

**SUBMISSION BY**  
**MEDIA, ENTERTAINMENT & ARTS ALLIANCE**  
**TO**  
**AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY**  
**REGARDING**  
**CHILDREN'S TELEVISION STANDARDS REVIEW**  
**AUGUST 2007**



**The Media, Entertainment & Arts Alliance**

The Media, Entertainment & Arts Alliance (Alliance) is the industrial and professional organisation representing the people who work in Australia's media and entertainment industries. Its membership includes journalists, artists, photographers, performers, symphony orchestra musicians and film, television and performing arts technicians.

The Media, Entertainment & Arts Alliance appreciates the opportunity to comment on the Issues Paper produced by the Australian Communications and Media Authority (ACMA) to inform the Children's Television Standards Review.

This submission focuses on the need for maintaining quotas for children's programs, the desirability of increasing the quotas, scheduling and promotion, the inadvisability of contemplating so-called tradable obligations and touches on advertising.

When the Australian Content Standard was last reviewed in 2002, it was anticipated that by now Australia's television landscape would be in a state of dramatic change with the switch-off of analogue likely to occur in 2008. That has not happened. Apart from subscription television finally moving to profitability, little has changed. There is no multi-channelling. There has not been a proliferation of new channels, nor will there be in the immediate future. The reasons for maintaining the Australian Content Standard, including the Children's Television Standards, are as compelling today as they were in 2002.

Australia's co-regulatory system for broadcasting – the mix of government regulation and self-regulation wherein a government regulator is able to intervene if industry regulation fails – recognises that licensees are able to draw considerable profit from a scarce public resource subject to the provision of certain services considered necessary by the nation for its healthy growth and development. Nowhere is this more important than in the healthy growth and development of the nation's children.

This has been the case since the advent of television with the establishment by the Australian Broadcasting Control Board of a children's television advisory board in 1956, followed in 1960 by the introduction of regulations making it compulsory to publish programme classifications and in 1967 with the introduction of regulation of minimum levels of children's programs.

The need for special attention to be given to children was explored in the 1954 Royal Commission Report on the Commission of Television. The Report argued for legislation to ensure programs designed specifically for children were produced and aired in appropriate time slots. It also recognised a potential conflict of interest for the commercial networks as business enterprises that might find difficulty justifying investment in programs for a minority audience.

In 1977, the Australian Broadcasting Control Board was replaced with the Australian Broadcasting Tribunal and immediately undertook a review of self-regulation. Concurrent with this review, the Senate Standing Committee on Education and the Arts conducted an inquiry into the Impact of Television on the Development and Learning Behaviour of Children.

The review and the inquiry resulted in a number of changes including the recognition that market forces were not delivering programs of a quality or age specificity required by the public. Consequently, in 1979 the C classification was introduced, levels of programming mandated, together with time slots. The P classification was introduced in 1980 and since that time the quotas have been increased.

Importantly, the principles that underpin Australia's co-regulatory system and the public interest issues that co-regulation addresses will remain in the future. As Gareth Grainger put it in his 1999 Spry Memorial Lecture, "even in an age of supposed 'channel richness' the same fundamentals remain for broadcasting at the end of the Twentieth Century as they did in the 1920s and the decades immediately thereafter. Broadcasting and now the Internet make use of public property, the airwaves and bandwidth. Broadcasting remains, and the Internet is clearly emerging as, a means of mass communication of a particularly intrusive nature. They enter our homes and workplaces, exercise important influences on public life and national cultures. Their content has been and ... remains a matter of considerable concern to the public who wish to see national cultures preserved and enriched and to see young people protected from inappropriate material."<sup>1</sup>

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<sup>1</sup> *Broadcasting, Co-regulation and the Public Good*, 1999 Spry Memorial Lecture, Gareth Grainger, Australian Broadcasting Authority, 28 October 1999, page 53.

## Quota Levels

As indicated above, quota requirements for children's programming have increased slowly over time.

A children's drama quota was introduced in 1984. By 1996, the drama quota had been set at 32 hours a year and today it is averaged over three years with a minimum requirement of 25 hours a year.

