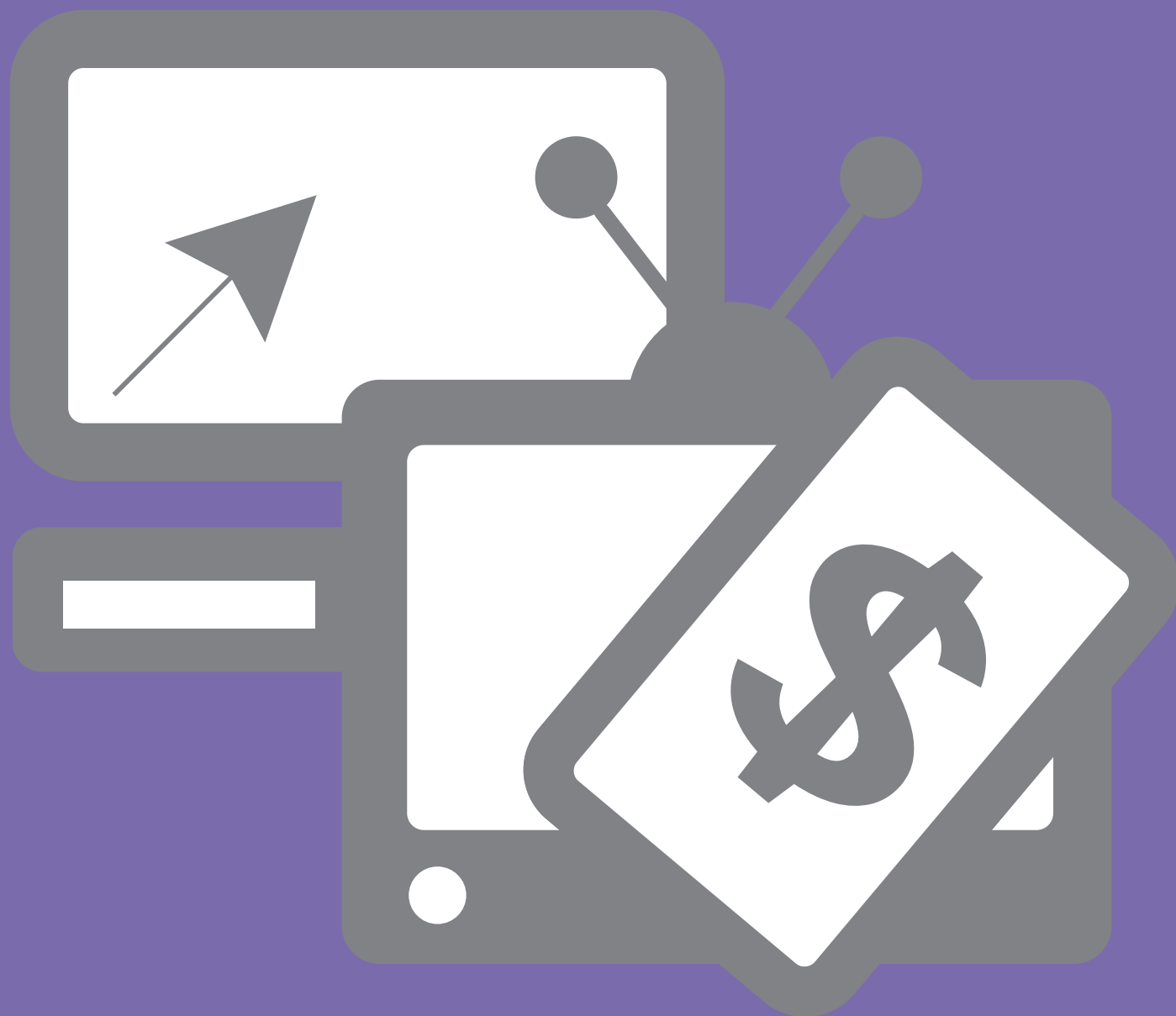


# TELEVISION

2025 | 20 QUESTIONS  
25 VIEWPOINTS

Rethinking small-screen  
media in Australia



Spreading  
Fictions DISTRIBUTING STORIES  
IN THE ONLINE AGE

SWIN  
BUR  
\* NE \*

SWINBURNE  
UNIVERSITY OF  
TECHNOLOGY

Spreading Fictions: Distributing Stories in the Online Age is an Australian Research Council funded Linkage Project [LP100200656] supported by the Australian Broadcasting Corporation (ABC) and Screen Australia.

The chief investigators are Jock Given, Professor of Media and Communications, The Swinburne Institute for Social Research, Swinburne University of Technology, Melbourne and Gerard Goggin, Professor of Media and Communications, The University of Sydney.

Partner Investigators:

Georgie McClean, Head of Strategy and Communications, Screen Australia  
Rebecca Heap, Head of TV Strategy & Digital Products, ABC TV

This report was written by Jock Given, Michael Brealey and Cathy Gray, from interviews conducted by Michael Brealey and Jock Given. Rosemary Curtis provided research assistance.

Many thanks to the ABC, Screen Australia and the Australian Research Council for their generous support of the project and to all the interviewees for their contributions to this report.

Any views expressed in this report are those of the authors and interviewees and not necessarily those of the Industry Partners or other organisations.

Publication editing and page layout: Cathy Gray  
Cover design: Screen Australia

Published by Swinburne Institute for Social Research,  
Swinburne University of Technology,  
PO Box 218 Hawthorn, Victoria, 3122



The text in this report is released subject to a Creative Commons BY-NC-ND licence (Licence). This means, in summary, that you may reproduce, transmit and distribute the text, provided that you do not do so for commercial purposes, and provided that you attribute the text as extracted from *Television 2025: Rethinking Small-screen Media in Australia*, Swinburne Institute for Social Research, 2015. You must not alter, transform or build upon the text in this publication. Your rights under the Licence are in addition to any fair dealing rights which you have under the *Copyright Act 1968* (Cwlth). For further terms of the Licence, please see <http://creativecommons.org/licenses/by-nc-nd/3.0/>.

© Swinburne Institute for Social Research, May 2015

ISBN 978-0-9875930-5-4

This report is available at: <http://hdl.handle.net/1959.3/400201>, or  
<http://doi.org/10.4225/50/555A74687FAF1>



# About this project

'Spreading Fictions: Distributing Stories in the Online Age' is an Australian Research Council Linkage project supported by the Australian Broadcasting Corporation (ABC) and Screen Australia.

The central research question is: 'How do Australians get their audiovisual stories and how might they get them in the future?' Responding to the increased emphasis on audiences and distribution in government policy about audiovisual media, the goal is to quantify the changing ways Australians are watching and engaging with audiovisual stories across the cinema, free-to-air and subscription television, consumer/DVD, online and mobile sectors.

The focus on narrative fiction content reflects the high priority given by successive governments in Australia and overseas to policies encouraging the making, promotion, screening and discussion of local audiovisual works, especially feature films, adult and children's TV dramas and documentaries. These policies are based on the perceived cultural importance of these formats and their high cost relative to the revenue-earning capacity of national markets. Challenges to these underlying economics are coming from at least three related directions: technology, audience behaviour and business models.

Running from 2010 to 2015, the project is producing a series of publications analysing audiovisual distribution in Australia.

The first report, published in April 2012, explored online video, a sector where the services offered, the behaviour of users and the ways of measuring them are changing rapidly and profoundly. The second report, about cinema, was published in June 2013. Here, the basic user experience and the methods for measuring it have been relatively stable for a long time. Decades of data about cinema admissions, box office revenue, numbers of theatres, screens and seats were available, enabling us to do a much longer-range analysis of the period from the mid-1980s to the Online Age.

This report, *Television 2025*, looks at small-screen media in Australia at a moment that we think might turn out to be decisive for the sector. It adopts a different method to examine the future. The previous two reports were based around analysis of original data. This one is built from interviews with 25 people who work in the industry. Their responses are summarised in the introduction that follows; the report itself is a montage of their own words. This approach is designed to capture diverse intelligence about the future development of the sector and to present it in an accessible way.

Like the other two reports, *Television 2025* needs to be understood as one part of the larger project analysing several other overlapping audiovisual sectors – cinema, retail/DVD, online and mobile.

Jock Given  
May 2015

# Contents

<b>INTRODUCTION: Rethinking small-screen media in Australia.....</b>	<b>6</b>
The interviewees.....	12
The questions.....	14
<b>[RETRO]VISION: Recent trends and highlights.....</b>	<b>15</b>
What trend in television or video has most surprised you over the past few years?.....	15
Personally, what's the most interesting or satisfying or surprising experience you've had with television or video in the last year?.....	18
<i>Great shows...</i> .....	18
<i>New and evolving services...</i> .....	19
<i>Events and encounters...</i> .....	20
BOX: MEDIA COMPANIES OF THE FUTURE.....	20
<b>THE FUTURE STARTS NOW: Influencers, technologies, challenges.....</b>	<b>21</b>
What person or organisation will have a significant influence on the business in the next year?.....	21
BOX: STREAMING VIDEO PLATFORMS – WILL THERE BE A 'WINNER'?.....	24
What technology trend do you think will be particularly significant in TV and video in the next few years?.....	25
<i>Broadband speeds and pricing...</i> .....	25
<i>Platforms – mobile and more</i> .....	25
<i>Interfaces and user experiences</i> .....	26
BOX: NEW PLATFORMS ADD DISTINCTIVE VOICES.....	27
BOX: WHAT IS 'PROGRAMMATIC ADVERTISING'?.....	28
In your current role, what do you fear most? What keeps you awake at night?.....	28
BOX: AN SVOD 'GOLDRUSH'?.....	31
<b>EVOLVING BUSINESSES: Relationships, rules and business models.....</b>	<b>32</b>
How will relationships between producers and distributors need to change over the next few years?.....	32
<i>There will be more vertical integration and consolidation.....</i>	32
<i>Even without consolidation, producers and distributors will have to work together more closely.....</i>	33
<i>For producers, new distribution opportunities are emerging but sales and financing models need to change.....</i>	34
<i>Business models underpinning content creation will reflect new ways of valuing and trading IP.....</i>	35
BOX: WRESTLING OVER RIGHTS.....	35
<i>New financing and distribution options bring new challenges.....</i>	36
<i>TV broadcasters have to change their business model to survive.....</i>	37
BOX: CONTROLLING CONTENT – OWNING IP.....	38
How might platform-specific rules need to adapt?.....	39
<i>Rules need to be simpler, more platform-agnostic and global-friendly.....</i>	39
<i>Advertising, rights deals, windows and holdbacks need to be reviewed.....</i>	40
<i>Better rules could reduce consumers' motivation to pirate content.....</i>	41
Will scripted drama continue to be as important a part of the business as it is now?.....	42
<i>Yes, but how we watch drama is changing.....</i>	42
<i>And formats are evolving.....</i>	42
<i>New platforms are stimulating innovation and high-end storytelling.....</i>	43
BOX: LONG-FORMS, SHORT-FORMS, PUZZLES.....	43
If you could change one thing about the regulatory environment for the business, what would it be?.....	44
BOX: SUPPORTING CHILDREN'S TELEVISION.....	47

<b>EVOLVING AUDIENCES: Control, content discovery and curation .....</b>	<b>48</b>
‘Millennials’ use media differently. Will they still be using it differently as they hit middle age, or are they going to become their parents? .....	48
<i>They love screen content</i> .....	48
<i>Parents are turning millennial</i> .....	48
<i>On-demand is here to stay</i> .....	48
<i>But life stages will still affect viewing behaviour</i> .....	49
<i>Multiple screens don’t necessarily distract</i> .....	50
<i>Changing behaviour needs new audience measurement tools</i> .....	50
Facebook says it’s not a distribution platform for long-form content – it’s a ‘discovery platform for finding out what people care about’. Over the next few years, will that change for Facebook and other social media platforms? .....	51
<i>Facebook is ‘curation by community’</i> .....	51
<i>Social platforms are great for sharing, recommending – and galvanising</i> .....	51
<i>Facebook is already in short-form video – but long-form?</i> .....	52
<i>Becoming a distribution platform for long-form content would not be easy</i> .....	53
<i>Facebook will do what makes money</i> .....	53
<i>Facebook could test YouTube</i> .....	54
<b>VISION 2025: Shapes of things to come .....</b>	<b>55</b>
Thinking forward to the next decade, to 2025, what aspects of the business are you most confident about? .....	55
<i>Consumers will be in charge</i> .....	55
<i>Content interfaces will proliferate and audiences will shift to online platforms</i> .....	56
<i>A big ‘TV screen’ will stay in the picture</i> .....	56
<i>Content will be produced professionally under new business models</i> .....	57
<i>Storytelling will endure</i> .....	57
<i>And so will live entertainment and communal experience</i> .....	58
BOX: COMPELLING CONTENT WILL COME FROM ANYWHERE.....	58
<i>But less ‘mid-level’ content will be produced</i> .....	59
Will the United States be the dominant screen culture in a decade? And what part will original Australian shows be playing?.....	59
<i>The US is likely to dominate</i> .....	59
<i>But US screen content is evolving</i> .....	61
<i>And the influence of Asian markets will grow</i> .....	61
<i>People will always want local stories</i> .....	62
<i>But what is culturally ‘Australian’ will likely evolve</i> .....	63
<i>And Australian content – and talent – can work anywhere</i> .....	64
BOX: PUBLIC SUPPORT, PUBLIC BROADCASTING .....	65
In 10 years, will your organisation still exist, and if so, how different will it look?.....	66
<b>In 2025, will there still be something we call ‘television’? .....</b>	<b>70</b>
<b>APPENDIX: WORKING IN ‘TELEVISION’?</b>	
<b>Interviewees, roles and recent work highlights .....</b>	<b>74</b>

# INTRODUCTION:

## Rethinking small-screen media in Australia

What might television look like in a year's time, in a few years' time, in a decade? We asked 25 people from across the industry and beyond.

### Snapshot 2014-15

The last quarter of 2014 and the early months of 2015 might turn out to be a decisive time for the medium we call television.

In a single week in October, US networks CBS and HBO both announced online-only subscription video services. CBS All Access launched immediately, allowing viewers to watch the network live online and individual programs on demand. HBO Now would let customers subscribe to a standalone HBO service without paying for a multichannel cable or satellite TV package. *The New York Times* declared a 'new era of à la carte television [had] arrived – seemingly all at once'. This was 'a watershed moment for web-delivered television', a move by two titans who earned 'billions of dollars in profits from the traditional system' that signalled 'how rapidly the balance of power is shifting in the television landscape'.<sup>1</sup>

In Australia, the TV market was very different, but online subscription video services seemed to be arriving 'all at once' as well. Subscription TV operator Foxtel launched the Presto online movie service in March 2014, halved its price in August, brought in Seven West Media as a partner in December, and added TV programs to it in January 2015. Free-to-air TV rival Nine Entertainment joined with Fairfax Media in August 2014 to announce the online video service Stan, and launched it on Australia Day. Global operator Netflix ended the rumours in November, confirming it would start a service in Australia. On 24 March 2015, it did.

It was the last of these that seemed most significant. Like the arrival of TV itself in 1956, two decades after services began in the UK and Germany, Netflix would arrive in Australia fully formed, a successful global service with massive brand recognition. In the past, new TV services had been introduced to Australians mainly by local media incumbents. The first TV services were provided by the major newspaper publishers and the national radio broadcaster, the ABC. When commercial TV services in country areas were 'equalised' in the late 1980s, it was the metropolitan networks that provided the new channels. Subscription TV was pioneered by an entrant, Australis, in the mid-1990s, but soon consolidated into a venture controlled by media and telecommunications incumbents. Digital TV was put in the hands of the established TV networks in the 2000s.

The online era had made it much easier for services to be 'born global'. YouTube, the giant of online video, was a globally accessible start-up, expanding from the ground up in Australia and elsewhere. Its brand and service were young but already well established when it was acquired by a powerful international company, Google.

In November 2014, Netflix was no start-up. It had more than 50 million streaming customers in the US and overseas. These already included Australian-based customers for its US service, a reality that clearly helped galvanise local responses. The company's first program commissions, *House of Cards* and *Orange Is the New Black*, were well known as Netflix shows even when they were carried on other services in territories where Netflix was not yet officially available. This time, offering the next generation of TV

---

<sup>1</sup> Emily Booth, 'Cord-cutters rejoice: CBS joins web stream', *The New York Times*, 16 October 2014.

services, Australia's incumbents would be the start-ups trying to create awareness for new brands in their own backyards. The outsider, Netflix, was already at home.

And yet we had been hearing for a long time that television was finished. Twenty-five years ago, in *Life after Television*, George Gilder declared: 'TV was a superb technology for its time ... But now its time is over.'<sup>2</sup> Since then, the medium has had at least two Golden Ages, according to some commentators. Introducing his decades-long study of American television, *Tube of Plenty*, also published in 1990, Erik Barnouw wrote: 'Not for one moment ... has the subject sat still for its portrait.'<sup>3</sup> In May 2015, Tim Wu wrote: 'Over-estimating change in the television industry is a rookie mistake.'<sup>4</sup>

Maybe change is just the norm for television? This year, 2015, might be special, but no more special than many other years before it – a big year certainly, but just one more chapter in the long history of a resilient, adaptable medium, a period that seemed overwhelming only in the fog of the present?

## 20 questions, 25 viewpoints

We decided to ask some people who should know. If television was changing so fundamentally, what might it look like in a year's time, in a few years' time and, say, a decade hence? We came up with 20 questions and put them to 25 people.

We wanted to hear what they thought might change and what might endure. We also wanted to find out how they had experienced and interpreted the recent past. What trends had surprised them? What had delighted them?

The 20 questions we asked are on page 14. Settling them was hard, because different people would have different areas of specialised knowledge.

Deciding which 25 people to interview was much harder. It couldn't just be people working in what we have come to call 'television'. There had to be people who worked in TV only some of the time, as well as people from other sectors that are supplementing, transforming, overtaking, bypassing or reinventing television. Even those right in the middle of the TV business shouldn't necessarily have always worked there; they should include some recent arrivals and departures who knew the industry well but were not of it.

Our 25 interviewees are listed on page 12. They comprise:

- six people who work for or represent Australian commercial and public free-to-air broadcasters;
- one each from a subscription TV (Foxtel) and IPTV (Fetch TV) operator, plus one from an international organisation, the BBC, that runs free-to-air services in its home country but now serves Australian audiences mainly through subscription channels;
- four from, or recently from, production companies that make programs for television and other media (Hoodlum Entertainment, ITV Studios Australia, Shine Group, Australian Children's Television Foundation);
- three from the telecommunications and IT sector (Telstra, Broadcast Australia, Intel);
- two from online and social media companies (Yahoo!7, Twitter);
- one each from advertising (AOL Platforms), audience measurement (OzTAM) and a government funding agency (South Australian Film Corporation);
- a screenwriter, a media entrepreneur, a media strategy and measurement consultant, and a digital strategist and author.

Two of our interviewees are based overseas and one had recently returned but most are based in Australia. This primary focus on small-screen media in Australia is not meant to be parochial, simply to acknowledge that TV has always been distinctive to its own part of the world. But TV has also, always, been a very international thing – American shows on commercial channels, British programs on the ABC,

---

<sup>2</sup> George Gilder, *Life after Television: The Coming Transformation of Media and American Life*, Whittle Direct Books, 1990, p. 10.

<sup>3</sup> Erik Barnouw, *Tube of Plenty: The Evolution of American Television*, Oxford University Press, New York, 1990, p. v.

<sup>4</sup> Tim Wu, 'The dreaded bundle comes to internet TV', *The New Yorker*, 3 May 2015.

foreign language movies on SBS, international sport and news on Foxtel, videos from anywhere on YouTube. It is becoming more so – and so a lot of the questions and answers have an international flavour.

