

AUSTRALIAN CHILDREN'S
TELEVISION FOUNDATION

**SUBMISSION TO DEPARTMENT OF COMMUNICATIONS,
INFORMATION TECHNOLOGY AND THE ARTS**

IN RESPECT OF THE

***MEETING THE DIGITAL CHALLENGE
REFORMING AUSTRALIA'S MEDIA IN THE DIGITAL AGE
DISCUSSION PAPER***

Introduction

Traditional media services are being challenged by new technologies, which will result in new players, new content, services and delivery platforms.

The challenge for the Government is to provide a digital media framework which creates opportunities for existing industry participants while encouraging new entrants. However, ultimately the framework must serve the needs of audiences and consumers.

“In the end it is all about providing a rich and more diverse media environment for Australian consumers and that is why their views are important.”¹

There are more than 4 million Australians who make up the Australian child audience. Unlike their parents, Australian children are ‘digital natives’: early adopters and fluent users of new technologies. The child audience needs to be significantly involved in any policy initiatives by Commonwealth Government for the digital age. Moreover, the digital broadcasting landscape provides the Government and the local television industry with an opportunity to deliver a far better media service to the Australian child audience.

In this context, the Australian Children’s Television Foundation (ACTF) is proposing that the Commonwealth Government consider the establishment of a dedicated digital public channel for Australian children.

A public digital children’s channel is relevant to this review for two reasons. Its need is intrinsically related to the changing media landscape. Furthermore, it would be a powerful component of the Government’s Digital Action Plan. A well promoted Australian digital children’s channel, as an initiative of the Commonwealth Government, would act as an important and effective driver in converting Australian families to digital television.

¹ The Hon Helen Coonan, address to CEDA, Tuesday 14 March, 2006.

Background

Without the considerable support of the Commonwealth Government, there would be very little Australian content created for Australian children. This support is provided through the following mechanisms:

(a) The establishment of the Children's Television Standards (the Standards)

Under the Standards, commercial free-to-air broadcasters must screen at least 390 hours of children's programs per year (including drama, non-drama and pre-school), with at least 130 hours of P programs, and 260 hours of C programs.

Half of the C programs (130 hours) must be first release Australian content. All the P programs must be Australian content.

Within the 130 hours of first release C programs per year, commercial broadcasters must screen at least 96 hours of first release Australian children's drama each three year period (an average of 32 hours per year) and at least 8 hours of repeat Australian children's drama programs per year.

The Standards have ensured the continued commissioning and screening of Australian children's programs by the commercial free-to-air broadcasters.

(b) Investment from Film Finance Corporation Australia (FFC)

Over the past 17 years, the FFC has provided over \$248m to assist the production of children's programs.² This has created a substantial catalogue of over 700 hours of quality Australian children's programs.

(c) The ACTF

All governments in Australia support the ACTF, but the Commonwealth Government is the major funding partner, providing over \$2.5m in annual funding.

The ACTF uses these funds to provide script development and production finance for Australian children's productions. It also provides other industry support initiatives to the local children's production sector. The ACTF works with the education sector to promote media literacy and the use of Australian content and multimedia for educational purposes.

(d) The Australian Broadcasting Corporation (ABC)

The ABC has a strong commitment to children's programming, dedicating a significant proportion of its daily schedule to children's shows; much more than is aired by the commercial broadcasters. While it currently does not commission the level of Australian content required by the commercial broadcasters under

² Film Finance Corporation Australia, *Annual Report 2004-05*, p 45

the Standards, the ABC remains an important destination for new and repeat Australian children's programs.

These measures have been a success. The Commonwealth Government has achieved a considerable amount for the Australian child audience. Australian children have relevant content produced for them by each free-to-air broadcaster.

FFC investment has meant that many of the programs are of the highest production standards and quality. A significant proportion of the programs financed are local and international award winners.

As a spin off, a functioning independent production industry for children has grown. The industry is regarded as world class, selling its programs to major international broadcasters. The ACTF has sold programs by local producers to more than 100 countries.

