

20 September 2017

RE: NORTHERN PICTURES RESPONSE TO THE AUSTRALIAN AND CHILDREN'S SCREEN CONTENT REVIEW, CONSULTATION PAPER OF AUGUST 2017

Northern Pictures welcomes the opportunity to provide a response to the Australian and Children's Screen Content Review consultation paper.

1. Are the policy objectives and design principles articulated in the discussion paper appropriate? Why?

Northern Pictures is in agreement with both the policy objectives and design principles articulated in the Australian and Children's Screen Content Review consultation paper.

It's essential for Australian children to see and engage with Australian children's content to ensure they see themselves reflected on screen as well as feel that Australian kids have merit and have representation. The continued development, creation and distribution of Australian children's content is also essential due to its valuable contribution to the Australian economy and workforce.

Northern Pictures is a leading Australian production company, working across both factual, documentary and socials issue based content. The company set up the kids division just over 2 years ago and we now have over 400 episodes commissioned, and we are now distributing much of that content internationally.

In the last 12 months alone we have employed 165 people, have training in the form of internships, professional placements, work experiences and production attachments in the areas of production, writing, design, storyboarding, acting, directing, editing, sound and music. We have also been working with the disability sector and have both employed and seen represented on screen both adults and kids who live with a disability.

It is therefore imperative that any changes to the media landscape introduced by the Government as a result of this review ensures the continued development, creation and distribution of media content that promotes Australian culture and identity.

This is particularly the case in relation to children's content because it is one of the most vulnerable areas of our industry. It has come under increased pressure from the FTV networks who seem to have scant regard for this vital audience. Australian children deserve to have access to and have produced for them, high quality local content which not only reflects their diverse Australian culture and lifestyle but also their unique Australian identity.

Northern Pictures believes there are a number of ways in which these objectives can be realised and has listed them in detail in the body of this submission.

2. What Australian content types or formats is the market likely to deliver and/or fail to deliver in the absence of Government support?

In the absence of Government support the market will certainly cease to acquire or commission local children's content.

Due to the advertising restrictions that are placed around the broadcast of children's content, particularly in the Preschool area, it has been a key argument by the Commercial FTA networks that they cannot monetise this content. They also fail to promote the series they are putting to air, as this uses up money they could be getting from advertising revenues, which in turn can be an argument about the smaller number of kids viewing in recent years.

Without a regulated commitment in the form of quotas for the creation and development of Australian children's content, the networks will cease to commission local children's content and instead buy cheap imported product (such as game shows, formats, foreign animation and reality TV) from international distributors. Often not paying for this content as they bundle this in their output deals with major studios, and it is a cost that is absorbed by their big prime time acquisitions.

3. What types of Australian screen content should be supported by Australian Government incentives and/or regulation?

We acknowledge that the rapid pace of change driven by the digital delivery of new services and the subsequent migration of children's viewing habits away from traditional FTA broadcast platforms necessitates a range of interventions to ensure that Australian kids continue to enjoy access to high quality local children's content across all content platforms..

With this in mind, Northern Pictures would like to propose the following proposals/models in relation to the commercial free-to-air networks:

Commercial Free-to-air Networks

- Incentivise the FTV platforms in the way of tax concessions that apply to the expenditure of FTA Networks on Australian children's content to satisfy mandated quota.
- At a minimum maintain 32 hours annually of C Drama within the C Band of CTS for each FTA network;
- Reduce the tight restrictions that ACMA places around the C Drama content so that it is more appealing to Australian kids, who now have a more worldly point of view, as well as ;

- The definition of C Drama to be restricted to quality animation and live-action drama only
- Introduce measures to ensure quality preschool programs are made by introducing 32 hours annually of P Drama within the P Band of CTS for each FTA network;
- The definition of P Drama to be restricted to quality animation and live-action drama only;
- Allow the broadcasters to be able to place the content around their wholly owned platforms that are free to the end user, such as digital, catch up services, VOD services and apps, and remove advertising restrictions around the P and C quotas;
- Implement a minimum licence fee on all FTA networks that ensures that the content being produced is at a reasonable standard, and require the FTV networks promote the series in key times.
- Relaxing broadcasting time restrictions and allowing variable time formats and series lengths within this obligation (for example time formats could be 5 mins, 7 mins, 10 mins, 15 mins or 22 minutes as a series length in any combination, as long as the overall annual quota is met);
- Provide tax concessions that apply to the expenditure of FTA Networks on Australian children's content to satisfy mandated quota.

4.) The current system of support for screen content involves quotas, minimum expenditure requirements, tax incentives and funding. What are the strengths and weaknesses of the current systems? What reforms would you suggest?