All interviewees were asked to give personal views, not necessarily those of their organisations. Most were interviewed face-to-face and were given the opportunity to check transcripts; a small number responded by email. A few chose not to answer particular questions that they thought were beyond their expertise or where they felt it was inappropriate for them to answer from their current positions.

### *Recent trends and highlights*

We began by asking our 25 interviewees what had most surprised them about recent trends in television and video. Several said the resilience of linear free-to-air and subscription television, the rise and durability of reality formats, the strength of scripted drama and the increased attention paid to its screenwriters. One was struck by the opposite: the speed of the recent decline in audience numbers for regular free-to-air TV programs. Many mentioned the rapid growth of other platforms and devices – SVOD (subscription video on demand), OTT (over-the-top) services, tablets – and new forms of content on YouTube and other ‘non-traditional’ outlets; one was surprised that a really strong ‘number 2’ to YouTube had not yet emerged. One mentioned a rapid recent shift from the DVD format to online delivery of video programming to organisation-wide servers in schools.

Asked about their most interesting or satisfying recent personal experience with TV or video, many cited favourite shows, movies, websites or other content: *Breaking Bad*, *Broad City*, *House of Cards*, *Jane the Virgin*, *Orphan Black*, *True Detective*; two strikingly different Scarlett Johansson movies, *Under the Skin* and *Lucy*; the comic instructional site ‘howtobasic’; a bunch of student films of exceptional storytelling and production quality. Others remarked on the new ways and times they are able to watch content, the launch of new services like Stan, the globalisation of event series like *Game of Thrones* and *The Fall* or services like Netflix, the rise of Netflix competitors like Amazon Prime, and a potentially game-changing transaction – advertising giant GroupM’s October 2014 ‘preferred partner’ deal with YouTube.

### *Influencers, technologies, challenges*

Unsurprisingly, many people mentioned the new streaming video or SVOD services launched in Australia – Netflix, Presto, Stan – when asked for the organisations or individuals that would have ‘a significant influence on the TV/video business in the next year’. Several thought these would consolidate, most likely into two: ‘Netflix and probably one other ... [which] will be a great competitor because it will eventually have Seven, Nine, Ten, ABC, SBS, Foxtel all in one,’ forecast Overture Management’s Ben Liebmann. Many also mentioned well established incumbents of various kinds: telcos Telstra, Optus and the National Broadband Network – ‘The real future of TV will be decided by the telcos, not the traditional TV broadcasters,’ said Fetch TV’s Scott Lorson – as well as the commercial free-to-air networks, the ABC and Foxtel. Others identified younger players: YouTube, Facebook, Google, Apple, Microsoft, Amazon Prime Studios and Minecraft creators Mojang.

Several interviewees resisted nominating a particular person who would have ‘a significant influence on the TV/video business in the next year’. Those prepared to chance their arm suggested Miranda Dear and Darren Dale of Blackfella Films, the makers of *Redfern Now*; Australian Football League chief executive Gillon McLachlan; ex-News Limited and Foxtel boss Kim Williams; Ynon Kreiz, the chief executive of Maker Studios; former Pixar animation director Saschka Unseld; Fox Networks Group CEO Peter Rice, who some think is being groomed to take over News Corporation from Rupert Murdoch; and ‘someone awesome at Alibaba or the Huayi Brothers in China’. Several mentioned Communications Minister Malcolm Turnbull and the Australian Government, and one the ACCC: ‘They’re going to have at least a part of the future of our business in the palm of their hand,’ said Seven West Media chief executive Tim Worner.

Technology trends that would be particularly significant in TV and video in the next few years? Mobile, mobile, mobile, smartphone, tablet ... and the application of broadband to TV. Gai Le Roy thought price as well as raw capability would make a big difference to mobile video consumption: ‘If mobile data packages change in Australia [which they did soon after we interviewed her] the consumption of, particularly out-of-home, video, phones, tablets etc, will completely take off.’

On the application of broadband to television, several people mentioned the impact of faster broadband speeds, especially delivered by Australia's NBN, as well as HbbTV and applications like Apple TV and Google Chromecast that enable users to throw content from a device to a connected TV. 'At some stage the free-to-air broadcasters are going to have to move to simultaneous streaming of their signals,' said Freeview's Kim Dalton. 'At the moment I've got to have a television with an aerial. That already feels on the edge of being old-fashioned to me.' Mitch Waters of AOL Platforms was interested in whether the young video streaming services would be able to stay subscription-focused rather than ad-focused, 'or whether some of them would start adopting a hybrid model similar to Hulu in the US or Spotify here'.

Some thought the main technology trends would lie in user interfaces and experiences – changes in the discovery side of TV (Arul Baskaran, Yahoo!7); enabling shared experience (Tony Broderick, Twitter); personalisation (Richard Finlayson, ABC TV); immersive viewing (Courtney Gibson, Nine); 'mixed reality' or digitally built worlds (Tawny Schlieski, Intel); interoperability of consumer devices (Rebekah Horne, Ten Network).

Our 25 interviewees were prominent people in positions to help shape the future but we wanted to know what they *worry* about. Many responded quickly and instinctively: cashflow, attracting and keeping great people, the small size of the local market and Australia's place in the global market, where the next hit show might come from, how to convince telco people of the value of content, how to keep reminding public stakeholders of the value of a public broadcaster. Freeview's Kim Dalton and *Offspring* co-creator and head writer Debra Oswald shared the Australian Children's Television Foundation's Jenny Buckland's sentiment: 'I know the audience is there but I have no idea how the high-quality drama programs we know they want are going to be funded.'

### *Evolving businesses: relationships, rules and business models*

Most interviewees agreed that producers and distributors of content would work more closely together in the future: they would 'become one', or continue to consolidate under common ownership, or expand into each other's terrain – producers by trying to go direct-to-consumer, distributors and TV networks by trying to own more of their content. But pursuing those opportunities would necessarily strain existing approaches to making and controlling content. Producers would have new places and ways to sell, but buyers might want more from them. Networks might want more territories and rights; consumers might want less constraints on the timing of releases and the ways they use and share digital content.

Models for owning and accessing content would need to be reimagined for the digital age, said Intel's Tawny Schlieski: 'How do the people who invest time and money in the creation of content get rewarded?'

For broadcast networks, these changes are profound. They 'have to alter their business model,' said Deanne Weir. 'Their businesses cannot sustain themselves in the same way and they're all recognising that. This is not about some little addition to what Nine is doing, or what Seven is doing.' Ten's Rebekah Horne agreed: 'Ultimately you've got to be able to change the business model. You've got to be able to almost rewrite the rules across your own organisation, across how you interact with producers, what rights you want, how much you're willing to pay.'

The changes are also significant for producers. Ben Liebmann said, 'For producers, there's a history with broadcasters. The new platforms don't have that history, so there are new rules and paradigms. They are being driven by data, not by relationship. A potential shift in the ownership and control of rights has the power to fundamentally shift the production sector very quickly and to disrupt companies that have been built on creating and owning intellectual property that can be scaled, repeated, and rolled out internationally. The large production companies weren't built on the model of creating a piece of intellectual property and handing it over to somebody else.'

Interviewees agreed that windows, holdbacks and territorial rights trading would change, but they disagreed on how. Hoodlum's Nathan Mayfield thought rights windows would be 'obsolete'. The BBC's Jon Penn said 'being able to regulate content availability and pricing by market' would continue to be critical for makers of high-quality content. 'A world where everything is available to everybody all over the world at the lowest price isn't going to work for us and ultimately not for the consumer.'

### *Evolving audiences: control, content discovery and curation*

Considering the evolution of audiences in the future, interviewees were asked if they thought that, as they aged, 'millennials' would turn into their parents. Most agreed with OzTAM's Doug Peiffer – 'Life stage always impacts media usage' – but also with Intel's Tawny Schlieski – that content-on-demand, not-time-bound, on-the-go, 'ubiquitously accessible' were 'new normals' that were here to stay. Foxtel's Ross Crowley thought that as millennials form households and families, they 'will move to big screens and shared viewing experiences, although more likely to fit around their own experiences'.

What role would social media play? 'Peer-curated content will be the main source of an individual's entertainment fix,' said Hoodlum's Nathan Mayfield. Does that mean social media platforms will get more involved in creating and distributing long-form content? Telstra's Ian Davis thought Facebook, for example, would 'undoubtedly' find a way to play 'more of a role', but he didn't expect them to become an 'actual distributor'. Fetch TV's Scott Lorson agreed: 'Online audience does not translate to success in monetising long-form content.' The ABC's Richard Finlayson drew an analogy with Amazon: 'They started out as a place to buy books online, now they are suddenly able to sell anything and everything, including entertainment. Why wouldn't Facebook do that?'

### *Shapes of things to come*

Thinking forward to 2025, we asked our interviewees what aspects of the business they were most confident about. Telstra's Ian Davis was 'as positive as I can be of the significant rise of "what-I-want, where-I-want, when-I-want" consumption of television content'. Scott Lorson from Fetch TV still expected viewing behaviours to be strongly concentrated, like smartphone apps and online bookmarks: 'people regularly explore, but core usage is very concentrated'. 'The TV experience will be closer to an app experience than to the old projection, theatrical, scheduled sort of experience that TV took from cinema', said Arul Baskaran from Yahoo!7. Malcolm Long thought 'the thing that will endure is the big screen'.

Everyone agreed scripted drama would continue to be a big part of the business but the ways it is delivered and viewed would change and formats would evolve. 'The hi-fi (expensive, professional, quality) and the lo-fi (amateur, shared) will endure,' said Nine's Courtney Gibson. 'The arse will fall out of the middle. It's really the amateurs who pose the greatest threat to the professionals in our industry.' 'TV won't look like it looks today,' said AOL Platforms' Mitch Waters, 'but my opinion is it will still be there, and it will still be quite prominent. What will change – and I think we're starting to see it – is the way TV is measured and how the data is used. We'll see a big shake-up in that.'

Would the United States still be the dominant global screen culture in a decade? Yes, said many, but US content would change and, according to Nathan Mayfield, 'the players will be different'. 'US productions are more globally aware now than they were 10 years ago,' said Arnold Worldwide's Joshua Green, and the rise of strong African American, Latin and Hispanic and LGBTQ audiences was already 'driving demand for programming that not only looks different, but which comes from somewhere else'. No, said the BBC's Jon Penn: 'I think Asia's probably the place to watch when it comes to dominant screen culture.' 'The definition of domination will be reviewed,' said the SAFC's Annabelle Sheehan.

What role would Australian programming be playing in a decade? 'Australian content will be everywhere', said Gai Le Roy. Taken as a whole, Australian audiovisual material 'is braver, more interesting, and more compelling than the bulk of material produced in the US', said Joshua Green. 'It exports well, though mostly as formats and talent into the US.'

### *'Television' 2025*

Finally, we asked our interviewees if, in 2025, there would there still be something we call 'television'. 'Yes - but I don't know what it will be called!' said Fetch TV's Scott Lorson. 'Yes. But no,' said Hoodlum's Nathan Mayfield. 'The screen will serve multiple purposes. It will be meaningful as well as a utility.' Gai Le Roy thought, 'That word "television" seems to be quite resilient. It seems to be winning.' Ten's Russel Howcroft said, 'It will still be called television, just like the phone is still called the phone, despite the fact that it's got nothing to do with the phone.'

'Yes, of course there will be television,' said Nine Network's Courtney Gibson. 'There will continue to be large flat-screen televisions in every home; our watches, phones and iPads are TV screens, and there will be television content online. There will be more TVs and TV content than ever.' Freeview's Kim Dalton agreed: 'Absolutely. Isn't television just getting better and better?' 'Accepting there will be many platforms for delivery,' said Malcolm Long, 'I think television will be around forever.'

ITV Australia's Anita Jacoby was less sure: 'I don't know, I really don't know, but there will always be content.' 'TV for me is episodic content in our home,' said Intel's Tawny Schlieski. 'It's a unique form that breaks away from the plays and movies that preceded it. It provides us with characters and continuity that we want to invite into our intimate spaces over and over again. That isn't going anywhere.'

Joshua Green thought, 'Television has trodden the edge of significant revolution its entire life. It has never been static. I think it's got at least another decade in it.' 'Consumers will still call it TV, but whether people in our industry will view it that way, I'm not sure', said AOL Platforms's Mitch Waters. 'As a device and as a medium,' said Yahoo!7's Arul Baskaran, 'I think television as we know it is going to disappear.'

*Offspring* co-creator and head writer Debra Oswald wanted answers too: 'What do *you* think is going to happen? Seriously what's your best guess? I'm keen to know because I have to plan my career.'

# The interviewees

**Arul Baskaran** (interviewed 24/11/14) is Head of Product for Yahoo!7 in Australia and NZ. He has over 15 years digital and broadcast experience, including almost a decade with the ABC, where he was instrumental in launching ABC iview and overseeing its expansion on 15 other platforms.

**Tony Broderick** (interviewed 11/03/15) is Head of TV Partnerships for Twitter Australia, responsible for partnerships with networks and producers and overseeing Twitter Australia's television team. He was previously Director of Digital at FremantleMedia Australia and Digital Development Executive for FremantleMedia UK.

**Jenny Buckland** (interviewed 27/3/15) is the CEO of the Australian Children's Television Foundation. She is a lawyer with extensive experience in the production, financing and international distribution of children's television programs.

**Ross Crowley** (email response 18/03/15) is Director of Programming and Channels at Foxtel. He completed a degree in finance, statistics and human behaviour at Waikato University in NZ and has been trying to cross over to right brain functionality ever since. He has held roles in ratings, programming and acquisitions at Nine Network, Foxtel and Star TV in Asia.

**Kim Dalton** (interviewed 25/11/14) is Chair of Freeview and the Asian Animation Summit, a board member of NIDA, a consultant and a company director. He was previously Director of TV at the ABC, CEO of the Australian Film Commission and a producer of TV dramas and documentaries.

**Ian Davis** (interviewed 02/04/15) is Managing Director of the Telstra Television Division. Prior to joining Telstra, he was Director Operational Improvement at the Nine Network, Principal at A.T. Kearney, Director of Business Development at TheSpot.com.au and President of Delta Education. He was formerly Alternate Director at Foxtel, and Director at ASTRA.

**Richard Finlayson** (interviewed 10/12/14) is Director of Television at the ABC. He has worked in the media since 1985 beginning his career as a print journalist. He built and sold his own production company, worked in subscription television and was Chief Operating Officer at the SBS.

**Courtney Gibson** (email response 23/2/15) is a TV executive with a background in development, commissioning and production. Formerly Head of Content Creation at ABC TV and Director of Programmes at Endemol Australia, she is currently Programming Production Executive at the Nine Network.

**Joshua Green** (email response 16/2/15) is a Vice President of Digital Strategy at Arnold Worldwide in Boston. He is co-author (with Henry Jenkins and Sam Ford) of *Spreadable Media* (NYU Press, 2013) and (with Jean Burgess) of *YouTube* (Polity, 2009) and collaborated on TV50, a 2006 ACMI exhibition celebrating 50 years of Australian TV.

**Rebekah Horne** (interviewed 20/01/15) is Chief Digital Officer at Network Ten. She was previously CEO of TopFloor.com, a Los Angeles-based social commerce platform, Chief Digital Officer at DMG Radio Australia and International Managing Director of Fox Interactive Media.

**Russel Howcroft** (interviewed 4/12/14) is Executive General Manager at Network Ten with responsibility for Ten's operations in Melbourne, Brisbane, Adelaide and Perth. Previously, he was Chairman and Chief Executive of Young & Rubicam Brands Australia and New Zealand, and a member of the company's Global Executive Committee. He is a board member of Freeview and AFI/ACTA.

**Anita Jacoby** (interviewed 24/02/15) is Managing Director of ITV Studios Australia, overseeing the local operations for this global media company. An award-winning TV producer and journalist, Anita has created content across most genres.

**Ben Liebmann** (interviewed 9/03/15) is co-founder of Overture Media Ventures, and a partner at Overture Management. He was previously the Chief Executive Officer of Shine 360, a division of the Shine Group, with responsibility for management and commercialisation of non-broadcast rights for the company's global media and entertainment franchises. He has previously worked in senior strategic and commercial roles with FremantleMedia, Warner Music Group and Vodafone.

**Gai Le Roy** (interviewed 15/1/15) is an independent media strategy and measurement consultant with nearly 20 years' experience in digital media. She has held senior research roles at Fairfax Media, Nielsen Media, ninemsn as well as her own consulting business. At time of interview, Gai was Director of Research for IAB Australia.

**Malcolm Long** (interviewed 12/12/14) is a media and communications consultant and a director of the international infrastructure group BAI Communications Pty Ltd. He has been Managing Director of SBS, Deputy Managing Director of the ABC and was for 10 years a Member of the Australian Communications and Media Authority (ACMA) and its predecessor the Australian Broadcasting Authority (ABA).

**Scott Lorson** (email response 13/04/15) is CEO of Fetch TV. Prior to joining Fetch TV, Scott worked for PBL Media where he served as CEO of both ACP Magazines and Ticketek. He joined PBLM from Optus, where he was Managing Director of the Consumer & Multimedia Division, and later the Small & Medium Business Division.

**Nathan Mayfield** (email response 27/03/15) is the Chief Creative Officer and Executive Producer at Hoodlum – a company he founded in 1999 with Tracey Robertson. Hoodlum is an Emmy® and BAFTA Award winning production company.

**Debra Oswald** (interviewed 15/1/15) has written scripts for television, radio and theatre, as well as fiction, for more than 30 years and is best known as the co-creator and head writer of *Offspring*. Her novel *Useful* was published in February 2015.

**Doug Peiffer** (interviewed 12/02/15) is the CEO of OzTAM and has a 25-year media research career specialising in audience measurement. He has worked for the two biggest research companies, Nielsen and TNS, in several roles across several countries. Doug also spent nearly a decade at Network Ten in Australia as head of Strategy, Integration and Research.

**Jon Penn** (interviewed 28/11/14) is Managing Director of BBC Worldwide Australia and New Zealand. Before joining BBC Worldwide, he was CEO Asia Pacific for commercial division Fremantle Media Enterprises. He previously worked for Fairfax Media's digital division and has held a variety of sales, marketing and business development roles over his 22 year career.

**Tawny Schlieski** (email response 25/2/15) is a research scientist and media expert in the Intel Experience Group, and chairman of Oregon Story Board, an organization dedicated to advancing the digital storytelling industry in Oregon. Her work centres on new storytelling capabilities enabled by emergent technologies.

**Annabelle Sheehan** (interviewed 15/11/14) is CEO of the South Australian Film Corporation (SAFC). She was Director, Production Investment at ScreenWest, at time of interview, and previously CEO and Senior Agent at RGM Artist Group, and Head of Film and TV at AFTRS. She worked in post-production on films such as *Dead Calm*, *Mad Max 3*, *The Piano*, *Fearless* and *Portrait of a Lady*.

**Mitchell Waters** (interviewed 16/2/15) leads the Australian team of AOL Platforms, enabling marketers and media brands to reach consumers across desktop, mobile and TV through premium experiences, programmatic buying and performance-driven campaigns. He worked in digital at News Australia for seven years, where he rose from sales executive to group sales manager.

**Deanne Weir** (interviewed 16/2/15) is an entrepreneur and company director with more than 20 years' experience in media and communications. She is Chair of Hoodlum, Moshcam, WE Magazines and Ai-Media, and is Deputy Chair of Screen Australia.

**Tim Worner** (interviewed 12/12/14) is CEO of Seven West Media Limited. He was previously CEO, Broadcast Television, and prior to that Director of Programming and Production for the Seven Network, responsible for the programming of all three Seven channels (Seven, 7TWO and 7mate) as well as production.