The Children's Television Standard requires commercial free-to-air television licensees to broadcast 390 hours of children's programming annually, comprising 260 hours of C programs and 130 hours of Australian P programs. All P programs must be Australian and 50 per cent of C programs must be Australian. Eight hours of repeat Australian C drama are allowable annually.

It is still a relatively low threshold for broadcasters to meet and the Alliance is supportive of an increase. In any event, the Alliance considers that the current quotas are the absolute minimum necessary to provide diversity of programming, offer Australian children quality Australian programs and drive sufficient output to maintain the viability of the Australian children's television production sector. It should also be noted that in the 2005-2006 financial year, children's drama comprised 42 per cent of all drama produced in Australia.<sup>2</sup> Its importance to the drama production sector cannot therefore be underestimated. Any erosion in output of children's drama would have a direct impact on the viability of the drama production sector as a whole – and therefore on the adult drama quota.

That the current quota levels are not onerous can be seen by the small impost they cause the networks. According to the Australian Film Commission, in the year 2004-2005, expenditure by the commercial networks on Australian children's programming comprised only 1.8 per cent of total program expenditure. Further, whilst the networks' expenditure on Australian programs, across all genres, has generally increased – from \$596.4 million in 1999-2000 to \$812.8 million in 2004-2005 – expenditure on Australian children's programs over the same period increased only marginally – from \$20.4 million to \$21.5 million.

Comparison with the networks' behaviour in respect of the adult drama content quota is illuminating. Where the networks contribute only 67% of the cost of producing adult drama, their contribution in respect of children's C drama is even poorer. According to the Children's Television Production Project, financing for C drama over the period 2001-2002 to 2005-2006 comprised:

- Australian government finance – 26%
- Australian industry – 33%
- Foreign investment – 37%
- Australian private sector – 5%<sup>3</sup>

Anecdotal evidence tends to suggest that the network contribution has in fact declined in recent times to less than 25%.

Additionally, the above does not reflect any cost offsetting contributed by revenue from advertising for the five or six runs that the Networks acquires for its contribution to the budget.

Where the costs of compliance are largely borne by the Australian government and foreign investment, it is difficult to see how any argument could be mounted that the current quota requirements are onerous, unnecessarily burdensome or unfairly expensive.

The Alliance notes that Australian children under the age of 14 comprise only 20 per cent of the population and consequently are clearly a minority audience. The Alliance is also aware that children's free-to-air commercial television viewing has been declining. This decade has seen subscription

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<sup>2</sup> *Children's Television Standards Review Issue Paper*, Australian Communications and Media Authority, June 2007, page 9

<sup>3</sup> *Children's Television Production Project*, Kate Aisbett, Entertainment Insights, Australian Communications and Media Authority, April 2007, page 2

television reach profitability and subscription television offers dedicated children's channels. Clearly, the advent of subscription will have had some impact on children's television habits.

However, there are likely to be other factors. It is particularly interesting to note that the top 20 children's programs in 0-14 age group in 2005, ranked by average audience, were all broadcast by the ABC.

Free to air television viewing: Top 20 children's programs in the 0-14 age group in 2005, ranked by size of average audience

2005 rank	Top 20 children's programs, free-to-air television, 0-14 age group	Episode counter (5 city metro)	Channel	AUD
1	<i>Wallace and Gromit: A Grand Day Out - pm</i>	1	ABC	324,000
2	<i>Angelina Ballerina: The Show Must Go On -am</i>	1	ABC	298,000
3	<i>Wallace and Gromit: The Wrong Trousers - pm</i>	1	ABC	285,000
4	<i>Horrible Histories - pm</i>	26	ABC	280,000
5	<i>Little Lulu - pm</i>	28	ABC	274,000
6	<i>Mamemo -pm</i>	1	ABC	272,000
7	<i>Fairly Odd Parents - pm</i>	27	ABC	270,000
8	<i>Bb3b - pm</i>	13	ABC	266,000
9	<i>Bob the Builder Special - am</i>	1	ABC	265,000
10	<i>Chalk Zone - pm</i>	26	ABC	258,000
11	<i>Tutenstein - pm</i>	22	ABC	258,000
12	<i>Tupu - pm</i>	27	ABC	257,000
13	<i>Tracey McBean - pm</i>	52	ABC	255,000
14	<i>Blue Water High - pm</i>	26	ABC	254,000
15	<i>Being Ian - pm</i>	18	ABC	254,000
16	<i>Oliver's Adventures - pm</i>	53	ABC	253,000
17	<i>Martin Morning - pm</i>	53	ABC	250,000
18	<i>Kenny the Shark - pm</i>	25	ABC	248,000
19	<i>Active Kidz - pm</i>	12	ABC	247,000
20	<i>Basil Brush - pm</i>	13	ABC	246,000