As stated we accept that the current support system for screen content may need to be reworked to take into account the changing media landscape. However unless these are mandated at a Govt. level Children's content will not survive on the commercial FTV broadcast platforms. We also require tax incentives and other Govt. funding if we are to compete on the world stage.

Our recommendations include:

The Australian Broadcast Corporation

- Amend the ABC Charter to include a specific obligation to deliver original Australian children's content for both preschool and school aged children on all their dedicated platforms with an explicit requirement that at least 50% of all children's content on such platforms is Australian content made for Australian children, with a percentage to also be guaranteed as first run content;

- Following on from the above point, it is also our belief that the Government should reinstate the full, indexed amount of annual funding sufficient to support their commitment to ensure that the total percentage of Australian content on ABC kids platforms is at least 50%;

Producer Offset and PDV Offset

- Raise the producer offset for live action and animated drama children's content to 40% to match the offset currently in place for feature films;
- Lower the QAPE threshold for children's content (to access the offset) at the level commensurate with the PDV minimum threshold across the entire series, rather than individual series;
- Extension of the producer-offset scheme to be eligible across multiple seasons of a show and access to any content production fund to include interactive content (a form of content taken up at higher levels by young audiences);
- Maintain the current PDV Offset at 30%.

Other platforms

- Content service providers and social media platforms should be required to make available a minimum of 20% of new Australian content on their own platforms, including children's content. (The European Council has recently agreed that there should be a minimum 30% quota on European works of VOD services providers, including international providers such as Netflix and Amazon).

Subscription Television

- Subscription television is currently required to spend least 10 per cent of the total programme expenditure for each subscription drama channel on new Australian drama programs. They can also allocate their spend to other channels and in the case of the Kids channels (Disney, Nick etc) they are not obligated to spend this money on their own channels content. Similarly this is mostly self regulated and the definition of drama is quite loose. We propose that there is more rigour around this spend and that this be increased to a minimum of 20% for children's channels with a platform within Subscription Television.
- Require that a kids platform, such as Disney, Nickelodeon, Cartoon Network, etc., spend their allocation on Kids content;
- Introduce some form of minimum licence fee (as proposed for the ABC and FTA networks) to guarantee a feasible level of finance for independent producers.

5.) What types and level of Australian Government support or regulation are appropriate for the different types of content and why?

As noted above we believe it needs to be a combination of both mandated quotas and Government incentives.

Australians understand the value of original children's content that reflects their own culture and tells their own stories, however the cost for this is significantly more expensive than the FTV's are willing to invest. While I appreciate this could be a difficult argument, this writer also believes they have an obligation to service their entire audience, and this includes producing good quality content for kids. Whilst the media landscape has changed dramatically since this time, the need for Australian kids to hear and see their own stories is as important, if not more important now given the increases in level of globalisation taking place every year. It is therefore imperative that continued government support and protection remain in place to ensure the creation and transmission of children's content across all transmission platforms.

6. What factors constrain or encourage access by Australians and international audiences to Australian content? What evidence supports your answer?

Australia is a world leader in the production of high-quality children's content. Australian children's content has longevity and strong international market appeal because of its world-class talent and crews in both live action and animation. Australian children's programs export into multiple territories and are often quoted internationally as some of the leading content produced in the world. Series that were produced even decades ago are still regularly aired internationally and are referred to with high regard.

Kids globally also have a sense of Australian culture through the shows they have viewed. Like famous Australian icons and Australian native animals, kids content has a place to play in reflecting our culture and our core values on a global stage. It is also very accessible internationally and will often be acquired in preference to other adult drama series which compete with other countries own local content.

If quotas are abolished without any safeguards put in place to protect the Australian children's production and distribution industry, there is a real risk that Australian stories will disappear altogether. This certainly was the case in the UK where quotes were abolished in 2003. This led to a 93% reduction on spend in this sector, and a 90% reduction in the amount of content on air on the FTV broadcasters.

Without Australian market attachment local producers compete against countries such as Canada, UK, France, Spain, Italy, Ireland, Korea, Singapore etc who have their own local content requirements. Content needs to be commissioned by Australian networks in order for producers to secure funding from outside Australia i.e. securing an international broadcast presale, co production partner or a distribution sales agent.

If Northern Pictures and other children's producers in Australia are to continue to create and produce high quality children's content it is imperative that any reforms introduced by the Government in relation to Australian children's content must ensure the continued viability of the Australian children's production industry and must also ensure that

Australian kids and their international counterparts continue to have access to their shows across all transmission platforms.

Submission made on 21st September 2017 by:

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