# The questions

- Q1:** If you meet a complete stranger and they ask you what kind of work you do, what do you say? [p. 74]
- Q2:** Thinking back over the last few years, what trend in ‘television/video’ has most surprised you: something that has changed, or something that hasn’t changed, or hasn’t changed much? [p. 15]
- Q3:** Thinking forward to the next decade [2025], what aspects of ‘television/video’ are you most confident about? First, something that will change? Second, something that will endure? [p. 55]
- Q4:** For you personally, what is the most interesting or satisfying thing you have done in your work in the last year? [p. 74]
- Q5:** For you personally, what is the most interesting or satisfying or surprising ‘television/video’ experience you have had in the last year – not including things you and your own organisation have been directly involved in? [p. 18]
- Q6:** In your current role, what keeps you awake at night, what worries you most, which competitor(s) or development do you most fear? [p. 29]
- Q7:** Name one person you think will have a major influence on television/video in the next year – someone to watch? [p. 21]
- Q8:** Name one organisation you think will have a major influence on television/video in the next few years? [p. 21]
- Q9:** Name one technology trend that you think will have a major influence on television/video in the next few years? [p. 25]
- Q10:** ‘Millennials’ use media differently. Will they still be different as they hit middle age? What role will social media platforms be playing by then? [p. 48]
- Q11:** Facebook says it is not a distribution platform for long form content – it is ‘a discovery platform for finding out what people care about’. Over the next few years, will that change for Facebook and/or other social media platforms? [p. 51]
- Q12:** How will producers and distributors need to change their relationships over the next few years? [p. 32]
- Q13:** Will scripted drama continue to be as important a part of the TV/video business as it is today? [p. 42]
- Q14:** How will platform-specific rules applying to distribution and production have to adapt over the next few years? [p. 39]
- Q15:** If you could change one thing about the regulatory environment for your current business, what would it be? [p. 44]
- Q16:** Will the United States still be the world’s dominant screen culture in 10 years time? [p. 59]
- Q17:** What part will original Australian programs/videos play then? [p. 59]
- Q18:** Thinking about the organisation you work for now: In 10 years – 2025 – will it exist? What will it look like? [p. 66]
- Q19:** If you meet a complete stranger in 10 years and they ask you what kind of work you do, what do you think you will say? [p. 74]
- Q20:** In 2025, will there still be something we call ‘television’? [p. 70]

# [RETRO]VISION

## Recent trends and highlights

### What trend in television or video has most surprised you over the past few years?

"The resilience of free-to-air television... It can be difficult for the individual station but for the advertiser, it's no less powerful now than it was 20 or 30 years ago."

Russel Howcroft

"I am quite surprised by what appears to be a quick drop off in total free-to-air audiences ... It seems to be happening faster here than anywhere else."

Ben Liebmann

**Arul Baskaran, Yahoo!7:** Migration to viewing on tablets – and the strength of that shift. Platforms like iview or here at PLUS7 are seeing more than 50 per cent of access coming off tablet, and that shift has happened over about two years.

**Tony Broderick, Twitter:** The ongoing strength of broadcast television. We're obviously seeing a lot of emerging platforms taking off and this year's going to be a big year for that in Australia in particular, but broadcast television has remained incredibly strong.

**Jenny Buckland, ACTF:** How incredibly quickly the school sector dropped DVDs and moved to digital distribution [through services like 'Click View' and Canopy]. It sort of happened overnight last year, and I think that's probably how quickly SVOD is going to take off in Australian households.

**Ross Crowley, Foxtel:** The explosion in competitive domestic skills television – *MKR, Masterchef, The Block* – probably triggered by the GFC. A brand new genre compared to perennial 'talent' based competitions.

**Kim Dalton, Freeview:** The increased ability to deliver large volumes of data. This has been quite extraordinary and has allowed all sorts of innovation around platforms and delivery and consumption of content. I couldn't have imagined 10 years ago that you would be able to sit down in front of a large high-quality TV and either download a whole movie within a few minutes, or hit a couple of buttons and just stream your TV program.

**Ian Davis, Telstra TV:** The significant rise in the amount and prominence of scripted television drama. I wouldn't have predicted that a few years ago and I'm thrilled that great stories are being told over multiple episodes on television with great actors, great directors and great production quality.

The unwelcome surprise is how long it is taking for television to move to a more on-demand as well as linear model, on more devices and through more distribution platforms. There's a certain amount of wariness among the incumbents – and that's not just the distributors or the broadcasters, but also the content producers – about undermining their current business models by introducing new ones. There's also a secondary cause in the limits to the basic technology infrastructure that could enable more content to be more available to consumers on more devices with limited wait time and good-quality pictures.

**Richard Finlayson, ABC:** The growth of SVOD services, and the corresponding lack of growth of the download-to-own services – like iTunes: given the incredible curve of disruption iTunes was enjoying, to be suddenly disrupted itself is amazing. Models like Spotify and Netflix have fundamentally changed the nature of the business.

**Courtney Gibson, Nine Network:** Resilience of reality TV. I'm surprised – and pleased – that reality formats have stayed the distance, and without substantial change. The best of these shows continue to play to huge audiences, to gently evolve and stay relevant.

**Joshua Green, Arnold Worldwide, Boston:** The success of third-party over-the-top (OTT) services. When Hulu launched and Netflix started moving toward a streaming-heavy service I was sure broadcasters and cable would squeeze out third parties through fee structures and restrictive licensing. While the cable networks here [in the US] continue to sign streaming deals with broadcasters that require audiences to

“The growth of mobile, of smart phones and the way smart phones are now dictating how we look and use content – that’s been one of the single biggest changes I’ve seen.”

Anita Jacoby

have a cable connection (they’re re-imagining VOD as a la carte), integrated, third-party library services predominate public consciousness and use. (Of course, it didn’t hurt that Hulu was a joint venture of three of the big four broadcasters at the outset.)

**Rebekah Horne, Network Ten:** The whole phenomenon of YouTube – that self-broadcast model where you’re seeing just an average person effectively create celebrity for themselves by growing an audience... and effectively become a broadcast channel, particularly in the US.

**Russel Howcroft, Network Ten:** The resilience of free-to-air television. It’s fascinating when you look at the amount of eyeballs that actually watch the TV every single day. From an advertiser’s point of view, that’s fine, because they can still buy the reach. It can be difficult for the individual station but for the advertiser, it’s no less powerful now than it was 20 or 30 years ago.

**Anita Jacoby, ITV Studios Australia:** Talking as a content producer, I’m absolutely astonished at the rise of reality television. And on a bigger scale, what’s really surprised me is the growth of mobile, of smart phones and the way smart phones are now dictating how we look and use content. That’s been one of the single biggest changes I’ve seen.

**Ben Liebmann, Overture Management:** I am quite surprised by what appears to be a quick drop off in total free-to-air audiences. From all the headlines, it appears that a million has become the new benchmark. It’s a definite trend. Not that it’s not happening anywhere else in the world. Just that it appears to be happening faster here in Australia than anywhere else.

**Gai Le Roy, digital media strategist:** Reinvestment in content, long-form content, particularly in the last couple of years, and mainly driven out of the US. It’s picked up a lot quicker than I thought it would. Also, the short-form and the long-form are starting to come together, digital and TV; they are blending quite quickly.

**Malcolm Long, media and communications consultant:** The survivability, the resilience, of traditional television. By that I mean linear free-to-air broadcasting and subscription television on satellite, cable and so on. Of course, it’s beginning to face challenges in terms of commercial business models, but the audiences are still there and will be for a long time. There has been very little change in the three to four hours a day that people on this globe tend to spend watching television.

**Scott Lorson, Fetch TV:** The slow rate of adoption of time shifting – PVR penetration is still below 60 per cent, despite the relative low cost and high utility. It’s now increasing rapidly due to the introduction of catch-up services, SVOD offerings, and increasing penetration of PVRs. And a slow rate of transition from physical to digital for movie rentals and purchases.

Also the enormous popularity of Australian TV shows [compared to US/UK shows]. Ten years ago, only seven of the top 20 shows on TV (except sport) were Australian; now that figure is 17 plus.

**Nathan Mayfield, Hoodlum:** Television has become even more risk-averse. The landscape has changed dramatically and will continue to evolve. This is not new but the business models and the ways projects are financed are far more diverse. Consequently, there are more buyers of content but the budgets and advertising revenue have become diluted.

**Debra Oswald, screenwriter:** The increased profile that television writers get. The whole idea of TV writers having authorship, like the association of Vince Gilligan with *Breaking Bad* and Matthew Wiener with *Mad Men*, is a new thing. And now there’s all these YouTube clips of the fantastic couple who showrun *The Good Wife*, being interviewed about writing that show.

When *Offspring*’s Patrick ‘death episode’ happened, the writers were pretty heavily trolled, I think because people felt we had chosen to kill someone in a capricious way. There were some unpleasant moments, but the fact that the general audience even had a sense there were writers doing anything was kind of a marvellous and a new experience for me.

**Doug Peiffer, OzTAM:** What surprises a lot of people, although it doesn’t necessarily surprise me because I work with it every day, is the continuous (erroneous) call for the death of TV. But if you look at

the data and at what consumers are doing, TV continues to show it's quite resilient. People still watch a fair amount of TV... Of course, the definition of what you mean by TV is changing.

**Jon Penn, BBC Worldwide:** The pace of change in the emergence of new distribution platforms –IPTV and the online and SVOD platforms. I thought it would take quite a lot longer than it has. There's just been a competitive surge. Even just the threat of Netflix got people moving fast. Stan, Presto and Fetch are putting a lot more effort now behind their marketing and business strategies to drive customer acquisition for their services. 18 months ago, there was virtually nothing happening in this space, and all of a sudden it's just gone ballistic.

**Tawny Schlieski, Intel:** The quality of programming coming from non-traditional channels. I had seen Netflix and then iTunes and Amazon disrupting distribution and revenue models, and seen 'outsiders' (outside the US networks) providing niche content, but not the two together. With 20/20 hindsight, Netflix makes 100 per cent sense: a big player, with strong capitalisation and access to many eyeballs.

**Annabelle Sheehan, SAFC:** I'm interested in the devolution of the power of programming for time-based television in response to rapidly changing consumption patterns. ... Everybody is already watching less scheduled television, and Australian cable companies and network broadcasters are adapting their models to match that.

**Mitch Waters, AOL Platforms:** The speed in the shift of video ad buying from traditional bookings into this 'programmatic advertising' world that I currently play in. A large proportion of campaign briefs and bookings are now funnelled through programmatic, rather than direct deals done with, say, Channel 9.

**Deanne Weir, digital media entrepreneur:** I find it exciting to see the intense interest in high-quality drama and the way television has overtaken movies in a lot of ways, or is challenging movies, for innovation and depth of storytelling. People get so excited about great storytelling in a way you only [used to see] when they came out of the cinema, arguing about a deep story. Television can now do that even better, because it doesn't have to stop at the end of two or two and a half hours.

**Tim Worner, Seven West Media:** The Australian audience's appetite for reality television. It's enduring now; it has been for quite a few years, and we're heading into a [2015] television season where there will be even more reality television. I would have thought that by now we might have started to see a sort of fraying at the edges. But really, if you look at the genre of shows in 2014, competition reality shows really held up.... I wouldn't say it surprised me, but I find it curious..

## TV DRAMA'S 'GOLDEN AGE'

**Courtney Gibson, Nine Network:** TV drama has never been better generally – it's a golden age, particularly what's coming out of the US. Success makes everyone lift their game, and breeds more investment and more success.

There's always stuff that doesn't make its mark, but today, when a show nails it, it is utterly transcendent. Better than any game, any film, any book – better told, better made, and a better way to spend a few hours than any other entertainment form has ever been.

**Annabelle Sheehan, SAFC:** The wonderful thing is that it'll open all these doors, more doors than before, and so we may have even more surprising talents than we would've had if everything had stayed traditional and siloed in film and television and newspapers. There's still going to be bad stuff, but it's going to create all these new big brands.

That's where I go back to Anita Elberse's book [*Blockbusters: Hit-making, Risk-taking and the Big Business of Entertainment*, Scribe 2014] where she says, 'In the end, it is the brands that win'. That doesn't exclude the fact that now we are in the churn or change phase where such high volumes of content sources are making it difficult to capture and predict. The opportunities now are creating a sense of tumult – like a volcano, with all this content and content sources percolating.

**See also:** 'New platforms add distinctive voices' page **Error! Bookmark not defined.**

'New platforms are stimulating innovation and high-end storytelling' page 43

'Compelling content will come from anywhere' page 58**Error! Reference source not found.**

## Personally, what's the most interesting or satisfying or surprising experience you've had with television or video in the last year?

"I love that channels like HBO, AMC and FX are creating truly global story events. Global community is no longer just about the Oscars® and a royal wedding, but now about crafted, created, original drama."

Ross Crowley

### *Great shows...*

**Gai Le Roy, digital media strategist:** *House of Cards!* That a new player like Netflix is investing in content and using data to commission it, is the perfect marriage of art and data. I don't know how much is spin but they talk about how they look at their own data and what their customers like – directors, actors, genres – and use it to monitor everything they develop.

**Malcolm Long, media and communications consultant:** For me as a music lover, it's discovering and then becoming a member of the Berlin Philharmonic's Digital Concert Hall. For about \$139 a year, you can watch as much high-definition, high-end audio concerts delivered to your television set at home, as you want.

**Debra Oswald, screenwriter:** *Broad City.* It's funny and irreverent and true. And I like the way it started – as a web series made by two young women, who were then supported by a more established woman, Amy Poehler, and she then took the material to a new level at Comedy Central. It shows the value of a fresh voice guided by an experienced hand, without having the energy and idiosyncrasy squashed out of it.

**Doug Peiffer, OzTAM:** *Breaking Bad.* I was late to the party with it, and the boxed set was sitting in a house where I was holidaying so I put Ep.1 in and next thing you know I'm downloading and watching five seasons. I just found it so compelling. It's probably the first time I've ploughed through an entire set, and may mark the start of a change in how I want to look at programs.

**Jon Penn, BBC Worldwide:** On the way back from the last trip to London I watched *True Detective*, and I just thought that was the most amazing piece of television. It's an incredibly well made TV series and very engaging, well acted and unfolds as a great story

**Tawny Schlieski, Intel:** I was watching *Jane the Virgin* (US Network TV) and I shouted at the TV. When Jane's grandmother was pushed down the stairs, it caught me totally off guard and I exclaimed 'Abuela!' It's been years since I have been really caught off guard by a show, and it was wonderful to remember that the right story can totally sweep you along with it, whether it's serious or silly.

**Annabelle Sheehan, SAFC:** First is a YouTube channel that's often number two of the top 100 in Australia, called 'howtobasic'. The videos are weird and young and adolescent and yet smart and incisive. I feel like there's a really interesting eye there. It made me realise there's a lot more to YouTube than I had first thought. Another example of this is *Wastelander Panda* – an online series that really shows how Australian content makers can play with genre, and fashion their material for online – it's *Mad Max* with pandas!

My second thing is a pair of films starring Scarlett Johansson: *Under the Skin* and *Lucy*. One is low-budget and one is a very high-budget, high-action film, but they're both sci fi movies, just great movies – if you like, very old-fashioned experiences.

**Deanne Weir, digital media entrepreneur:** *Orphan Black*, a fabulous Canadian/BBC America co-production about clones. Great writing and a stunning performance by the lead actress [Tatiana Maslany] who plays all the roles.

**Ross Crowley, Foxtel:** I love that channels like HBO, AMC and FX are creating truly global story events. Global community is no longer just about the Oscars® and a royal wedding, but now about crafted, created, original drama.

**Ian Davis, Telstra TV:** My daughter is studying film and media at Macquarie University, and a significant aspect of that degree is actually making films. I've been amazed at the quality of short film making that

university students are doing in Australia. Not only the quality of the storytelling, but also the quality of the production.

**Nathan Mayfield, Hoodlum:** The globalisation of event series like *True Detective*, *Game of Thrones*, *The Fall* and *Breaking Bad*. Fan bases have found out about these shows through social platforms and ignored territory restrictions to get them. It has forced TV networks to rethink their programming strategies or risk losing market share to pirated means.

“The success of Netflix in evolving into a global distribution platform and producer of high-quality content to rival HBO.”

Scott Lorson

### *New and evolving services...*

**Richard Finlayson, ABC:** How quickly the big commercial networks have dropped even trying to create diverse schedules of content and reduced down to a handful of franchises on air during prime time. So their daytime schedules, their weekend schedules, every bit of spare shelf space they've got, they fill with either repeats of the major franchises or some sort of variation on the theme.

**Scott Lorson, Fetch TV:** The success of Netflix in evolving into a global distribution platform and producer of high-quality content to rival HBO.

**Mitch Waters, AOL Platforms:** The social media ratings – the Twitter TV ratings. It will be interesting to see how that plays out – how broadcasters leverage that from an advertising perspective or a content perspective, and how media buyers leverage that as well.

**Courtney Gibson, Nine Network:** Closely observing the preparation and launch of Stan, the Nine-Fairfax SVOD service. That and being poacher-turned-gamekeeper as my teenage daughter appeared in a reality show on the ABC called *Blue Zoo*. Being on the other side of the equation was challenging, and I was probably like the doctor who is the most irritating patient on the ward, but I trusted the program makers, and it was a great experience for my daughter.

**Joshua Green, Arnold Worldwide, Boston:** Watching Amazon's Prime video service start to bloom as a competitor to Netflix. While the all-in licensing is effectively the same as Netflix, the logic behind the recommendation engine and the integration with their sales and rental licensing has created an incredibly robust online video marketplace. There are still some kinks – getting around the Apple purchase tax makes consumers jump through hoops to purchase at point of viewing (and it seems Microsoft has added similar gates on the Xbox One platform) – but it really sings as part of their overall Prime business plan.

“Watching Amazon's Prime video service start to bloom as a competitor to Netflix.”

Joshua Green

**Anita Jacoby, ITV Studios Australia:** The advent of new technology and how quickly it's moving and how most of us just can't keep up with it. That's one of the most enlightening things for me over the last 12 months, both on a human level and as a producer. How do we make all these advances in technology work in terms of the content we're making? How do the two intersect? I don't think any of us really understand what that means. It's just such a Brave New World in lots of ways.

**Ben Liebmann, Overture Management:** The proliferation of over-the-top players and how fast they're starting to connect with audiences. Without a doubt it's causing issues and challenges for the incumbents, but it's an exciting time to be a creator of content: you really do now have an opportunity to put the content in the hands of new people.

### *Events and encounters...*

**Mitch Waters, AOL Platforms:** A big upfront deal that GroupM did with YouTube for their preferred deals. That money didn't come from a digital [advertising] budget, I felt; it came from a TV budget. That to me was a big indication of a shift – that GroupM believe in audience migration. That was really exciting.

**Russel Howcroft, Network Ten:** The broadcast facility at the Winter Olympics in Sochi. I can't even describe how big it was: two soccer pitches, with people from all around the world providing their broadcast skill to bring the whole world an Olympic Games.

**Tony Broderick, Twitter:** I'm really enjoying the arrival of more on-demand services here. I'm currently testing both Presto and Stan, and find them really, really interesting. I'm watching a lot of nostalgic television, which I probably wouldn't have come across at any point soon.

**Kim Dalton, Freeview:** We're in a golden era of television drama. So watching that. And watching it anywhere. I can travel the world and take my video programs with me. I can be watching something I've bought through iTunes and then get on a plane and go to Singapore and pick it up on my iPad in a gym and it will start at exactly the same spot that I stopped.

**Rebekah Horne, Network Ten:** When I was in the US recently, I would have the football on the television and Netflix or Hulu on my laptop, and literally be dipping in and out of both. It just felt like a really satisfying entertainment experience. Particularly Netflix, I think, has that serendipitous ability, with their algorithm and all the work they do in the back-end to serve up related content in such a good way, that the experience is very satisfying.