The combined effect of these measures has resulted in Australia being widely regarded as a world leader in children's television. However, the media landscape is changing in Australia and around the world. Children are using media in different ways than when the above initiatives were first introduced.

The changing media landscape

In December 2005, the Australian Communications and Media Authority (ACMA) announced that it would be reviewing the Standards to ensure their relevance in the changing media landscape:

“The objective of the children's television standards is to ensure that children have access to a variety of quality television programs made specifically for them. With the development of new media in recent years, and the social changes that have accompanied that, ACMA wants to ensure that children's television needs are still being met in the most appropriate way.”³

The ACTF welcomes the ACMA review. The changing landscape means that Australia is now slipping behind other countries in the service that it provides for Australian children. Consideration should be directed at ways by which the current regulation and subsidy mechanisms can be enhanced and supported to achieve the desired policy outcome in the new broadcasting environment.

The ACTF has identified three areas which it considers need to be addressed to deliver the desired policy outcome for the child audience:

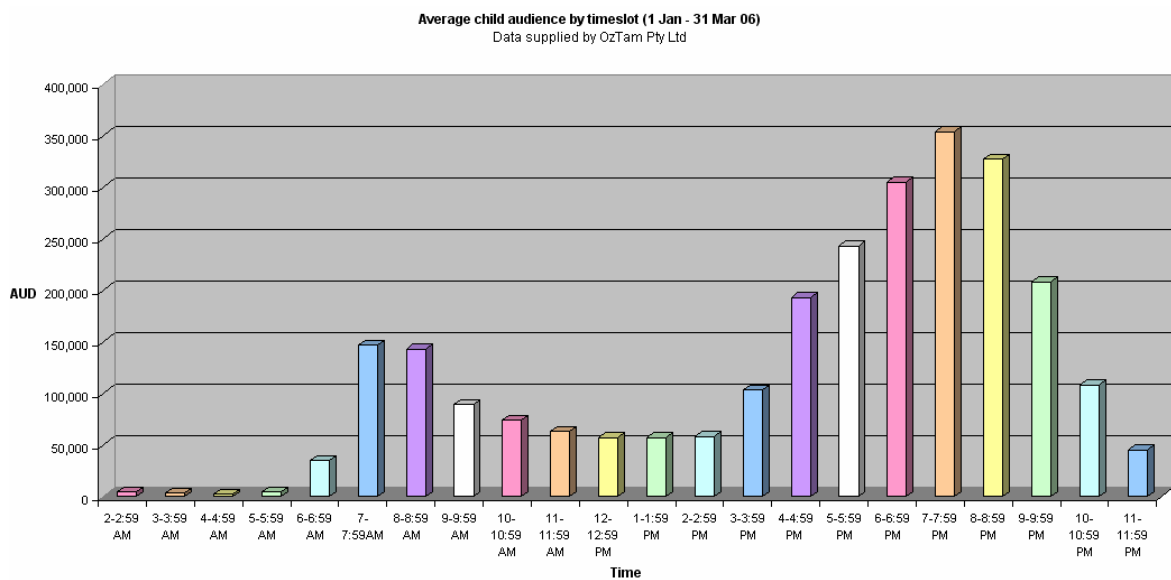
Audience access to content

While Australian children's programs are being commissioned and screened on the commercial free-to-air broadcasters, there is a serious accessibility problem for the child audience aged between 5 and 15 years of age.

³ Lyn Maddock, Acting ACMA Chair, 21 December 2005

More and more, adult programs are being scheduled in the late afternoons. These programs are aimed to create a lead-in audience for the evening news and current affairs programs. Programs for children between 5 and 15 years of age have been typically pushed into a 4pm afternoon slot. This is now a time at which a significant proportion of the target audience is not yet home from school. After school sport, after school care and travel times mean that only a small proportion of the child audience is likely to be able to watch a program in an early afternoon time slot. Indeed, children now like to watch television in the evening more than any other part of the day.

