screen industry, children’s content, especially distinctively Australian children’s drama, should be a key priority and funding allocations for children’s content should be quarantined and protected for that purpose. It is the one area that has the greatest capacity to influence future generations and contribute to building a sense of identity, right at the time when identity is being developed. Its potential impact and public value is profound.

We therefore make the following recommendations.

**Children’s Drama Should Be Able To Access The Same Indirect and Direct Funding mechanisms Made Available To Adult Drama**

*Indirect Funding*

If the Offset for Television Production is increased – whether to 40% or 30% - distinctively Australian children’s drama should receive the highest level of available Offset support.

*Direct Funding*

Children’s drama producers should be able to access any type of direct funding (via screen agencies) that is available for adult drama funding, provided that minimum licence fees are achieved.

**Distinctively Australian Children’s Drama Should Have Access To Additional Funding Via The ACTF**

As this paper has demonstrated, financing a distinctly Australian children’s drama is extremely challenging.

It is even more challenging without the ACTF.

Our funding, whether it’s a major distribution advance or a smaller amount to make up a “gap” is almost always critical to distinctively creative projects. But the ACTF isn't an agency and it doesn't just “fund” a project.

The ACTF currently makes a modest financial contribution to a small number of projects. But ACTF support frequently makes the difference between a project getting made or otherwise.

We prefer, where possible, to be involved from the script development stage and at this stage we contribute to a wide range of children’s projects, whether we anticipate that they will be
“ACTF supported” projects in the long run, or not. We offer feedback, advice and mentoring to all successful applicants at this stage.

Where we become involved in distribution, we deliberately take an Executive Producer role. We do this in order to offer as much assistance with financing the project as we can, including introductions to international partners and discussions with our international agents and consultants. We also do this in order to provide ongoing creative feedback to the project. The ACTF has unparalleled insight into both the children's audience and the market for children's content. We share this with every producer we partner with. When we take on a show for distribution, we are in it for the long haul. We want that show to do as well as it possibly can locally and in the international market, and we make sure that it remains accessible to Australian children long after it first goes to air.

The My Place and Little Lunch case studies in this paper demonstrate that without the ACTF championing those projects, as well as contributing financially, they would never have happened. Those case studies encapsulate the unique mix of expertise and networks that the ACTF brings to the table – through its industry knowledge, international experience, and cultural and education sector insights. These assets contribute immeasurably to the ongoing public value in the children's content that we support.

The ACTF should be provided with significant additional funding to enable it to invest in a greater number of Australian children’s projects. This funding would:

- counteract the lower licence fees achieved by children’s projects from Australian broadcasters;
- counteract the reliance on the international market to fill the funding gap; and
- make distinctively Australian projects more competitive when vying for broadcaster commissions, with the certain knowledge that there is a means to finance and distribute them.

ACTF funding should continue to be provided to quality, distinctive, Australian children's content. The ACTF should have the flexibility to provide its support by way of distribution advances that count as market attachment to children’s projects, or equity investment where a meritorious production already has a competitive distribution deal attached, but where there is still a funding gap.

No other organisation comes to the table with the same bundle of attributes: - the cultural remit, the financing expertise, the distribution insight, the education background and reach. No other Government funded organisation has a singular focus on the children's audience. And as we have seen, at organisations without that singular focus on the children’s audience, the funding is too easily re-allocated away and spent on adult content. In practical terms, this means increased reliance on the ACTF for distinctively Australian projects.

In 2009, when we invested in My Place, we needed to contribute a distribution advance of $550,000 for 13 half hour episodes. Today, we are being asked to invest $800,000 - $1,000,000 for equivalent projects. In other words, the level of contribution required from the ACTF is almost double what it was, because of the way that the market and Screen Australia have changed and this is not sustainable, without addressing ACTF funding. Furthermore, because “market” conditions are only enabling 13 part series to be produced, with no certain path to second series, the ACTF’s opportunity to recoup its distribution advances and feed those returns into future productions, has also been undermined.
With annual Commonwealth funding now sitting at $2.8 million a year, we contend that the ACTF achieves a lot with that funding, but the number of projects we can support is clearly extremely limited. We know that with more funding we could contribute so much more.

We don’t believe that Australian producers want to make programs that do not provide public value, that do not last a long time and which do not entertain Australian children with Australian stories. The story told in this paper has occurred in response to market conditions. We believe that if the foundations of support for Australian children’s television were aligned to support the production of culturally relevant, high quality distinctively Australian content, then that’s what the production industry would respond with.

**ACTF Support for a Project: Making it Happen**

**Case Study: Little Lunch**

*In terms of quality being measured against quantity, the best new Australian television show this year is Little Lunch, the ABC3 mockumentary about life in a primary school playground that packs smart scenarios, clever interplay and dexterous performances into episodes a mere 15 minutes long.*

Craig Mathieson, Green Guide, The Age 2015

In early 2011, Wayne Hope and Robin Butler of Gristmill, producers of a number of adult comedy series popular on the ABC (*The Librarians*, *Very Small Business* and *Upper Middle Bogan*) approached the ABC about their proposal to adapt the Danny Katz/Mitch Vane series of *Little Lunch* books into a TV series for children, as an animated series. As this was their first children’s series, the ABC Children’s Department referred the producers to the ACTF for advice on how to develop and finance a children’s series.