## MEDIA COMPANIES OF THE FUTURE

**Deanne Weir:** To me the big media company of the future, the big video heavy media company of the future, is one that has consumer satisfaction and delight as its goal. It's the means by which it does that – how it delivers a whole lot of different kinds of content, across different sorts of delivery mechanisms, using different financial models.

It's whoever can get the secret sauce of maximising that across a free-to-air segment that's ad-supported, some sort of 'freemium' model, a pure transactional model, and a subscription model. It's the mix of all of those, and how you leverage all the content rights that you've got. Different revenue streams, minimising your costs, maximising your return on each piece of that content, and producing enough of your own content that you own and can exploit it across all of those different platforms, in a way that you can also bundle up with marketing, promotion and being part of the zeitgeist.

The transformation that's happening across the broadcast businesses is huge. They have to alter their business model: their businesses cannot sustain themselves in the same way and they're all recognising that.

See also 'TV broadcasters have to change their business model to survive', page 37.

# THE FUTURE STARTS NOW

## Influencers, technologies, challenges

### What person or organisation will have a significant influence on the business in the next year?

"The over-the-top sector will rapidly redefine viewing habits in this country ... Netflix will be the standard bearer."

Ben Liebmann

"Malcolm Turnbull. Possibly the ABC but if not, the Australian Government. And Netflix."

Jenny Buckland

**Arul Baskaran, Yahoo!7:** Netflix, and Reed Hastings, its CEO. It's made great content deals and really pivoted its business from being the DVD on-demand business to delivering everywhere. They have a focus on data and personalisation that's pretty much unsurpassed at the moment, both in terms of recommendations and dialling up content that they know will have an audience. So they're getting enough signal back, so to speak, to say: 'If we commission a show of this sort, it's 98 per cent guaranteed that it will get this many viewers.'

**Tony Broderick, Twitter:** The ABC. I think the decisions the ABC makes in terms of how it wants to be in the digital space will set the bar for competition in the industry. That's not to discount the commercial networks, who are incredibly innovative in this space, but when you've got an organisation that can sometimes make decisions based on what they think is best for the audience experience, it helps set a benchmark which ultimately the commercial networks will compete with and then potentially even exceed - iview's been a good example of that.

**Jenny Buckland, ACTF:** Malcolm Turnbull. And possibly the ABC but if not, the Australian Government. And Netflix, it'll be interesting to see what happens there and particularly whether they invest in local content.

**Ross Crowley, Foxtel:** Blackfella Films - Miranda Dear and Darren Dale - they've really tackled new ground with *Redfern Now*, and they have big plans for traditional genres. And Foxtel - we fully expect to be the pre-eminent investor in independent production in Australia over the coming years, which will have huge flow-through to growing Australia's creative skills sector.

**Kim Dalton, Freeview:** Malcolm Turnbull, because I would have thought in the next 12 months we're going to see some change. At the same time, somebody like Tim Worner [Seven West Media] and his team are critical because it's the people in those positions who, at the moment fortunately, keep getting it right. But if they wander off the path a bit, that will create room for other competitors.

Organisationally, I'll say Freeview because I hope we'll be successful with FreeviewPlus. Freeview's role is to co-ordinate and deliver a platform approach from all of the key players - the public broadcasters and the commercial networks - and to market and drive take-up amongst consumers. FreeviewPlus is a great product but it has to achieve success within an increasingly competitive marketplace.

**Ian Davis, Telstra TV:** Richard Freudenstein at Foxtel, because he's the CEO of one of the main television incumbents - the pay TV incumbent. In the move to this new evolved world of more choice, Richard has everything to gain but also everything to lose. From what I can tell, he is really starting to embrace this new world, so I think he and his organisation are going to be a major influencer.

Also NBN Co, because it is an enabler of things that need to happen for consumers to be able to get a good experience. And my employer, Telstra, for two reasons: as an enabler for the mobile network, and for enabling 'attachment' - allowing content consumption [through a] single identity where every device knows I'm the same me for the same content, and the content is made available on every device I have.

“The real future of TV will be decided by the telcos, not the traditional TV broadcasters.”

Scott Lorson

“Blackfella Films – Miranda Dear and Darren Dale – they’ve really tackled new ground with *Redfern Now*, and they have big plans for traditional genres.”

Ross Crowley

**Richard Finlayson, ABC:** Foxtel is interesting. As the most profitable player in the industry, they have a lot to lose. They need to position their own SVOD service as a way of eating their own lunch before somebody else does. As the biggest owner of sports rights, they obviously have a tremendous shaping influence on the media landscape and of course if they are able to secure a stake in Ten they will assume significant power in the rights market. They may have some success in relaxing the regulatory environment around them, to some extent, partly as a product of doing that. So I reckon, they’re the big one to watch in our landscape.

they obviously have a tremendous shaping influence on the media landscape and of course if they are able to secure a stake in Ten they will assume significant power in the rights market

**Courtney Gibson, Nine Network:** As an individual, David Gyngell, and not just because I work for him – but because he’s been first to stick his neck out backing SVOD in this territory, and he plays to win. I back him and the Stan team all the way.

Don’t make me say one organisation! I’m going to say Stan, Netflix and YouTube.

**Joshua Green, Arnold Worldwide, Boston:** Peter Rice (Fox Networks Group CEO). I’m not sure what to make of the thought he is being groomed to take over for Rupert, but Fox Television is doing some interesting things (Gary Newman and Dana Walden are top-notch TV execs).

And let me punt and point to three organisations – Apple (OTT+iTunes might eventually come good), Netflix (content and distribution and brand recognition), Microsoft (control over access to the living rooms of so many young men).

**Rebekah Horne, Network Ten:** YouTube, Amazon, Netflix, Facebook, Apple.

**Russel Howcroft, Network Ten:** Gillon McLachlan, the new AFL CEO, is already a very successful young fellow, and coming up next year will be the negotiation of his AFL rights. That leads us to this idea of maybe Telstra, Optus, Vodafone bundling up offers for the public. It could all get very interesting. Big sporting rights are really going to be a critical part of what the future looks like.

**Anita Jacoby, ITV Studios Australia:** On the local field, I think Tim Worner. Because he’s come up through as a journalist, as a producer, he understands content and he understands television but he’s also driving Seven in a particular way. Seven’s becoming not just a producer of local content; they are using the ITV model in the UK where they are both a production company and a network, and they are rapidly becoming the biggest production company in Australia. That’s changing the whole landscape.

As an organisation, I was tossing up between Netflix and Maker, but I’ve moved to Maker because I think it’s attracting younger content makers and it’s just broadening that whole area. It’s a really interesting company.

**Ben Liebmann, Overture Management:** Netflix – and that is as much a comment about Stan and Presto. I think the over-the-top sector will rapidly redefine viewing habits in this country, which will in turn rapidly influence the fundamentals of the broadcast model, which will shift the advertising model. But Netflix will be the standard bearer.

**Gai Le Roy, digital media strategist:** I’m fascinated by Amazon Studios, and Roy Price probably is the poster child for them at the moment. I’m really interested to see another sort of independent group investing and developing content, and it’s a data driven organisation. Both from a content point-of-view and looking at Amazon’s knowledge of retail and transactions, I’m interested to see how they blend those two roles.

**Malcolm Long, media and communications consultant:** In the content business, I think of Kim Williams. If he’s intending to have another run at an executive role, then he’s a highly motivated, highly experienced and I think a very vigorous executive and what he does will be quite interesting.

In terms of organisations, I think the arrival of Netflix in Australia is really important. The thing about Netflix which will be interesting is that, as I read it, they will bring their philosophy of putting some resources into original production for IPTV delivery. If they continue to ramp up that exercise, that is a new development, a platform provider able to fund new productions which they will probably have global rights to. That is an interesting extension of the IPTV world, which so far has tended to be derivative, using

“NBN Co, because it is an enabler of things that need to happen for consumers to be able to get a good experience.”

Ian Davis

“As we do this second-screen measure, we see more volume of minutes coming through from the markets that have the NBN.”

Doug Peiffer

“The marketers will have a big role. Consumers are going to be really challenged when they sit there and think: do I want to have Netflix, do I go Fetch, do I go Foxtel, do I go Stan, because I can't get everything from one service?”

Deanne Weir

content manufactured and produced for other platforms. That's the twist Netflix has as a possibility and that's the reason they are likely to have a really significant impact in places like Australia.

**Scott Lorson, Fetch TV:** Allen Lew, CEO of Optus. The real future of TV will be decided by the telcos, not the traditional TV broadcasters. The combined enterprise value of Seven, Nine and Ten is subs \$10 billion; compare that to more than \$100 billion for the fixed line portfolios of the top five telcos. The telcos are fighting to protect \$30-40 EBITDA margins per subscriber per month. Entertainment is the high-involvement 'hero' proposition for telco bundles, and will be the key to attracting broadband subscribers and reducing churn. Allen's market share ambitions and aggressive go to market strategies will have a profound effect on the competitive landscape in broadband and entertainment services.

In terms of organisations, it would be Telstra. It has the scale and resources to drive market outcomes.

**Nathan Mayfield, Hoodlum:** MOJANG, the makers of Minecraft.

**Debra Oswald, screenwriter:** This is so dull but I've got to say the Federal Government, because without regulation, Australian drama will shrivel away to a very sad fragment of itself.

**Doug Peiffer, OzTAM:** Maybe Ted Sarandos, the chief content officer at Netflix. You're only as good as your last show but I think he's got the backing and the power to pull some hits and get the rights to things. They're a very driven company and they're going to try and launch in 200+ countries. It's going to be interesting to see what he does in commissioning hits, producing hits and collecting content. So I'd keep an eye on him; he's very vocal at the moment.

Also the National Broadband Network, the NBN. As we do this second screen measure, we see more volume of minutes coming through from those markets that have the NBN. Once a household connects to the NBN and you can stream things faster, your consumption starts to increase as well. So we think that's going to impact as it rolls through the country. Two things it will depend on: the uptake and also the bundling and the packaging. Competition will make those happen.

**Jon Penn, BBC Worldwide:** Ynon Kreiz, CEO of Maker Studios. I'm very interested in what's going on with MCNs (multi channel networks) and Maker are leading the way with tens of thousands of content makers within their network. They've just been bought by Disney which makes life interesting too. It has tapped into the idea that on the internet there are thousands and thousands of content makers big and small. If you aggregate them, then you and they together have a lot more power. They're almost like the pay television companies of the internet. That's a really interesting trend to watch.

I also think YouTube is already having a major influence and it's going to be even bigger. I noted with interest YouTube's deal with GroupM where GroupM are going to commit millions of media dollars to YouTube [in 2015]. That is a traditional 'media agency to free-to-air television network' model, which has now been adopted by a rapidly emerging online video platform.

**Tawny Schlieski, Intel:** Saschka Unseld [animation director, formerly Pixar]. Google (infrastructure + technology investments).

**Annabelle Sheehan, SAFC:** Someone working in the space of connecting with audiences through YouTube or another online platform. They will have the capacity to tell stories that connect globally via this extraordinary niche medium. There are a lot of people in that category across Australia. Globally, it'll be someone awesome at Alibaba or the Huayi Brothers in China, or it'll be a producer/creator of a Netflix, Relativity or Amazon project.

Netflix and YouTube will continue to have impact; we might also say Amazon, maybe Facebook – any company with access to huge communities that also can leverage data about those communities effectively.

**Mitch Waters, AOL Platforms:** I'm really interested to see what the Seven, Nine and Ten broadcasters do in terms of programmatic TV. They will be sitting on the sideline watching what we do with MCNs, no doubt, and it will be really interesting whether they decide to dip a toe in and explore the opportunities... Every single one is educated on the opportunity and what people are doing globally; they're just sort of having a wait and see approach. So that would be my answer. Not an individual, but more those big organisations.

**Deanne Weir, digital media entrepreneur:** A lot of people in the Australian market: Richard (Freudenstein, Foxtel CEO) [in terms of] where Foxtel goes and how he drives Foxtel down that path. Brian Walsh (Foxtel's Executive Director of Television) because Foxtel I think is going to do more and more innovative content. The Netflix tie up with Fetch TV will be fascinating: Scott Lorson (CEO) has had a really clear plan about where he is going with that business from day one.

The marketers are going to have a big role. Consumers are going to be really challenged when they sit there and think: do I want to have Netflix, do I go Fetch, do I go Foxtel, do I go Stan, because I can't get everything from one service? How will people market these propositions and convince consumers that their limited subset of content should be the predominant subset of content they choose?

And Malcolm Turnbull will have a big impact, because of what happens with ABC and SBS and the funding they do or don't receive – it will be really interesting how that all plays out.

**Tim Worner, Seven West Media:** Within our shop and outside there are a number of youngsters who have the potential to really create an impact. But I wouldn't want to identify them, because the one thing about this business is it's becoming more and more competitive, and people are so important in that competition.

In terms of organisations, the ACCC is going to have a pretty major impact on this business. In some ways, they're going to have at least a part of the future of our business in the palm of their hand. And I think the pressure will be on them to get it right. This is a tough business these days. It's not like it was 15 years ago. It is much tougher, and some of our opponents are not playing on the same field as us. We're dealing with multinational corporations that do not have the same regulations, do not have to pay the same level of tax, do not have to produce the same level of Australian content. So things have changed, and there needs to be a recognition of that.

## STREAMING VIDEO PLATFORMS – WILL THERE BE A 'WINNER'?

**Mitch Waters:** It will all come down to the value proposition put to the consumer: who's going to have the hit shows at the right price point and the right balance between subscription and advertising models.

It also depends on the backers because popular shows have four- to five-year content deals that are already tied away. That's a big lead time in terms of trying to get those shows over onto their platforms. It's not that no new shows will come along that they can tie them up onto the new platforms, but I think it will filter out.

There'll probably be two major players, similar to the US. I don't think the others will go away, but whether they achieve the same scale .... With a population of 23 million people and 13 or 14 million of those being online video watchers, four services is quite a lot, when the US has hundreds of millions of people and only two really strong services.

**Ben Liebmann:** No matter what the local providers can throw at it, Netflix has deeper pockets. It has global scale, and it has time. While it may not have the most extraordinary content offering on day one, it can wait, and sit it out till broadcast and pay TV rights come up and then it can swoop. At some point I suspect there will be Netflix and probably one other. And the one other will be a great competitor because it will eventually have Seven, Nine, Ten, ABC, SBS, Foxtel, all in one.

**Deanne Weir:** One would hope it's the consumer who will win out of all of this; one would hope it's the content industry that will win out of all of this. Because it will drive competition for quality content and people will want to differentiate by the great content they commission. I read today that Stan is talking to the *Wolf Creek* guys and they are looking at doing a prequel to that for Stan. That sounds interesting. I don't think they've commissioned it but it sounds like something they're developing.

## What technology trend do you think will be particularly significant in TV and video in the next few years?

"If mobile data packages change in Australia, the consumption of, particularly out-of-home, video, phones, tablets etc, will completely take off."

Gai Le Roy

"The consumption of content on mobile devices is going to explode, if it isn't already exploding."

Tim Worner

### *Broadband speeds and pricing*

**Scott Lorson, Fetch TV:** Increased broadband speeds.

**Nathan Mayfield, Hoodlum:** High-speed internet.

**Jenny Buckland, ACTF:** Assuming the NBN continues and everybody ends up getting it, that is definitely going to have a major impact. We have the NBN at home and after a year of hassle to actually make it work in a very old house, it's really noticeable that four people can be downloading and watching all sorts of stuff and there's no buffering.

**Doug Peiffer, OzTAM:** Uptake of the NBN. Getting those price points right will accelerate the over-the-top services. What does that mean? From the multiscreen report we publish quarterly, you can see people are using the set more and more. TV is still holding up as the lion's share but they're using it for other [services]. It's quite competitive with Stan, Presto, EzyFlix, Netflix and Quickflix. It will sort itself out but it's right into the household now; it's not just the weekend where you'll rent DVDs – it's in front of you.

**Gai Le Roy, digital media strategist:** From a hardware point of view, the constant evolution of screen sizes and usage. From the softer side, something I hope is a trend in changes in data speeds and prices. If mobile data packages change in Australia, the consumption of, particularly out-of-home, video, phones, tablets etc, will completely take off. It's already quite significant but it's been limited by current connection plans.

### *Platforms – mobile and more*

**Tim Worner, Seven West Media:** Mobile. The consumption of content on mobile devices is going to explode, if it isn't already exploding, and you need to be readying your business to take advantage of that. Certainly we are.

**Joshua Green, Arnold Worldwide, Boston:** The tablet – probably in the sub-7-inch format where it does double-duty as a phone. Mobile-first is more important than second-screen viewing behaviours, but regardless, I suspect the small tablet/large phone will become the content consumption portal of choice for many.

**Anita Jacoby, ITV Studios Australia:** The smartphone. I think everything is going to be determined around a smartphone. All technology, all content, everything is going to come from the smartphone.

**Ben Liebmann, Overture Management:** Over-the-top. And somewhat linked to that, I think it's mobile: mobile has finally and truly become part of the broader ecosystem.

**Deanne Weir, digital media entrepreneur:** Mobile, but in a totally different sense to what we thought. Years ago while I was at AUSTAR we were looking at rolling out a wireless broadband network in regional Australia and I was talking with Motorola in the US about WiMAX technology. Motorola talked about phones doing cell to cell handover and being able to watch video content on your phone on the move. I thought, 'It'll never catch on, who'd want to do that, really?' But mobile has revolutionised everything; even our understanding of what we mean by mobile content has fundamentally changed. It's the tablet, it's the personalisation and the ability for people in a mobile environment to have all the content they want: it's amazing.

**Malcolm Long, media and communications consultant:** I think it is the application of broadband to television: IPTV platforms and the related activities to do with HbbTV [hybrid broadcast broadband TV]. The strategy of the existing broadcasters to integrate broadband interactive capability with their free-to-air offerings through HbbTV technologies is the right one. It will take some time to develop. But that's just one example of the fairly unexplored area of multiplatform delivery where you can take advantage of the strengths of different platforms in order to maximise the user experience. Melding broadband with other platforms, in the interests of users, is going to be an exciting space in technology.

**Russel Howcroft, Network Ten:** HbbTV. Obviously that's in its absolute infancy right now but I'm intrigued by the opportunity – the commercial side of it, the ability for us to enable the consumer to buy off the screen. What HbbTV does is it makes television a direct response medium. It shortens the time from advertising to sale: that's where there's a huge opportunity.

**Jon Penn, BBC Worldwide:** I'm interested in things like Apple TV and Google Chromecast, throwing content from the computer to the connected TV. The TV is really just another one of many screens but it happens to be large format. Someone was in here the other day saying they're finding a lot of young people aren't bothering to buy televisions anymore. But I struggle to believe people are going to be happy to watch a lot of content on very small devices. So I think the large-format device, currently known as a television set, must continue.

**Mitch Waters, AOL Platforms:** Increasing fragmentation across devices, and across online services like Stan, Presto and Netflix. It will be interesting to see how much they shift behaviour – from a consumption perspective, and also from a rights perspective, where shows are bought and sold and what exclusivity they get. For me it will also be interesting to see whether they are all able to stay subscription-focused and not ad-focused, or whether some of them start adopting a hybrid model similar to Hulu in the US or Spotify here, where if you subscribe you don't get ads, or you can get a certain amount for free but you have to watch ads.

**Rebekah Horne, Network Ten:** Interoperability of consumer devices. We've still got closed networks, in a sense, so when you're building a platform, you've got to build specifically for iOS, Android. If we could get to a place where they were truly interoperable and seamless from a consumer experience, I think that would be pretty incredible.