OzTam data demonstrates that the average 5-12 child audience from 7-8pm is almost twice the size of that viewing between 4-5pm. Indeed, more children are still watching television between 9-10pm than during the 4-5pm time slot. This data is consistent with information coming from countries such as the United Kingdom.⁴



The problem is compounded by the fact that there is little promotion made of the programs showing and, in the rare cases where there is promotion, it is done during the same afternoon timeslot, not during the evening when most children are actually watching television. Children have trouble even becoming aware that the program is on air so that they could record the program to watch at a more convenient time.

Variety of programming

Broadcasters do not provide the child audience with a variety of programming. Commercial free-to-air broadcasters focus on magazine style programs and the small amount of children’s drama required by the Standards. For example, no Australian broadcaster produces a regular daily news bulletin specifically made for children. In the United Kingdom, the BBC’s daily children’s news program *Newsround* is typically in the top five most watched children’s programs.

⁴ The UK Office of Communications found that 71% of children’s viewing time was outside traditional ‘children’s airtime’ and that more children watch television between 6-9pm than any other time of the day’: Ofcom, *Childhood Obesity – Food Advertising in Context*, 2004, pp 14-15. A UK study by MediaCom and Kids Industries found that “all viewing levels for children are highest between 7 and 9pm”.

There is also a growing desire from children to be involved in the creation of their own media, and to share those creations with the broader child audience. The blog, podcast, and MySpace explosions are just the beginning of this movement. Digital technology and simple software applications will increasingly give children the capacity to create sophisticated, high quality content. A large amount is already being created today in the classroom. Children want a broad platform to showcase and share their own creative endeavours.

The ACTF has also received feedback from its Advisory Schools Panel⁵ of the need for quality Australian content directly linked to the education curriculum on television. There is little Australian schools content broadcast on free-to-air television. Even the ABC produced no Australian education programming in 2003/04.⁶ In 2004/05, it produced 8 hours of new content.⁷

Lack of effective competition

Part of the problem is that the free-to-air broadcasters do not compete with each other for the child audience. They feel that children's programs are "seriously limited in their revenue potential"⁸ and accordingly focus on minimising their cost. In their response to the *Review of the Australian Content Standard* in 2002, the commercial broadcasters supported being able to share content with the ABC⁹, or trade their children's obligations to it.¹⁰ SBS declines to broadcast children's content on the basis that it cannot (or will not) compete with the ABC for that audience.

The ABC is able, therefore, to claim to be the market leader amongst the free-to-air broadcasters despite commissioning less new children's content than the commercial broadcasters.

International experience demonstrates that competition for the children's audience drives quality. The United Kingdom is a fiercely contested market for the child audience with around 20 dedicated children's channels, in addition to the comprehensive free-to-air broadcasters, targeting 11.6 million children. Broadcasters compete to attract viewers by offering more original content, more British content, and higher quality programs. In the United Kingdom, the BBC has established two free-to-air dedicated children's channels: CBeebies and CBBC, featuring a wide variety of predominantly British programming. The channels have recently led ITV to launch its own free-to-air digital channel announcing that "[CiTV is] a British channel...the majority of programming will be British programming, made by British producers...[with] the widest breadth of

⁵ The ACTF established its Advisory Schools Panel in 2004. It features primary and secondary schools from each State and Territory in Australia. Its function is to advise the ACTF of the effectiveness of current Australian children's television content in schools, and ways to make it more relevant.

⁶ Australian Broadcasting Corporation, *Annual Report 2003-04*, p 53.

⁷ Educational content was limited to new episodes of the weekly *Behind the News* program, which was relaunched in February 2005: Australian Broadcasting Corporation, *Annual Report 2004-05*, p 69. *Behind the News* has continued production in the current financial year.

⁸ Federation of Australian Commercial Television Stations (now Free TV Australia), *Response to the ABA Review of the Australian Content Standard*, February 2002, p29.

⁹ Ibid.

¹⁰ Federation of Australian Commercial Television Stations, *Submission – Proposed Amendments to Australian Content Standard*, September 2002, 16.

programming you can get".¹¹ This competitive environment has provided children in the United Kingdom with arguably the best selection of children's programming in the world.