Source: *Children's Viewing Patterns on Commercial, Free-to-air and Subscription Television*, Australian Communications and Media Authority, May 2007, page 32.

As can be seen, the ratings success of programs broadcast by the ABC is dramatic when compared with the performance of the top 20 children's programs broadcast by the commercial networks. Of further interest is the extent to which Network Seven outperforms both Nine and, in particular, Ten.

Commercial television viewing: top 20 children's programs in the 0-14 age group in 2005, ranked by size of average audience

2005 rank	Top 20 children's programs, commercial television, 0-14 age group	Episode counter (5 city metro)	Channel	AUD
1	<i>Saturday Disney</i>	53	Seven	196,000
2	<i>Stanley</i>	52	Seven	196,000
3	<i>Blinky Bill's White Christmas*</i>	1	Seven	185,000
4	<i>Disney Adventures</i>	146	Seven	154,000
5	<i>Hildegard, A Duck Down Under*</i>	1	Nine	150,000
6	<i>Disney Adventures (R)</i>	11	Seven	132,000
7	<i>That's So Raven</i>	31	Seven	109,000
8	<i>K-Zone TV</i>	8	Seven	88,000
9	<i>Flipper And Lopaka - The Search For Neptune's Trident</i>	26	Seven	84,000
10	<i>Tribe: The New Tomorrow</i>	26	Seven	77,000
11	<i>Toasted TV</i>	449	Ten	77,000
12	<i>Jetix</i>	32	Seven	75,000
13	<i>The Book Of Pooh</i>	18	Seven	74,000
14	<i>Cheez TV</i>	164	Ten	70,000
15	<i>Fairy Tale Police</i>	10	Seven	68,000
16	<i>The Shapies - The Search For Rudolph - rpt</i>	1	Nine	68,000
17	<i>Tabaluga</i>	38	Seven	67,000
18	<i>The Fairies (R)</i>	4	Seven	67,000
19	<i>The Shapies - rpt</i>	18	Nine	63,000
20	<i>The Eggs - rpt</i>	9	Nine	63,000

\*C drama telemovie

Source: *Children's Viewing Patterns on Commercial, Free-to-air and Subscription Television*, Australian Communications and Media Authority, May 2007, page 33.

The overall decline in television viewing cannot account for the dramatically better rating children's programs airing exclusively on the ABC, nor for the fact that Network Seven clearly dominates children's television programs on commercial-free-to-air television.

The above ratings results do lend support to the arguments of many producers that commitment to quality programming, appropriate and consistent scheduling and appropriate promotion affect the extent to which programs are able to capture audiences.

Other factors, such as changing after-school patterns of activity with more children in after-school care and after-school activities such as sport, no doubt have had an impact on viewing patterns during this decade. However, the Alliance is not in a position to speculate to what degree.

What is clear, however, is that it is possible for broadcasters to build a much stronger relationship with the under 14 age group than has been achieved by the commercial free-to-air networks.

Not only does the ABC dominate the ratings for children's programs overall, it dominates the ratings for programs watched by preschoolers.