“We’re going to see much more smartness and algorithmic presentation in recommendations and aggregation.”

Arul Baskaran

### *Interfaces and user experiences*

**Ross Crowley, Foxtel:** Viewing on demand – we know many people will still want to share their entertainment experience but others will happily watch on demand rather than miss out altogether.

**Arul Baskaran, Yahoo!7:** Changes in the discovery side of TV – how we find programs we then decide to watch. We're going to see much more smartness and algorithmic presentation in recommendations and aggregation. Right now, discovery is largely word of mouth: it's been press, on air promotion. But there'll be a lot more of what we saw with the music industry: people having friends whose judgement they trust, and all of that feeding back into the interface somehow; much as you do with Spotify.

**Tony Broderick, Twitter:** Enabling shared experience. We find that the audiences that use Twitter – or maybe just social media more generally – around television definitely find it a lot more enjoyable, a lot more engaging, a lot more memorable. Anything we can do to maintain that shared experience, that drives revenue on one side or just has really great stories on the other side, the more public service side, I think would be really effective. With Twitter here in Australia we're pretty much only at the starting point of that curve. We've seen from other markets in the US and in Europe that as more people use it, we can have greater impacts.

**Richard Finlayson, ABC:** Personalisation. It's interesting to look at Channel 4 in the UK and how they have made that a real priority. Already 50 per cent of 16–24s in the UK have signed up to 4oD, their video player, to enable highly personalised services. We've set a target to have 50 per cent of all iView users signed up by 2018. Reading Channel 7's annual report, they also talk about it now: they want that one-to-one relationship as well.

**Courtney Gibson, Nine Network:** Immersive viewing sets will change entertainment and education (and porn), but also be hugely enabling for people living with disability. As experiences become more commodified, and as valued as 'things', the timing could not be better (sorry Google Glass). And over time, as 360 degree cameras become more affordable, there will be the ability to make and share immersive material.

In terms of social, advances on Vine and Snapchat will be fun. As will advances in easy editing software such as iMovie, better Go-Pros, and of course everything will happen through your smartphone. Everything!

**Tawny Schlieski, Intel:** 'Mixed Reality' (augmented/virtual reality... digitally built worlds)

**Kim Dalton, Freeview:** The technology around streaming. It's the technology around accessing your content in a convenient way and that goes to the capacity to deliver it straight onto your TV screen via FreeviewPlus. However, at some stage the free-to-air broadcasters are going to have to move to simultaneous streaming of all their signals because I want to be able to go somewhere with my phone or my tablet and watch live TV. I can't at the moment, I've got to have a television with an aerial. That already feels on the edge of being old-fashioned to me.

**Scott Lorson, Fetch TV:** It's worth highlighting the importance of securing the HDMI 1 position / remote in the living room. [On recent TVs with more than one HDMI port, HDMI 1 is the easiest to select, or the default selection.]

## NEW PLATFORMS ADD DISTINCTIVE VOICES

**Nathan Mayfield, Hoodlum:** New platforms will evolve and they will be born from those who understand film language. By that I mean it will be driven by people in the business of storytelling who will understand the technology not the other way around.

**Ben Liebmann, Overture Management:** Are the telcos and over-the-top players going to replace traditional broadcasters any time soon? Definitely not. The reality is those incumbents still control the lion's share of audience and investment. But there is an exciting trend of new players investing in new and different types of programming. Some of the international over-the-top players are clearly positioned by what they produce, and it is exciting to see each of them stake their claim for a particular type of audience and a specific type of programming. The proliferation of the new versus the supposed death of the old, is very exciting

**Annabelle Sheehan, SAFC:** There is a massive audience for low-budget content, but it's not monetised very well. It will continue because that's where everyone's expressing themselves. Is that the CSIRO of high-end drama? Are the YouTubers and other online options the research arm of the drama industry? You've got many dramas and especially comedies being created for no budget at all. *Drunk History*, which started online, is now a TV show you can also watch on SBS; *funny or die* – all the comedy online stuff that's been aggregated under brands or platforms and everyone knows if they go to that platform they will see good scripted comedy.

See also 'New platforms are stimulating innovation and high-end storytelling', page 43.

## WHAT IS 'PROGRAMMATIC' ADVERTISING?

**Mitch Waters:** Think of the TV ads that appear in front of videos on a website like YouTube – we give advertisers the ability to place them there based on audience rather than context, and we do that in a fraction of the time it takes to load a page. We use datasets based on behaviour or from log-in data that is readily available. It's all non-identifiable data which we use to determine things like the person's gender and whether they like soft drinks or if they are an active sports person. Then, based on that data, we'll decide if we want to bid on that single 'impression'. In the good old days you would buy sport in order to hit males because that's where you assumed the high propensity of males are. Today we can target males across all sorts of content based on data.

Our technology currently works locally across desktop, mobile, tablet, and connected TV screens, although the scale [for connected TV] is quite small. In the US we [AOL Platforms] work across TV as well. We're moving towards a TV model in Australia, but it's a bit more complicated; the market's very different to the US.

*What are the main things that are different between the US and Australian markets for your business?*

First, the prevalence of cable TV in the US versus free-to-air. One of the big requirements of a programmatic TV product is the ability to map a behaviour back to a device. Set-top boxes are fantastic for that, so cable TV is a really important part of it.

Second, the readiness of data. The true promise of programmatic TV is being more efficient in your targeting, and more efficient in your pricing of TV inventory, based on information about what is being watched, who's watching, and when. In the US, Nielsen own the data they collect about TV viewing, and they are a very, very strong player in the digital world, so they have products that can map across both TV and digital. In Australia, OzTAM owns the TV viewing data, and OzTAM is owned by the big free-to-air networks. It is not in the position yet to be able to offer its data to match across TV and digital. One of the true benefits of programmatic TV in the long term is to be able to go, 'Okay, I've got \$100,000, I want to be on screens'. And having that one measurement, an apples-to-apples comparison, you go, 'Okay, we can optimise, put some on TV, some on digital, and then we'll flip'. At the moment we can get there, but there will be a lot of assumptions. Those are probably the biggest challenges we face.

*Nielsen does the back-end for OzTAM, but it's the ownership of the data that matters?*

It doesn't own the data yet, correct. Nielsen is working with OzTAM on what that could look like, but yeah, out here it's a bit of a process.

“I know we’ve all been saying this for years, but in 2015 it will really go next-level with the march of Stan, Netflix and Presto.”

Courtney Gibson

## In your current role, what do you fear most? What keeps you awake at night?

**Arul Baskaran, Yahoo!7:** How fast we can develop and launch apps in this market – the length of time it takes, and the resources we have here locally. The other thing is just the speed at which new competition is entering the marketplace.

**Tony Broderick, Twitter:** Focusing too much on our competitors and not enough on the strengths of our platform, which I think is an easy trap in the technology sector because it’s very fast moving and there’s lots of trends emerging and people kind of react to that.

**Jenny Buckland, ACTF:** Where is the money going to come from! I know the audience is there but I have no idea how the programs are going to be funded – high-quality drama programs we know they want. Where is the money going to come from?

**Ross Crowley, Foxtel:** The entertainment sector is exploring huge new opportunities – we have to make sure we bet on the right ones, avoid the wrong ones, remain strong in those that won’t change, and release those that are past their use by date.

**Kim Dalton, Freeview:** The threats and risks around our film and television production industry – that Australian content gets forgotten, in keeping up with the changes, as a key criterion for designing your policy framework.

**Ian Davis, Telstra TV:** Two things. How to convince telco people of the value of attaching media content to telco access products and devices. And how to cut through the noise in a world that’s getting increasingly noisy and confusing for consumers – help them see the value of quality content over quantity.

**Richard Finlayson, ABC:** Stakeholders: how do we keep reminding them of our value? How do you deal with the inevitable politics of your funding environment? And how much are we responding to that pressure: are we trying hard enough to make sure the content we produce has both public value and is capable of reaching a big audience?

**Courtney Gibson, Nine Network:** Where the next non-scripted hit will come from and how to get there first. Continuing audience fragmentation means more opportunity than threat – that’s the only productive way to look at it: it’s about protecting your turf and safeguarding your position into the future by making your content available across various sites and devices. I know we’ve all been saying this for years, but in 2015 it will really go next-level with the march of Stan, Netflix and Presto.

**Joshua Green, Arnold Worldwide, Boston:** How to help companies develop and deploy new products in smarter ways; how we can help them manage and defray risk so they can avoid the common missteps that trip up good customer experiences. The transition to wholly digital products – where purchase, use, and servicing takes place in the same device, and perhaps on the same screen.

**Rebekah Horne, Network Ten:** Nothing – it’s exciting ... There’s so much opportunity out there. I mean, the one thing that will keep me awake is which, in all of these opportunities, is the one or the ones? And also being prepared to wait. I think that’s quite challenging in a market like Australia that’s quite small, very noisy, quite bombastic: a lot of ego, a lot of people talking up a big game, versus what is actually going to cut through and what will resonate with people in enough volume to make it meaningful for the organisation.

**Russel Howcroft, Network Ten:** I’ve got a very practical worry: it’s just making sure that Melbourne, in the network sense, punches above its weight.

**Anita Jacoby, ITV Studios Australia:** New technologies and being relevant to an audience. If you’re not relevant to an audience then nothing you’re going to do will work. What keeps me awake at night is the calibre of the ideas. It’s being able to get them in front of a network and get them to see there’s something besides reality television.

“People. That’s what keeps me awake at night. This business is only two things, really, it’s people, and ideas. ... It’s keeping great people and attracting great people.”

Tim Worner

**Ben Liebmann, Overture Management:** The industry is definitely overdue its next global hit. Whether it’s the industry that has changed, or the audience that’s changed, [the fact is] there is no next big thing, and even when they come along, they don’t appear to last as long as they used to. I think that’s a worry.

**Gai Le Roy, digital media strategist:** Two things. New technology, which is exciting and scary, because we’re always playing catch-ups, both from a measurement point of view and from a business point of view. And then from an Australian point of view, the global nature of the industry and Australia’s role in that going forward. Not just Australia, but other small markets; keeping relevant, retaining a certain amount of power in that equation.

**Nathan Mayfield, Hoodlum:** The local market. It is small and thus reactive. Ripples in the business from offshore have large effects in the decision-making here – what is being commissioned, what will audiences want.

**Malcolm Long, media and communications consultant:** The survivability of public broadcasting. The diversity of our broadcasting system is what has given it its richness. Perhaps more than ever before, I think that is being questioned – questioned wrongly because people miss the point. It’s not about whether you can get documentaries on pay television or broadband. It’s about having productions coming from a number of different sources, from commercial sources as well as sources driven by different charters.

**Scott Lorson, Fetch TV:** Our focus is not on our current competitors, as we are seeking to grow the market rather than capture share. As a wholesale BTB operator, our principal concerns relate to maintaining commitment from our partners given shifting focus and priorities.

**Debra Oswald, screenwriter:** My fear is whatever happens with streaming technology, whatever delivery system wins the shake-out in broadcasting, that US-made drama will dominate English-speaking markets, and local Australian product will become financially unviable.

**Doug Peiffer, OzTAM:** Keeping the industry focused, trying to measure second screens and tablets and mobiles and PCs, and trying to get an agreement on the common metrics. TV we always measure in thousands of audience and reach and frequency. Video has been measured in downloads and views and streams and it doesn’t quite fit yet. Trying to get an industry consensus on that is going to be a little bit difficult I think.

**Jon Penn, BBC Worldwide:** It’s probably the future-proofing of the business that concerns me – just trying to make sure we are across everything so we don’t get left behind. That we are organised and ready to meet the challenges of the digital age.

**Tawny Schlieski, Intel:** I fear we aren’t ambitious enough. It takes fearlessness and passion to really go out on a limb and make super-compelling things. The next great thing won’t be something safe that could get green-lit anywhere. It will be half crazy.

**Annabelle Sheehan, SAFC:** A lot of people are scared they can’t predict what’s going to happen next, but more mundane things keep me awake at night. Worrying about process keeps me awake at night – the 10 emails I didn’t do! Am I worried about how we’re going to embrace the challenge of VOD in Australia? Yes, I do worry about that too – when I am worrying if a film’s finance plan will really work.

**Mitch Waters, AOL Platforms:** The biggest thing that worries me stems from our shortfall in supply [of video advertising inventory]. It encourages some people to try to game the system, creating fraudulent ad inventory to try to essentially game unwary advertisers. It’s not just the technology perspectives here, it’s publishers, advertisers, agencies, everyone has a part to play in ensuring, just like in any industry – banking, credit cards – if you don’t work with the right people and have the necessary checks in place, you can get ripped off.

**Deanne Weir, digital media entrepreneur:** Cashflow. Entrepreneurial businesses bring challenges when there is lumpy cashflow. And the overall revenue model around online video is still evolving. A pure ad sales model in the Australian market is simply not going to sustain a lot of new businesses; by definition you’re looking at niche markets. There also need to be subscription models but subscription prices are coming down. There are a lot of people competing for a pool of available cash, and it will be interesting to see how it shakes out.

**Tim Worner, Seven West Media:** People. That's what keeps me awake at night. This business is only two things, really, it's people, and ideas. And you need the people to be able to identify, develop, execute and market the ideas. Without those ideas, you can't really be competitive in this business, but you need the people. That's the first thing to get that process going. And so for me, it's keeping great people and attracting great people.

### AN SVOD 'GOLDRUSH'?

**Tim Worner, Seven West Media:** There is a goldrush going on in the SVOD [streaming] window right now. It's almost embarrassing and you have to make sure you've got a disciplined approach to it because you could blow a serious amount of money. The studios are sitting back licking their lips, quite reticent to make a deal until they've got every possible competitor into the ring. You've got to be careful you're making measured judgements about what something might be worth in a space, it has to be said, where really, no-one in Australia has that much experience. You're really operating by instinct. That is happening right now and the competition in that SVOD space in the next 18 months will be intense.

**Richard Finlayson, ABC:** We are about to enter quite a golden patch over the next little while. If you see what's happening with ABC Commercial, the amount of money that's being spent on archive for these new SVOD players is astonishing: the deals are huge (for example, *Seinfeld* looking for \$500k an episode from an SVOD player in the US!\*). It's like a second goldrush, because suddenly there are three extra players in this small market. Like in the early days of pay TV, they all want to have the same bed of non-exclusive content and then they all want their own exclusive bits on the top. So there's this great commercial opportunity that exists for us and others with big archives. That's about to happen for the origination of content as well – a next wave of production.

Regarding rights, clearly there's a need to change with the digital age – around runs and residuals and that sort of thing. We simply don't see library drama or sitcoms on Australian TV – it's a tragedy. There's more interesting ways to monetise archive, so I think that becomes a really important thing to change for the ABC and others. And it's also important for actors and producers, to release some of those opportunities for them as well – now that there's a real market emerging.

**Jenny Buckland, ACTF:** It's a little bit of extra money but I wouldn't describe it as a goldrush at this time – at least for children's content. We made a really terrific sale of *Lockie Leonard* and *Mortified* to Netflix Latin America which filled us with hope for what they were going to pay when they came down here. And then they offered peanuts for Australia. So that was a bit disappointing. Those shows had both done well on pay television channels in Latin America, but everything has a pretty big following here so it was surprising how little they were prepared to pay. They're launching with *Round the Twist*, and a number of other things will be coming on depending on their licence agreements here.

One of the issues with Netflix buying Australian back catalogue was they wanted to buy for the world. They wanted to have *Round the Twist* and *Mortified* and *Lockie Leonard* and a lot of other shows. But of course they've been being sold over the last 10-20 years and there are licence agreements all over the place. You can't just stop and draw the slate clean: the licences don't all finish at the same time. And in some countries they could have rights but not exclusive rights; in other countries they couldn't.

So it's complicated. They'll really need to be putting money into investment to be able to get world rights I think. Interestingly, with Netflix, they offer quite short licence terms so it'd be quite okay for them to take world rights for two years and then after that you could sell it elsewhere.

\* According to *The Wall Street Journal*, 13 March 2015, Sony was negotiating with Hulu, Amazon and Yahoo, but not Netflix, to sell SVOD rights to the 180 eps of *Seinfeld*, seeking a higher price than the \$500,000+ per episode that Warner Bros reportedly received for its sale to Netflix of *Friends*.

<http://blogs.wsj.com/cmo/2015/03/13/seinfeld-nears-streaming-video-deal-yada-yada/>

# EVOLVING BUSINESSES

## Relationships, rules and business models

### How will relationships between producers and distributors need to change over the next few years?

“There is a scale factor [in production], but at some point, that scale factor ceases to provide increasing returns and works against the creativity that is part and parcel of creating compelling new content.”

Ian Davis

#### *There will be more vertical integration and consolidation*

**Tim Worner, Seven West Media:** Both [production and distribution] are areas in which we will seek to operate. It'll make sense for us to distribute content in the future and we're already seven years into a strategy to try to originate and therefore own content ourselves. We're now reaching a point where we're starting to create and produce content for broadcasters other than ourselves in markets outside Australia and also within Australia. So I guess that's a change in our relationship with ourselves.

**Jon Penn, BBC Worldwide:** There's a trend emerging of consolidation in production and distribution. When you see Discovery buying All3Media and Shine, Core and Endemol merging, it looks like we are at the beginning of a big shake-out. Being a niche TV producer/distributor is probably an unlikely proposition for the future. Producers and distributors need to become more direct sellers to end user customers.

**Anita Jacoby, ITV Studios Australia:** They'll [producers and distributors] become one. In the current climate – and I can't see that changing – we simply can't afford to have independent producers and distributors not working together.

Production companies, particularly like ours, become one because the economic model will force you to become one, and I can't see how that will change. All the smaller players will be absorbed by the bigger players, or they'll just cease to exist.

Equally, distributors will become part of the production chain because you need to have your business case together. To me, it's going to be one big production house with a distribution arm and a business arm.

**Ian Davis, Telstra TV:** There'll be consolidation in distribution. But I'm not so sure about consolidation in production. There is a scale factor, but at some point, that scale factor ceases to provide increasing returns and works against the creativity that is part and parcel of creating compelling new content.

**Ben Liebmann, Overture Management:** We're oversupplied in distribution. I don't believe that a market of this size can sustain so many platforms and distributors. At some point I suspect the over-the-top sector will be dominated by Netflix and one other. [See also 'Streaming video platforms – will there be a winner?' page 24.]

On the production side it's only going to speed up too. So you'll have the [players in the] big end of town getting fewer, more powerful. But what I also think will happen is a lot of smaller indies. That seems to be happening in the UK. The proliferation of small true indies is actually happening at a point where the major end of town is getting smaller and smaller. That's because broadcasters are looking for different stories to be told; they're looking for innovation. And unfortunately consolidation is generally driven by a commercial end game rather than a creative one.

Most of the recent mergers in the production sector were not driven by how to get the greatest innovation in creativity and storytelling; they were driven by reducing the cost base. Well, that doesn't drive creativity and that doesn't drive innovation. It just doesn't.

I hope we'll start seeing a rebirth of true indies in the Australian production sector – the Zapruder 2.0s and the Crackerjack 2.0s – people who have had the benefit of flirting with the bigger end of town for a period, and are able to come back again and focus on great content, great storytelling. It's good for the industry. But I don't believe the production sector, the big producers, are going anywhere.

**Richard Finlayson, ABC:** Everybody thought producers would move into the position of being able to work directly to the customers, but in some ways it's actually getting further away as new platforms may become even more dominant than old ones. So I think producers will just have to make sure they've got great relationships with distributors ... as they currently have to do. The more things change, the more they stay the same.

The other big trend is that indies are all being bought out by international players so they're trying to vertically align. Many of the buyers are networks as well – take NBCU for example: they've got their own distribution platforms and they want to vertically integrate with content capability in every territory, and that makes it harder and harder for independent producers.