The trend towards dedicated children's channels

The problems of access to and variety of children's programming are not limited to the Australian experience. All over the world, the number of children's slots for traditional free-to-air broadcasters are shrinking. Children are finding it harder and harder to find programs made specifically for them at times appropriate to them on the major channels.

Overseas, children have responded by turning away from commercial free-to-air broadcasters to dedicated children's channels, where they know that they will always be able to find a wide variety of children's content. These channels fiercely compete for the child audience.

The trend towards specialist children's channels is noted by Professor Patrick Barwise in the 2004 *Independent Review of the BBC's Digital Television Services*, commissioned by the Department of Culture, Media and Sport. Professor Barwise rejects the logic of tailoring channels to specific demographics or interest groups with an exception for children: "children...have different viewing preferences to those of adults. They represent the main exception to the general rule that television is a mass medium...not a niche medium."¹²

The preference for specialist channels is readily apparent in Australia. In Australian homes, dedicated children's channels are only available to those children with access to subscription television. In such homes, the majority of viewing by the 5-12 age group is of subscription television channels. In December 2004, 75% of this demographic's viewing in subscription television homes was of subscription channels.¹³

It is not an effective policy outcome for Australian children to turn to subscription channels for their Australian content. Firstly, it is important to remember that only a minority of Australian homes are pay television subscribers. The majority of Australian children cannot use these channels to find relevant local content.

Furthermore, subscription content regulation is based on a requirement that a drama channel must spend 10% of its total program expenditure on new eligible drama. There is no doubt that producers have appreciated this additional expenditure from subscription channels when financing productions, but it is questionable whether it has created better access to local content for the child viewer. Australian subscription children's channels are primarily sourced with content from the United States. They only occasionally report levels of Australian content and with calculation methods that lack transparency.¹⁴

In Europe, policy makers have sought to deliver appropriate content to the child audience by establishing public service, dedicated, free-to-air children's channels.

¹¹ C21 Kids Weekly, 3 March 2006.

¹² P Barwise, *Independent Review of the BBC's Digital Television Services*, October 2004, p 29.

¹³ Australian Subscription Television and Radio Association, *Media Release*, 2 March 2005.

¹⁴ See, for example, the comments in Australian Film Commission, *Supplementary Submission to the ABA Review of Australian Content on Subscription Television*, May 2003.

Channels which provide a rich variety of programs made specifically for children, scheduled appropriately to enable maximum access. Public service children's channels have been set up in the United Kingdom (CBBC and CBeebies), France (Gulli), Germany (Ki.Ka) and Sweden (Barnkanalen).

These countries are leading by example, enabling children better access to relevant media. Australia, once a world leader in children's television, is now falling behind.

What is now needed

A distinctive, comprehensive, children's public service channel which is predominantly Australian and available to every family in Australia that can receive free-to-air television.

It should be a new and innovative service, which includes a diverse slate of programming including news, educational programming and material that is created by children, which accompanies entertaining children's drama and non-drama programs.

Such a channel is attractive to the child audience. When establishing its specialist children's channels, the BBC sought to make them highly distinctive from the US-sourced subscription children's channels, with a large variety of programming of predominantly British origin. As part of its remit, CBBC is required to deliver a mixed schedule of news, drama, comedy entertainment and factual programs with live programs including news bulletins at the core of the schedule.

Professor Barwise's review found that the channels had achieved this goal,¹⁵ and at the same time, been extremely competitive for the child audience. In multichannel UK homes, the combined performance of CBBC and CBeebies is significantly higher than that of its nearest competitors.¹⁶

It is important to note that the channel should not be a replacement for the support that already exists, but a contemporary, complementary policy initiative serving the child audience. A dedicated channel will increase the effectiveness of existing policy initiatives by increasing accessibility to older programs created as a result of the Standards. It could also, for example, cross promote Australian children's programs when they are airing on the commercial broadcasters or the ABC.