Conversely, where the ABC dominates the ratings for children's programs, and Network Ten is the poorest performer, Network Ten broadcasts a high proportion of the programs watched by children under 14. It thus could be argued that the commercial networks, and Network Ten in particular, are more interested in the child audience when they form part of a broader audience – as is the case with high rating Network Ten programs watched by children under 14, reality television series such as *Big Brother* and *Australian Idol* and sports programs like football grand finals.

While there is clearly a place for programming that is popular with young and old alike, the purpose of the Children's Television Standard is to ensure that there is quality age specific programming available for children under 14.

Overall, the ratings demonstrate the need for the commercial networks to build a better connection with this demographic, to see children under 14 as their audience of the future and to see capturing their attention while they are young as a challenge and an opportunity rather than an obligation and a liability. With the challenges that the internet, subscription television and, in a few years time, digital television will pose for commercial free-to-air broadcasters, building young loyal audiences would seem to be an obvious objective to underpin future revenues.

The Alliance also notes the growth in animated programs for children. Animated programs are increasingly favoured internationally and Australian children's television producers, as noted above, are heavily reliant on overseas finance. Animated programs make sense in an international financing landscape as they can easily be revoiced into other languages and often do not have the national specificity of many other program types, such as drama.

The Alliance is concerned that this trend might over time result in a loss of diversity of program types and mitigate against the extent to which broadcasters are developing and reflecting a sense of Australian identity, character and cultural diversity as required by the Broadcasting Services Act.

Indeed, the Alliance is concerned about the extent to which children's programs in general are reflecting a sense of Australian identity, character and cultural diversity. Official co-productions tend to introduce a mix of cultural diversity but not usually in a way that reflects the cultural diversity of Australia – rather it is to reflect the cultures of the countries party to the co-production. The Alliance considers that it is time for an analysis to be undertaken of the extent to which this objective of the BSA is being satisfied by the children's programming broadcast on free-to-air commercial television.

In summary, the Alliance does not believe there is a basis for reducing the quota for children's programs. Rather, the only alternative to the status quo would be an increase in the quota.

The very fact that the P quota of 130 hours has been met but only just – and where exceeded it has been exceeded by only one hour since 2001 – and the C drama quota not significantly exceeded demonstrates their importance. In the absence of quota, broadcast hours of children's programs would in all likelihood decline.

### **Criteria for C and P programs**

The Issues Paper identifies a number of concerns regarding the criteria for C and P programs. Importantly, it identifies the interpretation of the criteria as being of greater concern to the production industry than the criteria themselves.

In such circumstances it is hardly surprising that producers self-censor. Self-censorship will inevitably stifle innovation.

The Alliance considers that the status quo could remain providing the certainty of interpretation that producers are seeking could be delivered. Greater engagement with producers might be useful in this regard. Certainly, the Alliance does not consider additional layers of bureaucracy would be a useful intervention.

The Alliance notes that producers have expressed concerns about the stifling of innovation and the incapacity to develop programs that are cross-platform. However, it appears to the Alliance that the impediment to develop cross-platform work lies more in resistance from the networks than impediments in the criteria themselves.

That the networks seem little interested in exploring cross-platform programs is a further indication that there is scant will to engage with young audiences and build their audience base, now and especially for the future when media players will be facing more competition in capturing audiences than is currently the case.

### **Time of C and P programs**

If the purpose of the CTS is to ensure children have adequate access to appropriate programming, then it is essential that programming be scheduled during hours when children are likely to be watching television.

If commercial networks consistently schedule children's program at times when they are least likely to be watching television, it is hardly surprising that ratings are as low as they are.

The Alliance considers that the current time bands are appropriate but they are not being used to effect by the broadcasters.