“Digital distribution seems like it's ‘free’ – distributors can just take all comers and let the market sort it out. But for long-form content, there's an opportunity cost for any distributor, and I think they will look to producers able to deliver ‘hits’.”

Tawny Schlieski

### *Even without consolidation, producers and distributors will have to work together more closely*

**Ian Davis, Telstra TV:** Producers and distributors are going to need to get closer together, not further apart. As the ‘single identity, same content on multiple devices, make it easy for me’ model becomes more normal, the role of the distributor is not going to diminish. It's going to be there still, if not increase. But the distributor is nothing without the compelling content the consumers want to consume. So I think they're going to have to work closer together, not disintermediate each other.

**Courtney Gibson, Nine Network:** More producers are paying more attention to their distribution, and thinking like distributors as they maximise and protect their rights. And more distributors are diversifying into producing content. An interesting thing about the Australian market: our producers have to work both ends of the room – they're in the writers room developing the series, and they're driving the financing, negotiating windows and cost reporting at the other end of the business. That's unique – running the creative and the business ends – and it gives our producers a competitive advantage overseas.

**Joshua Green, Arnold Worldwide, Boston:** I suspect growing closeness, particularly as players like Netflix and Amazon commission more work. Distribution is only getting more complex and extracting as many rents as possible from platforms that return smaller numbers is increasingly important (rather than seeing some channels as mere cream).

**Tawny Schlieski, Intel:** Successful producers have always been close to their distributors, but the pressure on that will increase. Digital distribution seems like something that is ‘free’ – where distributors can just take all comers and let the market sort it out. Think of the Amazon eBook market or YouTube as places where the distributor is actively and determinedly indifferent to the quality of the content. But for long-form content, there is an opportunity cost for any distributor, and I think they will look to producers able to deliver ‘hits’ (as measured by however many eyeballs the distributor thinks they are buying).

**Annabelle Sheehan, SAFC:** Producers need to have a distribution mentality during the development phase. Of course, the guidelines for state and federal agencies have for years required you to have significant interest/attachment from the marketplace, so you're thinking about your audience early on. However, now, like never before, it is essential producers engage with their distributor, and distributors engage with their producer, to say, ‘where is our audience?’ There's lots of examples of crowd sourcing, crowd funding, Tugg cinema-on-demand, all of these things are bringing distributors and producers in development closer together.

That's the thing I'm particularly interested in. Distributors might have said producers needed to be more market-oriented in the past, and distributors have tried to understand the creation of content, the art. They're really required to understand each other now, so they completely redefine why they're creating and supporting the content they are producing.

“Content is going to have a much longer tail than it ever had before. We may be able to monetise it for a longer period of time, and in some cases make more money out of it.”

Tim Wornor

**Tim Wornor, Seven West Media:** In terms of other producers’ and distributors’ relationships with us, the complexity of rights and negotiations now means that distributors have to change the way they deal with us. It used to be pretty simple, where there were massive output deals that just captured everything. Those days are rapidly fading. I guess I don’t see our relationships with producers really changing. We’ll still be after the best ideas, whether that’s within Seven, out in the independent production community, or elsewhere.

*For producers, new distribution opportunities are emerging but sales and financing models need to change*

**Nathan Mayfield, Hoodlum:** Producers will have more choice but will be impacted by distributors realising they will not be selling in the way they do now – that, is territories will merge and networks will drive deals to include more rights (online, terrestrial and VOD) for less money.

**Arul Baskaran, Yahoo!7:** As a TV producer, the relationship with just the one big broadcaster is definitely going to change. We’re seeing interesting experiments around the fringes of that already with things like comedy. Louie CK, for example, passed up on an HBO special and chose to go direct to consumer; he made it voluntary, in terms of payment, but recouped his entire production costs at Carnegie Hall and through the production of the show itself – all within about three days, I think. After that, a long tail – I’m sure people are still buying it.

So we’re seeing more and more people looking at alternative ways of monetising their content. It’s probably smaller amounts of money, in terms of a fee to access the content.

It’s probably also looking at more aggregators, rather than going directly to the consumer in each place. Because ultimately, what you’re looking for is a big enough marketplace. Whether that’s iTunes or Google Play or the X-Box store or any others that might come along – that sort of aggregation where you have a number of eyeballs, whether it’s around a TV network or a gaming platform – those become interesting places to go and look for money.

**Jenny Buckland, ACTF:** If the content is what people want and there are more options to sell it, logic suggests the producer will be in a slightly more powerful position. Particularly in Australia, with the commercial broadcasters and the ABC, where the terms of trade weren’t very negotiable for producers. But if you’ve got something everybody wants, depending on whose paying the most, there should be more flexibility. There’ll be a rationalisation though: I don’t know that the number of producers we’ve got can last.

There is also this really complicated thing with distributors at the moment, with all these new technologies. For example, who’s got the SVOD rights? Initially it’s like nobody has them because we didn’t know what they were when we did the contract, so we can do what we like with that. But then you get to a point where the ABC suddenly says we’re going to pay you the same licence fee but we need the SVOD rights, the free online rights; we need all of these rights and we’ve got that kind of power over you. All of that is going to have to settle down in some way as people work out windowing and things like that.

**Russel Howcroft, Network Ten:** Producers have obviously got incredible opportunity to be direct to consumer. It’s not a huge leap to think I would, over the internet, be consuming Disney content straight from Disney.

**Tony Broderick, Twitter:** [Based on] my experience at Fremantle, I remain incredibly optimistic about that business as both a producer and a distributor. It offers a lot of opportunity in terms of more platforms, more competition, more buyers and so on.

The down side is the market becomes more fragmented, and the budgets and high revenues mean they have to be incredibly competitive and look for new business models. We had to be a lot more creative with our costs, but also about how we did deals: does that mean, say, a free-to-air network and Stan will be co-producing content together because that’s the only way they can make it happen? And does that mean we then have to think a little bit less about re-selling tape to every single market, but expect that a global platform like Stan may take international rights for something a free-to-air network only takes local rights to.

I remain very positive but the old systems of windows, markets and cycles will have to be completely thrown out the window if we’re going to continue to make content at the same production quality.

“Producers will be working with new models of distribution including IPTV and on-demand that will reconstruct the way investments are modelled.”

Ross Crowley

**Tim Worner, Seven West Media:** Content is going to have a much longer tail than it ever had before. We may be able to monetise content for a longer period of time, and in some cases make more money out of it.

### *Business models underpinning content creation will reflect new ways of valuing and trading IP*

**Tawny Schlieski, Intel:** We need to reimagine access and ownership for a digital age. How do the people who invest time and money in the creation of content get rewarded? How is the infrastructure that delivers content maintained? I don't think the 19th century rules of 'publication' serve very well any more.

**Kim Dalton, Freeview:** The business models sitting behind the creation of content are critical, and I don't think anybody quite understands where we're heading in all this. It's possible we're heading off a cliff, because – while there's lots of excitement, particularly among some parts of the media commentariat, about changes to the way people access content – at the end of the day content costs money and you need business models to support it.

David Gyngell or someone or other I was reading yesterday and said: 'There is a cake and all we're doing is just cutting up the cake, but it is a cake. The cake's not getting bigger.' Netflix has not increased the size of the cake. For the most part what Netflix has done has been to cut some of the slices a little bit thinner.

It is ultimately a shared issue [between producers and distributors]. But in fact you get the feeling that for a lot of the newer players in the distribution area, there is no sense of it being shared. I know I have been accused by some people of being a harsh critic of pay TV in Australia, but when it first got going the creation of Australian content was not a significant part of its business model: it was going to be amazing – 25 channels and you could get whatever you wanted – but the business model relied on relatively low-cost content.

If you do care about the creation of content, whether it's American content or Australian content, the business model that will support the costs of production is a shared problem.

**Ross Crowley, Foxtel:** Producers will be working with new models of distribution including IPTV and on-demand that will reconstruct the way investments are modelled. Television distributors and broadcasters will meet people who've come to production from non-traditional media like film and online.

**Debra Oswald, screenwriter:** I think it would be good if distributors would realise that producers need help to finance things before there's anything finished to sell. But then it's not like distributors have huge pots of cash do they?

### WRESTLING OVER RIGHTS

**Ben Liebmann, Overture Management:** For producers, there's a history with broadcasters. We arm wrestle over rights, but there's a mutual respect there and I think a mutual need. And ultimately there is a workable solution that delivers value to each side. The new platforms don't have that history, so there are new rules and paradigms. They are being driven by data, not by relationship. A potential shift in the ownership and control of rights has the power to fundamentally shift the production sector very quickly and to disrupt companies that have been built on creating and owning intellectual property that can be scaled, repeated, and rolled out internationally. The large production companies weren't built on the model of creating a piece of intellectual property and handing it over to somebody else.

**Deanne Weir, digital media entrepreneur:** All the producers are desperately trying to hang onto as many rights as they can, so they've got multiple exploitation streams. The broadcasters and everyone else are trying to snatch as many rights as they can, and there's this real push-me-pull-you kind of thing going on. Who wins that battle depends on the negotiating power of the producer versus the distributor versus the platforms. We're looking at it from a Hoodlum perspective: it's interesting stuff.

So it's complicated. They'll really need to be putting money into investment to be able to get world rights I think. Interestingly, with Netflix, they offer quite short licence terms so it'd be quite okay for them to take world rights for two years and then after that you could sell it elsewhere.

**Russel Howcroft, Network Ten:** I think it was Jeffrey Katzenberg who said content will be priced according to the square inch. It's actually good fun in a way, in that you can watch the same show on your mobile phone, on iPad, on a large screen or on the cinema, you will just pay a different price according to the square inch.

**Ben Liebmann, Overture Management:** The situation with ancillary or secondary rights is interesting. They currently have value because the traditional platforms have audiences that then allow you to commercialise those secondary rights.

Albeit we are in the early days, but the question is will those rights continue to have value, as content and audience are shifting to some of these new platforms that don't yet have the scale of some of those historical platforms. In many cases the new platforms don't need the scale because they can be built around niches. A hit show on an over-the-top play may be a commercial success for the platform and the producer who's making it, but it will not have the audience of what was on a free-to-air broadcast to two or three million viewers which allowed you to build out those ancillary rights. I think the question is where the rights go.

"The big challenge ahead for the big producers and the big distributors is finding ways to continue to create high-quality programming that engages the audience, but on budgets that aren't of the scale they're used to."

Ben Liebmann

### *New financing and distribution options bring new challenges*

**Malcolm Long, media and communications consultant:** The good news is that more and more producers can expect competition to buy their product because there are more platforms looking for it. On the other hand, because it's essentially a global marketplace, standards are going to get higher and higher and so production in small countries like ours, especially in an English language country like ours that's competing with very large English language producers, is going to have to continue to be sophisticated, clever, exciting, new, innovative, all of those things, because there are always international alternatives which will fill the space. The pressure on innovation and creativity is going to be strong.

The move to break up current program rights patterns is also going to be challenging for our producers. The content production industry is based in most countries on the sale of regional rights to use content, the ability of producers and distributors to farm different rights in different parts of the world to their advantage. But as the platforms and the owners of these platforms get more global, there will be pressure to be able to acquire more global rights or near global rights or multi-territory rights. I think that will be disruptive, very disruptive, and will require distributors especially to think in wholly new ways about what the best rights deal is for their productions. So I think it's a mixed bag. Some new opportunities, but even in something as fundamental as intellectual property, new frameworks.

**Ben Liebmann, Overture Management:** The big challenge ahead for the big producers and the big distributors is finding ways to continue to create high-quality programming that engages the audience, but on budgets that aren't of the scale they're used to. We need to find new ways to tell their stories in a new commercial environment. More people are consuming content; more people want to distribute content. If you start from that point, it's about finding ways to reach those audiences. They've got to avoid being incumbents tied to old commercial models and old distribution models.

**Richard Finlayson, ABC:** What's going to be interesting is whether it becomes a fragmented consumer experience when [all the platforms] are creating their own content and have their own subscription offers – no matter how attractive the value of it is. We've seen that already in the United States where everyone feels they've got to have Amazon, they've got to have Netflix and they've got to have Hulu now, because they all have big marquee shows. Audiences begin to feel they need to have them all – and that won't be sustainable.

**Mitch Waters, AOL Platforms:** From a producer perspective, on the buy side and in terms of driving traffic to the content, a massive amount of data is being used, but from my limited understanding, only companies like Netflix are actually using viewing data to influence what content they're creating. So I would imagine a big content-data push where producers, writers and also companies like Netflix, Stan, Presto etc are going to be using viewing data and the like to influence what they're creating. Sort of like *House of Cards*.

**Deanne Weir, digital media entrepreneur:** [The free-to-air broadcasters] will of course continue to argue for some sort of regulatory impost on the other platforms, which is going to be really interesting, because it comes down to the whole Google tax argument – where are services made, where are they

“This is not about some little addition to what Nine is doing, or what Seven is doing. The transformation that’s happening across the broadcast businesses is huge.”

Deanne Weir

provided? Then the international treaties – I actually think it might be quite difficult, for any government that decides it does want to try and do something, to make new rules for these additional platforms.

Does Netflix take the approach of saying, we’re just going to throw money at Kevin Spacey and Beau Willimon and team, and go out with two or three very expensive high-value propositions as their initial calling cards? That worked really well for them with *House of Cards*. Or are we going to see the guys here doing lower cost to get volume? I don’t know.

You’ve got content companies playing in a global world. If we can produce content that is also able to be leveraged on other international platforms ... You know, Hollywood thinks we’re the new Nordics!

**Tim Worner, Seven West Media:** Rights negotiations have become far more complex. With the proliferation of choice comes the proliferation of windows. There’s SVOD, there’s AVOD, there’s free-to-air, there’s pay television. I have no doubt there will be transactional windows – there already are, but we’ll see more of those available to more people.

So you’ve got all these windows, but the same amount of money to actually either make the show or pay for the show. Independent producers are probably thinking they’ll be able to get more money for that window and this window, but in the end, there’s only the same amount of money to pay for the show or maybe less as the revenue pie shrinks. Everyone’s got to come to terms with that.

Also, [where an international company owns a production entity in Australia] if you want to execute one of their formats you don’t really get a say in who makes it anymore. You will be dealing with that local production company, and therefore you will be dealing with that selection of production talent. When we first started doing formats in a big way, you would option the format, bring it back here and then decide who is the best, who has the best talent to actually execute this format really well. That is a very big change.

**Russel Howcroft, Network Ten:** The key here is making sure people are making money. You need the producer to make some money and the distributor to make some money, and you need the ability for people to be able to advertise so they can make some money. And sometimes you feel that maybe a lot of what’s going on is just driving price down, which makes it really tough.

### *TV broadcasters have to change their business model to survive*

**Deanne Weir, digital media entrepreneur:** This is not about some little addition to what Nine is doing, or what Seven is doing. The transformation that’s happening across the broadcast businesses is huge. They have to alter their business model, Seven, Nine and Ten: their businesses cannot sustain themselves in the same way and they’re all recognising that.

I think this is the opportunity for the free-to-air broadcasters – if they can adapt and have as part of their business model these other platforms as well. Then they’re able to get bang for buck for what they’re being forced to produce for their main platform.

**Rebekah Horne:** To some extent free-to-air television in Australia has become a utility. It’s such a different market to somewhere like the US where it’s very cable-driven. Much like water and power, we just expect that we get it and it’s free and what I give you is my time and I look at ads in return for that, so it’s that classic value exchange.

Because of what the Internet has given consumers access to, what’s come about is the expectation that, ‘I can get anything I want: any movie I want, any television show I want, any piece of content from any device at any time’. What is challenging is how do you meet that expectation when in the background you’ve got a whole industry predicated on certain rights – [everyone] trying to figure out, ‘How do I continue to have a viable business in a world where that is the expectation?’

Ultimately you’ve got to be able to change the business model. You’ve got to be able to almost rewrite the rules across your own organisation, across how you interact with producers, what rights you want, how much you’re willing to pay.

You could argue that audiences haven’t actually declined, they’ve just moved. They’ve crossed platform. They may not see the difference between watching television on their iPhone or their Samsung device or what-have-you, and the old model of assuming it was just down the television pipe doesn’t work

anymore. Audiences don't have that delineation, so why should we, and why should the economics that underpin the entire industry remain the same?

If you can get that right, you can understand what your position is in the new world – forget the old world, it's over – you can start to carve out what value you think is attributable to what you bring to the value chain. Until you get the front piece right, which is really about your production and your distribution, you can't get the other bit right, which is about to-consumer – is it free-with-ads, is it pay-per-view?

What doesn't make sense and what won't ever make sense, and what is challenging the industry, is that you can't pay more than you make across any platform; it's just untenable. You've got to figure out very quickly how you pay less and do the same, or get more for what you pay.

I'm not sure anyone's figured that out yet, even with the proliferation of various streaming services – although there's been tonnes of noise. A company like Netflix has been around for a long time: it's a long game and it's not guaranteed and it's incredibly expensive. So I'm not sure there's anything we would or should rush into, before we actually get the first bit right, that is, defining what your economic structure looks like: what business are you actually in now we know that television is literally anywhere?

Someone like ITV in the UK has done a pretty good job of redefining the model; they went through a big strategic piece, 2006 or 2007, I think. It's about delivering something to an audience. You've already paid for the thing you're delivering, typically at a premium; you should be fairly strong in your desire to be able to deliver beyond spectrum – not for more, but for the amount you're paying, because audiences are shifting; they're spending more time, but more or less it's still the same sort of audience.

### CONTROLLING CONTENT – OWNING IP

**Rebekah Horne:** In a world where there are all these platforms and devices, I think what's truly valuable is content and IP [intellectual property]. Once, for broadcasters, [the value] was in limited access to content: you were one of a few companies that had a licence to distribute. But obviously the internet has completely disrupted that and there are now multiple distribution opportunities, not limited by spectrum, which your TV licence is.

I remain uncertain about [how it works now] where the platform, from a distribution point of view, is broadcast TV. In my mind, IP is actually the critical value. Spectrum is still very valuable in Australia because the Australian market is unique in that sense – people see free-to-air television as their right, and it's a very dominant market here, unlike the US. But over time, will people come with the same set of expectations? Is the growth in the business about assets [rather than population growth]?

For a broadcaster, I think IP is a natural. You've already got the skill-sets: you've got producers, you've got the content creators – a really valuable skill that is hard to replicate. Technology, in a sense, is really easy to replicate: you could spend a tonne of money and get a video stream and platform tomorrow. What is not easy to replicate is the value creation around content – the production and the narrative and the scripting and all that stuff – which then turns into a right. In my mind, that's kind of the holy grail for broadcast. Everyone is trying to figure it out, but that's where my head's at right now.

It's hard to know, but I just think it's easier and it makes more sense, because we're not a technology company: we're creative content. So harness that, amplify that. We've got Rick Maier here, who's probably the best drama producer in the country; that's enormously valuable. It's about what value you create from that in the new world, and to me it's the ownership, it's the IP.

**Deanne Weir:** The problem for some of them – like Ten – is they simply don't own enough of their own content. It's got to own more content that it can exploit. Look at some of its big properties that do well across other platforms. What is 10 getting out of that, when they're the ones promoting a big franchise? Do they get enough return on that, not just from ad sales, but from other sources? Probably the answer to that at the moment is no.

**Richard Finlayson:** The big networks will become bigger producers. That's for sure. I think everyone can see now that Seven's strategy has been the right way to go. So, if you're a producer, on the one hand, great, there's always business coming down the line, but on the other hand, you'll be thinking, well, Seven and Nine are just going to want to keep their own stuff and control their own rights.