Connection with the roadmap to digital conversion

Some consumers have been attracted to the technological benefits of digital transmission, such as sharper picture and better sound quality, and have purchased set top boxes. It is clear, however, that digital uptake in Australia will need additional drivers, such as an offering of digital-only content.

As the Discussion Paper notes, international experience indicates that access to additional channels does add to the attractiveness of digital television for consumers. Specifically in relation to children's television, Professor Barwise's 2004 review found

¹⁵ P Barwise, *Op Cit*, p 40.

¹⁶ British Broadcasting Corporation, *Annual Report 2004-05*, p 138.

that the two digital only children's channels, CBBC and CBeebies, had been drivers for uptake of terrestrial digital reception in that market.¹⁷

It has been argued, however, that new channels in an Australian broadcasting landscape (without the BBC's significant resources), would necessarily feature a significant amount of repeat content and generally low quality programming. As a result, it is contended, the offerings would be relatively unsuccessful as drivers of digital uptake in Australia.

An Australian children's channel could be established relatively inexpensively, without the need for funding at the level that the BBC has invested in its digital channels. It could feature high quality new and repeat content, be a highly attractive audience destination, and an effective driver of digital uptake.

There are two reasons why this is possible. Firstly, repeat content is not a disincentive for the child viewer. Children are a completely different audience to adult viewers. Younger viewers are less concerned than adults as to whether a program is a premiere or a repeat. Many children enjoy watching the same program a number of times, and repeat screenings of programs often rate higher than the original screening. Indeed, in his report Professor Barwise actually recommended that CBBC screen more repeat archive material to make it a better audience destination.¹⁸ Furthermore, the child audience is regularly 'refreshed' with new viewers, who have not seen existing programs, every year.

Secondly, a rich catalogue of high quality Australian children's content already exists. As discussed earlier in this paper, Australia has a legacy of over twenty five years of children's television regulation. The impact of the Standards, with the \$248 million Commonwealth Government contribution to children's programs, means that a large amount of high quality content exists. Many of these programs are audience favorites, and many are award winners both in Australia and around the world. The vast majority of these programs are no longer accessible to the child audience. Commercial free-to-air broadcasters prefer to use their limited children's slots for their new Australian children's content required under the Standards, or animation from the United States and Japan, rather than for repeat Australian content.

The Commonwealth Government would be justified in expecting to utilise this large investment to help drive its digital agenda. An Australian children's channel could make this material available again to the public at a relatively low cost.

The amount and relatively low acquisition cost of repeat content means that the channel could afford to screen complementary high quality new content and new genres of content while keeping the overall channel budget modest.

As a result, the establishment of a digital Australian children's channel could be a proactive initiative which encourages Australian families to move to digital television as part of the Government's broader Digital Action Plan.

¹⁷ P Barwise, *Op Cit*, p 54.

¹⁸ *Ibid*, p 41.

Further Reasons

There are a number of other justifications for an Australian children's channel. These reasons are no less important than the ones already raised, but may not be directly related to the scope of the Discussion Paper. Accordingly, they are only raised briefly below.

To build a sense of community and citizenship

Australian children deserve access to content which reflects and respects their community, culture and languages; content which addresses issues and tells stories that are relevant to their own community's experiences.

A dedicated children's channel featuring predominantly Australian content will reinforce a sense of community and citizenship in young Australians.

To help drive a more sustainable Australian film and television industry

The ACTF believes that presenting the audience with quality local programs from an early age will translate into ongoing appreciation for Australian content as the audience matures. In this respect, an Australian children's channel can have a flow-on effect for other local content, such as adult television drama and feature films, a significant amount of which is currently struggling to find audiences. Increased audiences will contribute to a more sustainable Australian film and television industry.

Establishing a dialogue with children

A dedicated public children's channel can be used to create a two-way dialogue with the Australian child audience. It can be an important vehicle for providing information to Australian children. It can also facilitate debate on issues important to children; providing a forum for children to voice their opinions and feelings.

