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25 August, 2011

SCREEN AUSTRALIA REPORT MISSES THE POINT ON AUSSIE CONTENT

Screen Australia's attempt to frame Convergence Review debate on Australian content is a disappointing document for a number of reasons.

While it successfully identifies the challenge of maintaining a strong, vibrant Australian voice in the new converged media environment, its solutions are the same old analogue solutions of the last 50 years; more regulation.

Its methodology is misleading at best. Its suggestion that you simply multiply the broadcast hours by the number of digital channels and then say the Australian voice is "watered down" is missing the point.

75 per cent of commercial TV viewing is still done on the main primary channels. The multi-channels have helped bring back some viewers to free-to-air television at a time that the industry is facing structural change, but they have also increased the cost base for broadcasters at a time when advertising revenues are under threat. These channels are niche channels offerings bringing in modest advertising dollars making much smaller amounts of revenue while still subject to a licence fee of 9 per cent of their gross revenues!

If these channels are further burdened by content quotas this will place at risk their existence, as well as the ability of broadcasters to continue to deliver the significant levels of Australian content that underpin the future of our production sector.

Every year commercial television broadcasters produce over 500 hours of original Australian drama and invest over \$950 million a year in original Australian programming including not only drama, but children's programs, documentaries, sport, news and current affairs. The advent of the multi channels has not changed this.

Indeed the regulator, the Australian Media and Communications Authority (ACMA) recently reported that all metropolitan broadcasters exceeded the Australian content quotas in 2010. Broadcasters are not paying less for Australian content, they are not producing less Australian content and there is no "market failure".

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The most recent ACMA Broadcasting Financial Results for 08-09 show that the drama spend by Free TV broadcasters was \$132.1 million, an increase of 13.5 per cent on the previous year and a five year average increase of 16.1 per cent.

As Screen Australia itself identifies the commercial broadcasters are the major underwriters of Australian drama.

In a world where consumers are already demanding to see what they want, when they want, on the device of their choice, the old regulatory regimes are not working anymore.

That's why we are having a Converged Media Review.

Virtually every television manufacturer is now promoting their connected TV or smart TV devices. These receivers all have an Ethernet port and are able to stream content over the net to the same device delivering over the air content. In the UK they expect to have over 30 million connected TVs by then end of 2013.

Tablet and mobile devices are also delivering content, both free and subscription based. Furthermore, the Government is investing \$35 billion in the NBN which will facilitate the streaming of these services on to your TV.

This is an exciting and challenging environment for all media players both old and new.

The Convergence Review needs to frame the debate and its recommendations around this new environment.

The future delivery of Australian content is an important part of their considerations. But so are the need for consistent classification rules, retransmission rights, community standards and a review of the out of date broadcasting licence fees.

Screen Australia's focus on the impact of the multi channels on Australian content also ignores the elephant in the room which is IPTV facilitated by the NBN.

As the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy told the Australian Information Industry Association (AIIA) in July 2009 the "broadband network IPTV will bring hundreds and hundreds and hundreds of channels of choice for consumers". He went on to note "that is going to force a radical change" to the media sector. Those changes are already upon us. But Australia's commercial broadcasters remain the foundation of Australia's content industry.

The community along with various stakeholders needs to consider how we can maintain a strong, vibrant and innovative industry in this new multi-platform environment.

We need to go back to first principles and determine what are the public goods we want to preserve and the harms we want to prevent. And how can we do this in a way that delivers a balanced regulatory environment that ensures a strong local industry that is able to continue to deliver quality local content for all Australians.

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