During the 1980s approximately 40 per cent of Australian children's drama programs were scheduled after 5.00 pm. Since the 1990s almost no children's drama programs have been scheduled after 5.00 pm. Most have been scheduled at 4.00 pm when child audiences are low. However, as the Issues Paper points out, "ratings from the national broadcasters and subscription television suggest that children are available to watch television at these times."<sup>4</sup>

Given the comments made earlier regarding the better performance of the ABC, it is difficult to argue against the contention outlined in the Issues Paper that "Factors that may contribute to low ratings of C

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<sup>4</sup> *Children's Television Standards Review Issue Paper*, Australian Communications and Media Authority, June 2007, page 21

and P in afternoon time-slots include program placement within a commercial television schedule, levels of promotion for C and P programs, and program content itself.”<sup>5</sup>

Given the small financial outlay made by the networks on children's programming, the extent to which children's drama programs are supported by the Government, and the reliance on overseas sources of finance to underpin children's programming, it is difficult to see what further incentives could be offered to the networks, short of removing any obligation to broadcast children's programming – an option that is clearly untenable and not in the national interest nor in the interests of Australia's children.

Rather than an incentive it might be more appropriate to consider imposing a requirement on the broadcasters to demonstrate that they effectively reach child audiences of acceptable size across the week as measured by ratings.

Certainly, the Alliance is opposed to the proposal to remove the obligation to broadcast both C and P programs each weekday. The objective is to enable children reasonable access to appropriate programs at suitable times. The objective should not be compromised and result in a ghettoisation of children's programming in times suitable to network scheduling executives. This is particular the case given the nature of work family balance in the lives of most Australian families and that many Australian children will not have access to television viewing on at least one day of the week due to child care arrangements.

There are strong arguments based on the above that the scheduling of first run children's drama programs should be mandated to begin no earlier than 4.30pm. Given the minimum requirement in terms of hours is very low this would impose very little if any additional onerous burden upon the Networks.

### **Promotion of C and P programs**

As the Issues Paper identifies, on-air promotion of children's programs by the commercial free-to-air networks is low and more commonly undertaken by way of media releases, newspaper and/or television guide coverage, promotion in children's magazines and cross promotion where cast member interviews occur within other children's programs.<sup>6</sup> Certainly, promotion for non-children's programs appears to be significantly greater, in particular with respect to on-air promotion.

It seems reasonable that inadequate program promotion is likely to result in low ratings. And it seems unfortunate that the only solution to encouraging broadcasters to honour their obligations in regard to children is to mandate a requirement for adequate promotion within the Children's Television Standard.

As indicated above, the Alliance considers that it might be appropriate to impose performance indicators on the broadcasters that require effective reach to child audiences, measurable by ratings.

If performance indicators were introduced, there would be no need to mandate how promotion is undertaken. However, the introduction of performance indicators would afford ACMA the opportunity to impose sanctions in the event a broadcaster failed to fulfill the expectations of the regulator.

### **Providing for the protection of children against the possible harmful effects of television**

The Alliance agrees with ACMA that the provisions of the Children's Television Standard relating to program promotions and station identifications (CTS 4), community service announcements (CTS 4A), news flashes and announcements (CTS 5), unsuitable material (CTS 10), advertising during P time (CTS 13(2)), time limits for advertising during C time (CTS 14), separation of advertisements (CTS

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<sup>5</sup> *Children's Television Standards Review Issue Paper*, Australian Communications and Media Authority, June 2007, page 21

<sup>6</sup> *Children's Television Standards Review Issue Paper*, Australian Communications and Media Authority, June 2007, page 23

15), repetition of advertisements (CTS 16), undue pressure in advertisements (CTS 18), competitions (CTS 21) and use of program personalities and characters (CTS 22) are working as intended. Consequently, the Alliance supports their continuation.

### **Food and beverage advertising**

The Alliance is aware of considerable community concern regarding advertising in relation to children's television particularly in respect of high fat, salt and sugar food in light of rising levels of childhood obesity.

The Alliance is also aware that the literature worldwide is far from unanimous and much of it is not conclusive in establishing a connection between the advertising of high fat, salt and sugar food, the consumption patterns of children and obesity.

However, the Alliance is of the view that Australia's regulation of smoking advertising and the fall in the numbers of people now smoking serves as an illustration of the connection between advertising and behaviour.

What is clear is that manufacturers would not utilise their resources on advertising if they were not certain that such investment would pay dividends.

Notwithstanding the fact that much of the research is not conclusive, Ofcom is introducing a ban on all high fat, salt and sugar food advertising around children's programming, effective from 1 January 2008.