A channel can become the conduit through which the Government meets many of its commitments under the United Nations' *Convention on the Rights of the Child*. The Convention requires that information is made available to children via the mass media of social and cultural benefit to the child.¹⁹ It also asserts the rights of children to express their opinions and to have those opinions heard in matters which concern them.²⁰

Options to consider in establishing an Australian children's digital channel

National broadcasters

The quickest means by which the channel could be broadcast, and therefore start contributing as a driver of digital uptake, is by operating as a digital multichannel of an existing broadcaster.

The Government has noted the role of the national broadcasters in driving digital television uptake, and the ACTF supports this position. An Australian children's

¹⁹ United Nations, *Convention on the Rights of the Child*, Article 17.

²⁰ *Ibid*, Articles 12, 13.

multichannel would be a good fit for either of the national broadcasters. It is worth noting that the ABC or SBS could immediately commence broadcasting such a multichannel without any need for legislative change.

In the United Kingdom, it was a requirement that the BBC's children's channels not be developed at the expense of children's programs on the main BBC channels. A similar provision could be put in place in respect of an Australian national broadcaster, to alleviate any concerns that the broadcaster might otherwise reduce its children's content on its main channel.

Commercial free-to-air broadcasters

The Government has proposed that commercial broadcasters be allowed to multichannel from the end of the simulcast period.

Arguments that this will force all commercial broadcasters to multichannel appear spurious. It seems unlikely that a broadcaster would create a multichannel without a positive underlying financial imperative.

The ACTF proposes an amendment to the proposed restriction. The commercial broadcasters should immediately be allowed to lease spare multichannel spectrum for a non-commercial purpose, such as the Australian children's channel proposed here, a community channel, or even a public broadcaster channel if its existing spectrum is being used for other multichannels.

This kind of use does not contradict the arguments for the restriction on multichanneling until the end of the simulcast period. Primarily, such use would not dilute the advertising pool, a concern that has been raised by some of the commercial free-to-air broadcasters and generally by the subscription broadcast sector, against lifting the multichannel restriction.

New digital services on broadcasting spectrum

The possibility also exists that the channel could be broadcast on one of the two proposed 'reserved' digital channels.

Under the Government's proposal, the reserved channels can be used for, amongst other things, free-to-air narrowcasting services but not a new free-to-air commercial television service. As stated above, the channel being proposed is not a commercial channel.

The discussion paper describes narrowcast as television services that are limited in reception by being focused on special interest groups. It gives examples of religious or ethnic groups. It seems reasonable to assume that a channel directed at children under the age of fifteen fits within this description and is therefore a potential user of this reserved spectrum.

The ACTF supports the proposal that the Government be open to methods of spectrum allocation other than price-based auctions for these channels.

A great opportunity for cooperation

A dedicated children's channel offers the Australian broadcasting and production industries an opportunity to cooperate in a way it has never before contemplated.

Too often, participants resort to protecting their own interests at the expense of new initiatives and possibilities. The children's channel gives participants the opportunity to look outside their current mindset and work together to meet mutually beneficial outcomes. Most importantly, they can deliver a better result for the Australian child audience.

For example:

- (a) Free-to-air broadcasters can benefit from cross promotion from the children's channel and in return release relevant programming that remains under licence, but is not being aired.
- (b) Facilities and expertise could be shared to reduce the costs of the channel. Students and film and television schools could meaningfully contribute to the channel as part of their courses. Facilities around Australia could be used as the location for live children's shows.
- (c) Producers can look at a wider variety of programming, including new and innovative genres for children.

Conclusion

Commonwealth Government support for the establishment of a digital, free-to-air Australian children's channel would achieve the following important policy outcomes:

- (a) creating a better service for the child audience, which addresses current problems of accessibility, variety and lack of competition;
- (b) being a complementary initiative to existing support mechanisms, making those mechanisms more efficient and effective;
- (c) encouraging Australian families to migrate to digital television as part of the Government's broader Digital Action Plan in a proactive way;
- (d) utilising a large, existing, Government funded library of children's content in a way that has a positive impact on the digital agenda;
- (e) returning Australia to a world leading position in respect of delivering appropriate and relevant content to the child audience.

ACTF

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