I imagine that will become more and more of a pressure point with Netflix coming in, and local players launching their services, as broadcasters start having those conversations with their various partners. Even some of the distribution agreements you have with the platforms and some of the revenue shares – it's just not tenable. It's not that you're being greedy, it's not that you're being difficult, it actually just means you don't have a business.

## How might platform-specific rules need to adapt?

“There will always be a need for some rules in a few areas... But they have to be tied to the content, not the platform.”

Malcolm Long

### *Rules need to be simpler, more platform-agnostic and global-friendly*

**Ian Davis, Telstra TV:** Essentially, we need fewer rules, and rules that are more platform-agnostic. Platform is something that, historically, was a differentiator of what you could deliver. But as technology advances, the platform you use to physically get the content is going to be less and less evident, let alone relevant to consumers. They're just going to care that they're watching something they want to watch, when and where they want to watch it. Whether that comes over DTT, satellite, cable or IP and whether that IP is from a telephone network or a fibre network or a satellite or the mobile network – consumers don't care. So the rules have to, at some point, become platform agnostic.

**Malcolm Long, media and communications consultant:** I have fairly fixed views on this, having not too long ago been involved in a major piece of work on it, the Convergence Review. Something we all know is going to have to happen is to move the rules away from being platform-dependent.

The answer is obvious. There will always be a need for some rules in a few areas: ownership and control, classification issues and public protection of minors; local content production; and some basic rules about ethics in factual programming and journalism. But they have to be tied to the content, not the platform.

In the Convergence Review, we said that the swing factors determining whether or not particular rules would apply to you should be your size as an operator, and therefore your reach and impact and power. So the nature of content and the nature of the ownership become the key matters for public interest and that has nothing to do with platforms. I think it's possible for governments to move to that position if they have the will to do so.

**Anita Jacoby, ITV Studios Australia:** Platform-specific rules will become increasingly less relevant. I think Turnbull was on the record saying the other day that with the internet that's just all going to change the whole dynamic and so it becomes less and less relevant.

**Ross Crowley, Foxtel:** We are seeing global partnerships in the creation and distribution of content. Local operators on both sides will have to consider global partnerships to grow, and rules within Australia will have to accommodate the globalisation of the industry. Producers like Fremantle, Shine and ITV operate worldwide production arms – likewise broadcasters like Discovery, BBC and Disney acquire and produce programming for global channel networks.

**Gai Le Roy, digital media strategist:** The rules at the moment are a bit arbitrary. I guess it depends on all the other territories, but if you look at the major Western territories, if people can afford a subscription video service, it doesn't really matter what [the format] is. Other markets that still may be more ad-supported for a longer time, like India, might still want to be able to cut and slice and dice in a way that makes sense.

“Rights windows will be obsolete. Distribution will be far more automated.”

Nathan Mayfield

“Broad distribution will be key, but the importance of windowing to optimise returns will continue.”

Scott Lorson

### *Advertising, rights deals, windows and holdbacks need to be reviewed*

**Arul Baskaran, Yahoo!7:** Advertising models will need to change. So you do see higher CPMs [cost per thousand] with on-demand video advertising than you do with the general broadcast ad. But at the same time, that's where the networks are making money. Because it can be harder to measure online as well as you do with the ratings. But that will shift. There might be new opportunities with online advertising that are more specific, more targetable, more personalised than the broadcast one-to-many ad.

**Courtney Gibson, Nine Network:** There will be mudwrestling about holdbacks and windows. The exciting thing now is the potential for useful experimentation in relation to windowing. But you have to see it as an opportunity, not a threat. Every series or film must have a bespoke distribution model, depending on the work, the market, the mood – there's no one size fits all anymore.

**Nathan Mayfield, Hoodlum:** Rights windows will be obsolete. Distribution will be far more automated. Producers will have to be resourceful in how they will deficit finance their shows... this is where brands will play a more active role in the commissioning of content.

**Joshua Green, Arnold Worldwide, Boston:** The march towards digital rental rather than purchase has really put a dent in the home video market, and increasing budgets and fragmentation make combining revenues across multiple platforms more important. The petty battles we see in the US over rebroadcast fees are likely to continue, as will the requirement to have a cable connection to access content out-of-home, though only until the cable industry stranglehold over lounge-room access weakens.

**Annabelle Sheehan, SAFC:** Windows, windows, windows. These are under intense scrutiny by all.

**Kim Dalton, Freeview:** Platform rules are already adapting: it's called catch-up TV. It involves a new way of negotiating rights, delivering programs to audiences and then measuring the eyeballs and selling them to advertisers.

Change comes slowly though. Last night I missed the last episode of series four of a favourite program and went to watch it on FreeviewPlus, on catch-up, and it's not there. Why isn't it there? I doubt it's because somebody in the network has forgotten to put it up. I suspect it's because when they were negotiating the rights they didn't get the rights to be able to do a catch-up streaming service.

It's just a little bit 'out of time', this notion that 'Oh, I'm just going to sell you the free-to-air rights'. These days, the free-to-air model is not just 'free-to-air' rights: you have to be able to stream it and you have to be able to offer it for viewing for at least some period afterwards on any number of devices and at any time.

Producers will have to keep thinking that through, because it's in the producer's interest that their program is watched and is popular and supports whatever business model is being used as the primary source of finance to make their program. They have a stake in making sure that works, particularly Australian producers. It doesn't matter as much for many US shows, but it does matter, I think, for the relationship between Australian producers and broadcasters.

**Scott Lorson, Fetch TV:** Technology and piracy have broken down the scarcity model (leverage exclusivity to secure high ARPUs / margins). Broad distribution will be key, but the importance of windowing to optimise returns will continue.

“As a global distributor being able to regulate content availability and pricing by market is critical if we are going to continue to make and distribute really high-quality content.”

Jon Penn

“The rights models studios are enforcing here [are] a legacy of how they were previously paid for. I think it’s largely unsustainable in the current on-demand environment.”

Arul Baskaran

### *Better rules could reduce consumers’ motivation to pirate content*

**Jon Penn, BBC Worldwide:** As a content owner and distributor, what we abhor is piracy. If everybody else is taking a show off a website, for some strange reason it feels ok to some people. Just saying it’s wrong isn’t going to be enough though, because the behaviour has taken root in some parts of the community and Australians seem to be particularly, enthusiastic pirates.

So I think we need to be very watchful of that and it’s probably a bit simplistic, but we do need to adapt our model so that we can deliver content to customers how they want to consume it, so that we can meet the demand without them having to resort to that sort of behaviour.

The other part of the riddle is people using VPNs to get around regionalised IP businesses. If you are in Australia you can only consume content we make available to you in Australia, and we don’t want you to go to the US and consume content there via masking your IP address.

As a global distributor being able to regulate content availability and pricing by market is critical if we are going to continue to make and distribute really high-quality content. A world where everything is available to everybody all over the world at the lowest price isn’t going to work for us and ultimately not the consumer. We want to make great content, they want to consume it and so we’ve both actually got aligned interests.

**Tony Broderick, Twitter:** [Going back to my time] at Fremantle – a business built completely on windows and restrictions and so on – I questioned whether this was going to be sustainable. Although we continued to make great business, we really had to be thinking about what we were going to do when the audience demands on us just completely changed. Because piracy is really just a symptom of a change in audience behaviour that isn’t being responded to by the industry.

**Arul Baskaran, Yahoo!7:** The parts that are most out of sync right now are the rights models that studios are enforcing here. The way they’re being handled right now is a legacy of how they were previously paid for, and I think it’s largely unsustainable in the current on-demand environment, with the number of options people have. If you look at BitTorrent and the TV shows that are traded on there; a lot of it is because shows aren’t available here, or are either available for a very limited time or aren’t available beyond broadcast. Exercising those rights in a way more aligned to actual audience demand and how long that demand lasts is important. So that will need to change.

Windowing will need to change, and already is changing, in terms of the speed at which content is released in different markets.

## Will scripted drama continue to be as important a part of the business as it is now?

“Storytelling is as old as human community – new technology will only provide new ways to tell great stories.”

Ross Crowley

### *Yes, but how we watch drama is changing*

**Ian Davis, Telstra TV:** Short and emphatic answer: yes. Because, to me, the tremendous appeal to consumers of compelling stories professionally told and produced will not diminish.

**Ross Crowley, Foxtel:** Storytelling is as old as human community – new technology will only provide new ways to tell great stories.

**Gai Le Roy, digital media strategist:** Scripted drama will be important to audiovisual content consumption, but where that sits for what we’re now calling ‘television’ will change. We’ve already seen the major shift to catch-up, to bingeing on other platforms, and I think that will continue.

**Arul Baskaran, Yahoo!7:** I see little evidence of the ‘what do we want to watch’ changing that much, but *how* we watch it is changing quite a lot, both in terms of the distribution and the devices and the patterns in which we view it and where we watch it.

**Doug Peiffer, OzTAM:** If you look at what’s occurring on the second screens, it’s drama. People are using these second screen devices as their PVR now, and scripted dramas do very well – I don’t necessarily have to record and watch it on the TV; I’ll watch it wherever I’m at on those devices.

The scripted drama is one of the most recorded and played-back pieces of content in the world. Sports is watched live, news is watched live but drama is recorded and shifted and has that shelf life. People want to be entertained and that’s where it sits.

**Courtney Gibson, Nine Network:** In terms of the way we watch drama, it looks like bingeing is making way for snacking. Instead of just pigging out on a whole series or two over a weekend or on annual leave as a special treat, people are ‘chapterising’ their viewing and snacking day-to-day, watching one or two episodes of something each evening or every other night, just as they might read a chapter of a book before bed.

### *And formats are evolving*

**Annabelle Sheehan, SAFC:** Beau Willimon, the fabulous creator of *House of Cards*, said ‘Oh well, it’s a 13-hour movie. It’s not 13 x one hours’.

**Tawny Schlieski, Intel:** I think the churn rate (nine episodes and done) will continue to rise at least for a period of time. The urgency to attract audience and the large number of channels put pressure on extended-form shows. I see them becoming the ‘tent poles of TV’ – a handful of shows in any given season – while most stuff churns on and off the screen pretty fast.

**Jenny Buckland, ACTF:** In the children’s area certainly it’s changing – almost mirroring what’s happening in the adult area. When we started selling a show like *Round the Twist*, a broadcaster would always ask, ‘Can we play the episodes in any order?’ They would assume you might just tune in every now and again at 4 o’clock on Tuesday afternoon and they didn’t want you to feel like you’d missed out because you’d just missed a couple of episodes. It’s completely different now. They want every episode to end on a cliff hanger. They want a script so the audience just has to keep seeing the next one and the next one. They’re asking for it to be more compelling, more like a serial and something the audience doesn’t want to miss out on.

It has happened in the adult area as well. I think we’re all watching better-quality television than we were. I wonder what will happen to all the cheap stuff because if you’re able to choose to watch anything, you’d rather spend a whole week devouring every episode of *House of Cards* than watching junk.

I suspect formats are going to become a bit more flexible too. With SVOD, everything doesn’t have to be in groups of 13, 26, 39 or 52. If people start making programs the right length for the story, I think that’ll be interesting.

“The urgency to attract audience and the large number of channels puts pressure on extended-form shows.”

Tawny Schlieski

“At the moment, it appears that Netflix and Amazon and broadcasters want high-end, high-budget, high-concept drama, and they’re not looking for cheap and cheerful.”

Annabelle Sheehan

**Scott Lorson, Fetch TV:** Scripted content will be more important than ever, given the growing significance of binge viewing and clear willingness of consumers to pay for premium drama. There is huge investment in this space by the likes of HBO, AMC, Netflix, BBC, etc. Scripted content also has big appeal to the creative industry because of the ability it offers to tell complex stories and the budgets now available, many of which rival the funding previously reserved for feature films.

### *New platforms are stimulating innovation and high-end storytelling*

**Joshua Green, Arnold Worldwide, Boston:** Premium channels here in the US have ceded their ownership of high-quality scripted drama; once-basic channels or those who relied heavily on formulaic episodic programming are innovating and ending up with hits (FX and AMC are probably the standouts). ‘Second tier’ scripted production is a thriving place for innovation in the US.

**Annabelle Sheehan, SAFC:** There’s no doubt the high-end drama projects that rise to the surface are very significant brands that can then circulate on multiple platforms, from binge box sets to VOD downloads. But what will happen in the low-budget range? Is that what ‘made for online’ series will be? Or is it the CSIRO of high-end? [See ‘New platforms add distinctive voices’ on page 27.]

People will continue to watch drama; it’s just where, how, who made it and how can they get it fast. At the moment, it appears that Netflix and Amazon and broadcasters want high-end, high-budget, high-concept drama, and they’re not looking for cheap and cheerful. Cheap and cheerful, creative and innovative will continue on YouTube, and all sorts of places, where the high-concept people will say, ‘That person’s now got two million viewers. Let’s offer them a deal.’ [See ‘Compelling content will come from anywhere’ on page 58.]

**Courtney Gibson, Nine Network:** The most exciting evolution for Australian drama would come if Australian SVOD services start to commission local drama and comedy; that would be a game-changer, just as Amazon’s commissioning of *Transparent* and Netflix’s commissioning of *House of Cards* and *Orange Is the New Black* have shifted the landscape in the US.

### LONG-FORMS, SHORT-FORMS, PUZZLES

**Debra Oswald:** I feel quite sad that the 13-parter seems to be fading in Australia. People now seem to just want six or eight. Twenty years ago I would have thought, oh what a treat to get to do a six-parter, because it was seen as more high quality and authorial or something. But having just done five seasons of a 13-parter [*Offspring*], I can see the joys of that, the chance to develop characters over time.

With a 13-part series, or even the old 26-part, you can lure an audience in to watch something they might not have thought they would like, instead of having to convince them beforehand, which is what a movie has to do. You can sneak up on people. A few people watch it, they tell their friends to watch next week, and with catch-up those friends can then catch-up. And then you can end up taking people places that they didn’t think they wanted to go. The writers can go places they didn’t think they wanted to go, because things happen. You can lose actors so you’ve got to do something, and you find some interesting sideways turns in a story. There’s something so exciting about that for the audiences and the creators.

There’s this current obsession with the ‘puzzle drama – the six- and eight-part puzzle that we solve by the end. There’s something closed about it – it’s not true to human existence. Of course, there are all sorts of exceptions where people do it in a very intelligent and thoughtful way – but generally puzzle dramas are a kind of low-grade form of storytelling, where the writers hold information behind their backs, in a phony way, and then suddenly whip it out and go ‘Oh there you are, that’s the answer’, which is not to me, what classic storytelling is about.

Classic storytelling will often involve the past emerging in the present, but it will usually involve somebody facing a dilemma, acting, and the consequences of their actions propelling them into a more interesting situation. In a puzzle drama, everything interesting happened in the past, and we’re just going around sniffing it out. Which is not to say I don’t love, say, *Sherlock*. But what I like best about *Sherlock* is the sense of what’s happening in the present.

**Ben Liebmann, Overture Management:** As the financial model of creating drama evolves, thankfully local platforms are realising great stories can be told, in a commercial model that reality TV proliferated – because reality was meant to be a fraction of the cost of drama but with all the touch points in terms of the journey and the storytelling and everything like that.

The reality is, reality television isn't necessarily cheaper these days. Plus there has been such a proliferation and oversupply of reality programming, that people are now, strangely enough, looking back to drama as an alternative – an alternative to reality in terms of quality storytelling.

Having spent the last three and a half years outside of Australia, the thing I'm probably most excited about is seeing quality Australian drama again.

## If you could change one thing about the regulatory environment for the business, what would it be?

**Jenny Buckland, ACTF:** I'd put an Australian content quota on the ABC, particularly in the children's area, and some transparency in reporting around how much new children's content they are commissioning.

We lobbied really strongly for them to get the extra funding for ABC3, which for three years or maybe four, was tied funding. After that it went into the general pot and although it's not been made public, I feel the money for the children's department over that time has probably reduced by 20 per cent or more, so how much they can commission goes down.

If we're looking at the regulations on the commercial broadcasters and thinking their days are up, you can't really do anything about that if you haven't protected children's television on the ABC. Over time that actually might be online but it's more about where the children are. I know some people got quite upset at the idea they were moving children's programs off their main channel after the analogue signal was switched off. But the reality was kids weren't watching it on the main channel; they had all migrated to ABC2 or ABC3. So that's where they are now, but in the future they might be online.

The ABC should have funding that's tied for children and we should have an expectation of how much they'll actually do.

**Ross Crowley, Foxtel:** The sooner we grasp the global nature of competition the sooner we will address local rules that so that they support competitive changes and grow local creative industries. Competition is coming whether our regulators get it or not.

**Kim Dalton, Freeview:** I'm tempted to say I'd change regulations around Australian content, but to what extent I'd change them, I don't know.

These days the government probably does have to look at ownership and reach – the way TV licences are described and worked across the country. I'm very hesitant about the ownership issue because I think diversity in the media is very important and Australian ownership of media is really important, so I don't think we should allow foreign ownership of our TV stations and I think we should have diversity. Having said that, I am very sympathetic with the idea that there should be certain regional-based services as well, such as news and things like that. You might end up saying that's the role of the national broadcaster – that's one solution. But at the same time, it's a small market, and we have technology now that just makes nonsense of the way we divided up the country.

**Ian Davis, Telstra TV:** I'd actually say three things! Cross media ownership rules and anti-siphoning rules – I think both of those are a bit outdated. But keep domestic content quotas [see Australian content, on page 62].

**Richard Finlayson, ABC:** The ABC focuses on its Charter and largely adapts to the regulatory environment we're in. However, if the commercial networks are successful in having requirements for local children's content relaxed, the ABC could play an even more critical market failure role. The same would go for grown-up content. It's why the future for public broadcasting is bright.

**Courtney Gibson, Nine Network:** If the government wants to encourage investment in more Australian content – which is what our audiences want and what our industry can deliver – it would ideally look at licence fees, the reach rule and the two out of three rule, allowing the local key players who fund news, factual/reality and drama to grow their businesses so they can commission and produce more Australian programming.

Competition for audiences has never been more cutthroat in our part of the world, and we need to favour local investors, producers, channels and platforms to nurture and deliver vital local, original content. Netflix has a great brand and a great business but they're not here to tell idiosyncratic Australian stories: they're rolling out a global footprint and they're here largely to extract money, rather than invest it.

**Russel Howcroft, Network Ten:** As a rule I don't think you really need a whole lot of regulation. That said, the anti-siphoning rules are obviously important. I know there are arguments around it, but it's brilliant that [because] we all have a free-to-air television set in our household, we've all got the chance to watch the test match and the NRL grand final. I do think that's an important part of who and what Australia is. There's societal strength around that which I like.

Other regulations, I'm not so sure – even regulating the amount of commercial time you can have per hour, is that really required? And we know Australians like watching Australian content, so do we need regulation around that? It's a good question. The role of the ABC is another really fascinating part of this media tapestry, and there's a fair question around what is the right size for the ABC. That's not saying I think it should be big or small, but a discussion around what's the right size, or how big is too big, I reckon is fair enough.

**Anita Jacoby, ITV Studios Australia:** Format quotas. There are different quotas for shows called 'series' and 'mini-series' – a series being an ongoing, week by week program and a mini-series attracting a higher points score. It's interesting the networks put all their series under mini-series so they get more points. I'm really intrigued about that. [The rules are distorting the outputs] – I think that needs to be addressed.

**Malcolm Long, media and communications consultant:** Spectrum reform. Currently too much energy is expended serving old frameworks of spectrum, both in the Broadcasting Services Act and the RadComms Act, which are not serving any of the players particularly well. We need a good sensitive review of spectrum, and a reframing of the spectrum regulation environment, taking into account not only the need for more flexibility and more competition but also the ability to use and retain spectrum for public purposes too – and recognising that the 'highest value use' needs to fully encompass public interest use as well as commercial use.