The Alliance considers that a similar position should be adopted in Australia or, alternatively, the current industry codes on food advertising could be picked up into the Children's Television Standard, thereby enabling better enforcement than is the case in the current self-regulatory model.

### **Tradeable obligations**

In 2004, the Alliance made a submission to the then Australian Broadcasting Authority regarding tradeable obligations.

The Alliance continues to oppose the concept of tradeable obligations and a copy of that submission is attached.

The Australian Content Standard and the Children's Television Standard are designed to create minimum levels of Australian content, not maximum levels of content. The Alliance cannot see how the introduction of tradeable obligations would result in anything other than the current floors that relate to content being turned into ceilings.



**Submission**

**to**

**Australian Broadcasting Authority**

**Trading Regulatory Obligations for Broadcasters**

**January 2004**

**The Media Entertainment and Arts Alliance**

The Media Entertainment and Arts Alliance (Alliance) is the industrial and professional organisation representing the people who work in Australia's media and entertainment industries. Its membership includes journalists, artists, photographers, performers, symphony orchestra musicians and film, television and performing arts technicians.

The Media Entertainment and Arts Alliance welcomes the opportunity to comment on the discussion paper prepared by the Allen Consulting Group on the feasibility of establishing a regime that allowed for the trading of regulatory Australian content obligations by free to air analogue television broadcasters.

In 2001, the Australian Broadcasting Authority (ABA) announced a Review of the Australian Content Standard. In its Issues Paper of November 2001, the ABA sought comment on whether greater flexibility could be achieved in the application of various quotas. In particular, it sought comment on the likely impact of trading regulatory obligations in respect of children's programs.

The ABA commented, "There appears to be little benefit for networks to trade between sub-quotas as this is likely to reduce diversity of output and undermine the policy rationales for the different sub-quota requirements".<sup>7</sup> It went on to say, "The ABA is not attracted to a trading mechanism that would reverse the current approach in the standard to the setting of minimum levels. Local content regulation has established Australian content levels as underlying minimums, not defining maximums, as is the case in environmental regulation. Trading which resulted in fewer Australian programs in any of the sub-quotas being broadcast is not desirable."<sup>8</sup> The ABA speculated that it would be "children's programs (C drama, C and P non-drama programs) where networks might seek to trade obligations".<sup>9</sup>

Commercial Television Australia (formerly Federation of Commercial Television Stations) supported the concept and proposed that the obligations of the commercial television broadcasters could be traded between themselves and also with the public broadcasters.

The Alliance in its submission to the Review, dated February 2002, opposed the introduction of tradeable quotas.

The ABA did not proceed with the proposal to amend the standard to incorporate tradeable quotas but commissioned the Allen Consulting Group to prepare a report, *Trading the Regulatory Obligations of Broadcasters*, on the likely implications and value of introducing tradeable quotas.

The Alliance agrees with many of the findings set out in Allen Report. Specifically, the Alliance supports the conclusion that the introduction of tradeable quotas would lead to broadcasters who currently broadcast above quota requirements trading the excess for profit, resulting in a reduction of hours of Australian content broadcast and the quotas becoming effectively maximum thresholds rather than setting minimum requirements. The Alliance also supports the finding that obligations should not be traded between commercial and public broadcasters.

The Allen Report, curiously, finds that where broadcaster compliance is currently the minimum allowable, tradeable quotas should be contemplated – namely for first release C drama, first release Australian children's C programs, children's C programs, Australian preschool P programs and documentaries.

The Alliance opposes this proposal for three principal reasons.

Firstly, the Report has not demonstrated that the costs of broadcaster compliance in these particular sub-quotas is onerous and therefore warrants a more cost effective approach to regulation. Secondly, the Report has not identified how introducing tradeable quotas will enhance outcomes for audiences. The broadcasters' compliance is at the minimum allowed under the Content Standard and the Report has not identified how tradeable quotas will do anything other than entrench the standard becoming a maximum requirement rather than a minimum. Further, the Alliance is not convinced that requiring each commercial network to continue to broadcast a minimum amount of programming in each sub-

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<sup>7</sup> *Review of the Australian Content Standard, Issues Paper*, Australian Broadcasting Authority, Sydney, November 2001, page 45.