In initial discussions, it was suggested to the producers that there was no reason that the series could not be a live action comedy series, which the producers excelled at in the adult space. The target age group would need to be squarely 6 – 12 (whereas the books appealed to the very young end of this group), and for television both the characters and the stories would need to be further developed and layered. The ACTF suggested that 12 minute episodes (an unusual format for live action drama) would work best for this concept, as each episode would be based around events that occurred or were discussed during playtime at school and the half hour format would be too laboured. Two 12 minute episodes could be scheduled together, if broadcasters only acquired half hour formats. In June 2011, both the ABC and ACTF contributed $20,000 each to enable the producers to develop 6 scripts, storylines and an initial budget.

When the scripts came back they were in the “mockumentary” style (used in programs like *The Office* or *Modern Family*) and the ABC and ACTF had different responses. The ABC’s response was that: children wouldn’t “get” the mockumentary style of comedy and understand that these were fictional characters; 11 – 12 year old actors would not be able to deliver the comedy performances required; and that further stories might not sustain 11 – 12 minute episodes. The ACTF response was that the scripts were a fantastic breath of fresh air. We were also excited that the series would feature primary school aged actors, and be set in a primary school. Virtually all children’s live action drama produced around that time (*Dance*...
Academy, Nowhere Boys, Worst Year of My Life, Again!} had featured performers in their late teens playing secondary school aged characters. Whilst we supported and loved all of these series, we felt strongly that younger school aged children, the most loyal viewers of ABC3, were actually missing out on seeing themselves represented on screen.

The ACTF wanted very much to move ahead, but the ABC would not commit to a series at this stage. To allay the ABC concerns we convinced them that together we should commit to funding a pilot. Pilots are not ever shot in children’s television in Australia (and rarely in adult television, either), so this was a unique step. The idea was that it would enable the producers to demonstrate that the concept worked. In March 2012, the ACTF committed $23,355 to funding of a pilot, an amount that was matched by the ABC, and Film Victoria contributed $20,000.

The producers delivered a very warm and funny pilot episode. The cast were absolutely delightful, and the ACTF was thrilled. The ABC were still unconvinced. The issue now was that whilst they acknowledged the episode was very funny from an adult perspective, they questioned whether that was with the benefit of adult hindsight and nostalgia. They were concerned that children would not relate to it or find it particularly funny.

In order to allay these concerns and demonstrate otherwise, the ACTF decided to test the series with the target age group. On the 21st June 2012, we conducted audience testing at Princes Hill Primary School. We screened the series to every class in the school of 450 students, one by one, beginning with Grade 5/6 classes and moving backward through the year levels, finishing with the Preps. We videotaped the children watching the series in order to show first hand their reactions. We interviewed children and teachers afterwards. The response was overwhelmingly positive with the screening demonstrating that the pilot was funny, relatable to all age groups, with different ages laughing at different things. The teachers commented afterwards on how realistic and pitch perfect the dialogue and subject matter were.

The audience testing to the pilot proved the concept convincingly and the ABC was now on board.

The ACTF took the series scripts and pilot to the international market, attempting to achieve a pre-sale to contribute to the finance. The response of the international market was that it was a very funny, original concept, but that it was too Australian in every way. Its dialogue, the school playground setting, the lunch boxes, school uniforms and sunhats were all considered too parochial for the international market at that stage. So the series was fully financed out of Australia by Screen Australia, Film Victoria, the ABC and the ACTF.

But by this stage, the ABC Comedy Department had commissioned the producers to produce a second series of Upper Middle Bogan and we had to wait until late 2014 for the producers to be available to film Little Lunch. This meant that the amazing children who had performed in the pilot were too old to be cast, and another group of talented children was cast, executing their roles brilliantly.

The end result

This year the ABCME channel manager described Little Lunch as a “record breaking phenomenon for ABCME." The series is up to its 9th run with the ABC, and the specials have had 5 runs. The series has accumulated more than 7 million views on ABC’s iView since launching in 2015. The average audience per episode on the ABC during 2015-2016 was 100,000 (a 25% increase on the average audience for its slot and a 31% share of the 5-12
demographic), and the series continues to be in the ABC’s top 10 programs for total viewers, and its number 2 series for 5-12s. Since premiering in late 2016, the two Little Lunch Specials have accumulated over 700,000 views on iView, and in the quarter that they premiered were the ABC’s number 1 and 2 programs for both total viewers, and 5-12s.

Little Lunch’s depiction of the dramas that occur in the primary school playground ring so true to its young audience. Its humour, warmth and authenticity have also appealed to teachers Australia-wide. They see their own class in Little Lunch. Every class has a Rory, a Tamara, a Debra-Jo. Mrs Gonsha is the quintessential Australian primary school teacher – genuine, caring and fallible. The series has been embraced by primary schools with classrooms reading the books, watching the series and using the ACTF created Little Lunch App to make their own playground stories into Little Lunch episodes. The series will be an embedded part of the Australian primary school curriculum for the foreseeable future. Indeed the Victorian Department of Education recently licensing the rights to include it on their education portal, Fuse.

Little Lunch has also been internationally acclaimed, with a slew of local and international awards as well as broadcast sales into key territories including the USA, UK and Canada.

The USA is the hardest place to make a sale of a children’s program, but Little Lunch’s success on Netflix in the USA has led to a sale to Universal Kids (formerly Sprout) and potential future opportunities for the producers with Netflix.

Little Lunch demonstrates everything that the ACTF has argued in this paper, and particularly:

- That quality, distinctive Australian content is appreciated by the audience and the broader community of parents and teachers and that its public value is returned many times over;
- That we should not let the international market determine which Australian children’s series get made; and
- Without the ACTF continually seeking to raise the stakes in children’s television and champion projects like this, a show like Little Lunch would not have happened.