<sup>8</sup> *Ibid.*

<sup>9</sup> *Ibid.*

quota whilst being able to trade the majority of their obligation will not result in a diminution of diversity within genre.

The current state of documentary serves to illustrate the point.

The ABA reported in its Issues Paper of 2001 that the production budgets of documentaries produced in-house by broadcasters in the year 2000 ranged between \$90,000 and \$130,000 per hour with licence fees also ranging between \$90,000 and \$130,000 per hour whereas externally produced documentaries cost between \$90,000 and \$300,000 per hour with licence fees ranging from \$20,000 to \$100,000. In other words, those produced by the independent sector achieved lower licence fees than those produced in-house.

Thus, where broadcasters can meet their regulatory obligations and pay only a fraction of the cost of production, it is difficult to see how a case can be mounted that the costs of compliance are onerous.

The Standard sets a minimum annual requirement of 20 hours of first release documentary programming. The Allen Report sets out compliance with the obligations for the year 2001. Channel Ten (all stations) broadcast 20 hours of first release documentary. Channel Nine screened between 21.08 and 20.58 hours while Channel Seven screened between 23 and 26 hours.

The Allen Report has failed to make a convincing case that trading would result in anything other than a scenario wherein Channel Seven might not trade between three and six hours a year to Channel Ten, enabling Channel Ten to broadcast between 14 and 17 hours annually.

With such a low annual requirement it is also difficult to see how loss of diversity of programming could be prevented.

This week *Encore* reported that Channel Nine has signed a deal with David Ireland for a series of twelve one-hour wildlife programs with an option to acquire a further twelve programs<sup>10</sup>.

Were tradeable quotas introduced, this could see Channel Nine potentially fulfilling its obligation in respect of documentaries within the one genre.

The Alliance considers the same to be as true for children's programs as it is for documentaries. The desirability of tradeable obligations relies on the assumption that a broadcaster would be prepared to broadcast more first-release Australian children's television programs than the level mandated. There is no evidence that this is the case given current compliance rates. As argued by the Australian Children's Television Foundation (ACTF) in its submission to the Review of the Content Standard in January 2002, the introduction of tradeable quotas is likely to result in a loss of diversity of programming available to Australian children. The ACTF cited the *20 Years of C* Report which found that the networks showed a preference for different children's program types with Seven focussing on game shows and Ten preferring information and magazine style programs.<sup>11</sup>

The Alliance considers that trading regulatory obligations in a market comprising only three players will inevitably lead to a reduction in diversity. David Gonski, in the Review of Commonwealth Assistance to the Film Industry, argued the desirable "many doors" principle that underpins the maintenance of diversity in respect of sources of financing: "by limiting the number of funding outlets for producers, or maintaining staff in long-term positions of influence, decision making is confined to a small number of (influential) individuals whose personal opinions or taste may be reflected in what is supported and ultimately screen to the public".<sup>12</sup> The same is as true of financing outlets as it is true of broadcasting outlets. Any reduction in the number of players will erode diversity.

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<sup>10</sup> *Encore email newsletter* 14 January 2004 (1109015)

<sup>11</sup> Australian Children's Television Foundation, Submission to the Australian Broadcasting Authority in Relation to its Review of the Australian Content Standard, January 2002, page 34.

<sup>12</sup> *Review of Commonwealth Assistance to the Film Industry*, David Gonski, January 1997, page 10.

Consequently, the Alliance cannot support the introduction of tradeable quotas. The case that the current obligation for documentary and children's programs is onerous has not been made. Similarly, the Alliance considers the case has not been made that tradeable quotas will result in anything other than compliance being achieved at the minimum annual level. Certainly, there is no evidence that it would assist in raising levels of documentary and children's programs on commercial television. As the ABA itself said in its Issues Paper, an outcome that delivers less rather than more Australian content is not desirable, a position with which the Alliance concurs.