There is a spectrum review underway. If that were done well, I think Australian content creation and delivery would have more options and be better off. It's a difficult task but not impossible. Good spectrum review outcomes would certainly be important for the company I'm involved in, which is deeply involved in the use of spectrum.

**Scott Lorson, Fetch TV:** Clarity on the retransmission regime and consistent compliance requirements for broadcasters versus online players. [Part VC of the Copyright Act establishes a regime that allows retransmission of free-to-air broadcasts, subject to the remuneration of underlying rights-holders, but not over the internet.]

**Nathan Mayfield, Hoodlum:** The current Producer Offset is 20 per cent for TV. Ideally if it was to meet the 40 per cent afforded to feature films this would be a massive boost to the industry. The important caveat is we then use that opportunity to explore and exploit new business models, future business models.

**Debra Oswald, screenwriter:** Strengthen whatever regulations will protect Australian drama. Having respectable budgets especially, not just selling hours cheaply.

**Doug Peiffer, OzTAM:** Personally from a measurement side, I'd like to see the reach rules change. OzTAM measures the five capital cities, and we would like to measure collectively with RegionalTAM to put out a national panel number – we constantly get asked for it. We're separate because the owners of the businesses are separate under the reach rules. From a broadcaster point of view as well, it makes sense that the reach rules go: the internet reaches everyone and there are no borders but we've got these artificial borders hampering their businesses.

**Jon Penn, BBC Worldwide:** I want to see the government help us educate the community about piracy and put an effective regulatory deterrent in place, because at the moment there's no regime; there's just the Copyright Act and that's not protecting us.

**Tawny Schlieski, Intel:** I would do everything possible to insure net neutrality.

**Annabelle Sheehan, SAFC:** [From a funding point of view] the government is already committed to requiring 'pathways to audience' instead of 'a market attachment'. Effectively, if you can make a significant documented case that your project has an audience then your project may be eligible for funding. It's really good Screen Australia speaks that way: there are so many metrics you can use to explain you do have an audience: the metrics of YouTube or of Amazon, all these online metrics that tell you so much about your audience's habits.

**Mitch Waters, AOL Platforms:** We have quite a lot of self-regulation in digital at the moment. Obviously privacy's heavily regulated and I believe it should be, and maybe there'll be some evolution around privacy laws as devices become more connected and the Internet of Things becomes more prevalent. But for my business there's not that much regulatory change that would make too much difference, unless, on the flipside, it started to become far more regulatory.

**Deanne Weir, digital media entrepreneur:** The biggest thing I'd like to see for Australian content, is some changes to the Producer Offset – this whole concept of a film getting 40 per cent, television only 20 per cent, and films having to go into cinemas. There is no line in a lot of people's minds anymore: high-quality drama is high-quality drama, and most of our films get most of their viewing time on a television screen anyway.

Because exhibitors have real estate, and it's very expensive, they want to maximise their yield, which means bums on seats. Our feature films can't afford the sort of marketing budgets the big American films have or even some of the more boutique art house stuff that comes from the US or the UK. We just can't compete with those marketing budgets, but the films we support have to go into the cinema, where they can end up with very short runs on a small number of screens. Then they are buried for the next three months, six months whatever, depending on the distribution deals.

There is an appetite for those films on alternative platforms. Look at the experimental stuff they've done with *The Mule* and a few others. I think we should get rid of the distinction: it should be 40 per cent for everything and we should not have a differentiation between film and television. It's unrealistic and no longer a relevant distinction, in the way our market works.

**Tim Worner, Seven West Media:** It'd be licence fees. I think the level of licence fees we pay as free-to-air broadcasters in Australia is far in excess of any other territory anywhere else in the world. And it needs to be addressed.

There has been some acknowledgement that we've got a really good argument from the government and in particular this communications minister, who, I must say, gets our industry, having worked in it for a time himself. Our timing is perhaps not quite right, but our licence fees have to be reduced because the landscape in which we're operating has completely changed. We are not competing with two or three other networks. We are competing with a vast number of alternatives.

I also think the content regulations have to be looked at because we're competing with people who aren't subject to the content regulations. That's not right; they're playing by a different set of rules to us. So I'd imagine they will have to change.

The other thing I think is annoying is that we're an Australian-owned network and we are unable to qualify for funding from the likes of Screen Australia, and yet a German-owned network that has a production company in Australia or a Dutch-owned network that has a production company in Australia or an American-owned network that has a production company in Australia, they can. That's not right. That will have to change and I believe it will change.

## SUPPORTING CHILDREN'S TELEVISION

**Jenny Buckland, ACTF:** It's going to make less and less sense to impose [quotas/ regulations] on just one sector. The commercial networks are going to feel they've got their hands tied behind their backs with all of these rules others don't have.

Certainly in the kids area, requiring the commercial networks to do 260 hours of C and 130 hours of P because that was based on half an hour a day or an hour a day – I think all of that is out the window. It should be around supporting high-quality drama and other documentary content that otherwise wouldn't be made. You can't really legislate for quality but there's got to be some sort of incentive for investing and exhibiting that kind of content. And it does have to be a bit platform-neutral. Whether it's something to do with tax credits – we want to get all those new players paying tax in Australia – but do we somehow set that up with an incentive for how much Australian content you're investing in?

*The Convergence Review included a proposal that would have imposed a requirement on players who achieve certain benchmarks of audience and content spend, so you may end up at some point putting an obligation on organisations like iTunes and YouTube and Netflix to spend some money or contribute to a commissioning fund.*

Yes, a proposal like that would potentially work – a requirement around production spend – because the question to me is really the money.

When they first put in the [subscription TV] regulations requiring 10 per cent of the spend on new content to be Australian, the Disney Channel invested in a show called *Crash Zone*. They put up a huge amount of money and called that their 10 per cent production spend. They pretty much fully funded it. Then they worked out that 'new' only meant 'new to pay television' so they didn't actually have to have an entirely new show. After that they started pre-buying shows that were already being sold to the commercial broadcasters as C drama or to the ABC, offering licence fees of \$10,000 or \$15,000 an episode. It was completely different. That is pretty much still what they do now. They invest and co-invest in content but it's enough to trigger the production. It's usually still the free-to-air broadcaster that pays the amount of money that will trigger the production in the first place.

For the broadcaster to get C drama classification, it has to be on the commercial broadcaster first. The pay networks haven't worried about that too much because so few children are watching the commercial broadcasters. Whether it's one of Jonathan Shiff's programs like *H2O*, which gets a reasonable audience on Channel 10, or another drama from someone else, a number watch it but many more will then see it on Disney or Nickelodeon and they'll have many more runs. So they're often quite happy to do that. It doesn't encourage them though to offer more than a small licence fee because they don't get the premiere.

When ABC3 was established, they decided they didn't want to share with pay TV so they started paying a bigger licence fee than was even required by Screen Australia, to compensate the producer for the fact that they wanted exclusivity for that five or six years and they weren't going to let it on pay. That caused quite a stir; the pay TV networks thought it was a terrible thing. But I saw it as a commercial thing and actually a sign that because normally the licence fees for children's television were all the same – all terrible! – I saw it as a good policy outcome. The ABC was valuing the content and prepared to pay more for it.

# EVOLVING AUDIENCES

## Control, content discovery and curation

**'Millennials' use media differently. Will they still be using it differently as they hit middle age, or are they going to become their parents?**

"For millennials social media is the main event, not the sidebar/second screen it is for many older Australians."

Courtney Gibson

### *They love screen content*

**Courtney Gibson, Nine Network:** The great thing about millennials is they love screens and they love content – making it, as well as sharing it and watching it. That won't change. For millennials social media is the main event, not the sidebar/second screen it is for many older Australians.

**Arul Baskaran, Yahoo!7:** It will be a gradual shift, but I see a lot more on-demand. When I look at how younger folks and children are using content right now, it's completely driven by personality or program or show. They don't particularly care where it first appeared or which network the show was first on.

Quality content still rules. But the traditional idea of watching something 'on this network' will change. In a world where you have a lot of different distribution options, your own network brand is diluted. What starts to gain power is the brand of the show or the actual content. Where finding content is search driven, for example, people aren't really searching for a particular network. They're looking for programs they're interested in, or talent or genres of content they're interested in.

### *Parents are turning millennial*

**Annabelle Sheehan, SAFC:** Actually, parents are becoming like the millennials. I mean that very seriously. I'm already allegedly a millennial in the sense that I'm delighted by the way Facebook curates for me – my news and videos, and other screen content I want to watch. It is democratisation of programming. I get to watch things where I think, 'I'm so delighted someone has put that on my Facebook' – articles, moving images, whatever.

**Ben Liebmann, Overture Management:** Millennials and their viewing behaviour are perhaps closer to the norm than we think. In terms of content, the millennial pattern has been to watch what they want, when and where they want. And that's become mainstream now anyway. It has become the new norm.

### *On-demand is here to stay*

**Tawny Schlieski, Intel:** The 'new normals' that reflect meaningful value are more likely to stay in place: content on demand, not time bound, on the go, and 'ubiquitously' accessible (not tied to a single screen) are meaningful improvements in flexibility and access. There are also other impulses that are much more likely to change with age, like the relentless hunt for free content, or the bias toward smaller screens. With complicated lives and financial security, some of the pressure on the spending around content will ease.

**Anita Jacoby, ITV Studios Australia:** When we cast *Hungry Beast* it was 19 young people between the ages of 19 and 26, none of whom got any of their content in the traditional way: none of them read newspapers, none of them watched television – they got their entire content online. That's four, five years ago, and they are now in their late 20s.

They are the people you're talking about, and they're never going to go to traditional media to get any of their content. It is all entirely online, that's what they've been educated to do. I can't see that changing.

**Mitch Waters, AOL Platforms:** The current millennials will continue to have the same viewing patterns, although they might tweak slightly for big-step change in technologies. The next generation will be different again, adopting new viewing platforms. We're already seeing with social media how Facebook and the like are perceived to be older [media] and the younger generations are on Snapchat and things like that, which are much more instantaneous. The patterns will stay the same for each age group, but we'll see faster shifts with each new generation.

**Debra Oswald, screenwriter:** Convenience is going to be the huge thing. They'll still seek out drama, but they'll get it by whatever means is convenient for them. They might be prepared to pay for it, although for a whole generation, the concept of paying for their drama has never been part of their world, so maybe they won't. I think they'll use social media to alert their friends to what's good; they already do, and that will only continue.

"Behaviour shifts in device usage tend to be more permanent, but tastes in content evolve with life stage."

Scott Lorson

### *But life stages will still affect viewing behaviour*

**Gai Le Roy, digital media strategist:** Their way of discovering things won't go backwards; that control factor will always be really important. But they will have children, and they will stay home more, so what they watch, the length of programming they watch, will change. But I still think that control in picking what they want to watch and when won't go away – it will be their own curation rather than someone else's.

**Scott Lorson, Fetch TV:** Behaviour shifts in device usage tend to be more permanent, but tastes in content evolve with life stage. An example of the latter, and drawing from my magazine background, is how women's interests evolve over time, from material covered in *Dolly* to *Cleo* to *Cosmo* to *Madison* to *Women's Weekly*. However, one generation may access that content via print, and the next online.

**Ross Crowley, Foxtel:** Millennials are growing up in an age of mobile devices and on-demand viewing, but I would suggest that as they form households and families they will move to big screens and shared viewing experiences, although more likely to fit around their own schedules.

**Doug Peiffer, OzTAM:** Life stage always impacts media usage. When you're a teenager, you watch less TV: you're out and about, you're more social, you're on the run. As you have children – and we're leaving that a little bit later – you start to stay home. You start to watch more TV as you get older and what you're watching changes as well: you watch more television, more news and more news on the TV set.

**Jenny Buckland, ACTF:** They don't, as teenagers now, watch as much television as we do but I also think that's a life stage thing. The way we watch – absorbing really fantastic dramas and watching every episode and really getting into something – I think they'll do that. It's just like you start reading books more when you grow up than when you were younger.

Yes their tastes will change and they'll grow into their parents as they get older in that way. But how they find content, when they watch it, all that kind of thing – that's obviously going to be completely different.

**Kim Dalton, Freeview:** I don't think the lifestyle my children lead will be a million miles away from the lifestyle I'm leading. It has something to do with needing a roof over your house and a job so you can pay for it and having children and the fact that they need to be fed and watered on a regular basis. That's about how people live their lives. That's fairly fundamental.

Screen content is one of the areas we engage in for entertainment, information and education, and I don't think that's going to change very much. They may well 'engage' by accessing and consuming their content in a different way, but I'm not convinced it's going to be so dramatically different.

**Rebekah Horne, Network Ten:** When I worked at Myspace, we used to target life stage rather than demographic, and it's something we talk about internally here at Ten quite a lot. We look at behaviours rather than particular demographics: whatever the behaviour might be, what is your usage around that? Those behaviours will change over time, as people move through their various life stages. If you look at some of the numbers now on television viewing, you've got this block of people of a certain age watching, and I think that's because they've got more time.

"[Although content] will still diversify, we'll still have that core desire to watch things together."

Tony Broderick

"By the time the bulk of those under 18 today start making money, we'll have raised two generations who know time-shifted and on-demand as norms."

Joshua Green

### *Multiple screens don't necessarily distract*

**Tim Worner, Seven West Media:** I see this in my own household. I'm starting to see a change in the way they use media. These days probably more than 80 per cent of the audience are watching television with another screen open. What they're doing on that screen varies. Some of it pertains to what they're watching on the main screen and some of it doesn't. That sort of behaviour will probably become entrenched; it'll become the norm if it hasn't already. So perhaps it won't be that different by the time they hit middle age. Perhaps it'll just be the way we sit as a family and watch television.

**Ben Liebmann, Overture Management:** There is research that suggests viewers who engage with social media (while watching) are more engaged with the show than passive viewers. Which I understand given they're participating in the conversation. But aren't they in some way distracted? I remember a producer once suggesting they wanted to create content that was so engaging that audiences didn't want to pick up their phones until the closing credits. I understand the sentiment, but the multi-screen trend has become mainstream, and we are now seeing innovative use of social media from both the production and the broadcast sector.

**Tony Broderick, Twitter:** [Although content] will still diversify, we'll still have that core desire to watch things together. From the Twitter side, we see people having a real shared enjoyment. They don't just want to watch television in isolation; they want to be the ones who share their interests in what they found. They also love watching television live and having that big vibrant conversation as they're watching.

What we find interesting about how people use Twitter is that they are often very much using a second screen around those big broadcast events. We find that people who tweet along to TV shows are much less likely to leave the living room, change the channel, find a distraction. They're much more likely to feel they're part of that bigger chat experience. It's sort of re-creating [the shared enjoyment]. A colleague of mine in the US recently posted a screen shot of their Netflix account, saying too many people were watching Netflix in their house, which meant she couldn't tune into *House of Cards* – and she said, 'whoever said the days of everyone crowding around the television have gone!'. I think that's a metaphor that still resonates as well.

### *Changing behaviour needs new audience measurement tools*

**Joshua Green, Arnold Worldwide, Boston:** Cable-never and mobile-first will dramatically shift measurement. The industry probably has a few more years it can rely on consumers looking like their parents when they finally get a place of their own, but by the time the bulk of those under 18 today start making money, we'll have raised two generations who know time-shifted and on-demand as norms, and mobile and multi-screen as a given. Those norms will require a greater shift in measurement technology than the incumbents have been willing to give in to just yet.

**Doug Peiffer, OzTAM:** What [the millennials] are getting used to now is actually watching on different devices and screens. That's why we're trying to measure second screens. In total I think they watch more. But is it linear, served up to you? Or is it a la carte, you serve yourself? Probably a little bit more a la carte. We're even starting to see it with the 55 pluses.

Recommendation tools will become a part of it as the screens and TVs know and collect data on what you're watching and how. They'll offer things up to you.

## Facebook says it's not a distribution platform for long-form content – it's a 'discovery platform for finding out what people care about'. Over the next few years, will that change for Facebook and other social media platforms?

"When there's this plethora of content, the whole notion of who is aggregating it, who will you go to for your trusted news, your trusted cultural ideas – then 'curation' becomes a very audience-friendly word."

Annabelle Sheehan

"Facebook is really aware they don't want to be everything to everyone."

Arul Baskaran

### *Facebook is 'curation by community'*

**Annabelle Sheehan, SAFC:** Facebook is not so much defined by the word 'discovery'; I think it is 'curation by community'. The word curation has taken on a whole new meaning. People would have resisted the title a few years ago because you sound like you're running an art gallery. Now, everybody loves it because that's what you're saying about aggregators.

When there's this plethora of content, the whole notion of who is aggregating it, who will you go to for your trusted news, your trusted cultural ideas – then 'curation' becomes a very audience-friendly word. 'Programmer' had a kind of 'control' built into the title: 'We'll decide for you.' People now go to Facebook to ask, 'What is my trusted community looking at today? What have they curated for me on my news feed?' It's curating text and moving images. It's a form of television converged with a living newspaper.

**Nathan Mayfield, Hoodlum:** It will be part of our everyday communication toolkit – peer-curated content will be the main source of an individual's entertainment fix.

**Ross Crowley, Foxtel:** It's possible Facebook and others will move into curating content, and that experienced media companies will move to building discovery into their systems. The question boils down to who underwrites the creative risk. At the moment it tends to favour subscription models like Foxtel, Hulu and Amazon Prime rather than transactional models like iTunes.

**Russel Howcroft, Network Ten:** You can go really crazy around social media. In fact Malcolm Turnbull was speculating at the Newspaper Works conference that social media was changing the way we behave, quite deeply; it's not just a surface thing.

I can go along with that. Tribes are being created. The only people you ever 'friend' are people who look and sound and are like you, and if that then becomes your only form of media, there'll be no diversity in what you consume. That, of course, creates incredible fragmentation, none of which I'm particularly excited about, but I can see it all happening.

### *Social platforms are great for sharing, recommending – and galvanising*

**Rebekah Horne, Network Ten:** Fundamentally, social is all about people's points of passion. Because these platforms – Facebook, Twitter, YouTube – have mass audiences, they're very good at aligning, galvanising people around a cause. It doesn't matter what people are passionate about, whether it's the football or the cricket or a TV show or a cause, it's about their ability to have a voice and to participate and really engage with one another, and to be connected. Suddenly you're connected on a like-minded basis, rather than true friends, who may or may not have the same passions as you.

**Arul Baskaran, Yahoo!7:** Facebook is really aware they don't want to be everything to everyone. So they focus very much on the social aspect. But they have, obviously, massive scale and, collectively, a platform that has millions of recommendations and shares. TV content is, I think, one of the top three things people share on Facebook. Millions of shares a year.

It also gives you a mechanism to do interesting things around recommendations and watch listing and so on. There are PVRs that hook into the Facebook API and if one of your friends likes a particular show or says they're watching it, you can click on that post in Facebook and have it trigger a recording at home using a PVR. So while it isn't directly the distribution channel, it's certainly a really important, powerful factor in how people make their choices.

**Tony Broderick, Twitter:** Twitter is certainly a platform where we want users to discover content by following people relevant to their interests and so on.

One of our strengths is we're a highly distributed platform. When people tweet out content – short-form, long-form video – it doesn't just sit on our platform; it gets distributed everywhere. It's syndicated to websites, to apps, and obviously gets brought back into television as well, depending on whether there's a story there for people to talk about. Facebook is a bit more of a closed network I tend to find. That's based on my experience.

If a producer or network wants to tease something of their series, raise exposure on their series, using Twitter is a great way of pushing it out to a much broader audience than they would normally have, who aren't already engaged to tune in to their own platforms.

**Doug Peiffer, OzTAM:** I agree with Facebook, I think they are about discovery. Same with Twitter. It's another TV guide area where you can promote, but do you want to watch it on that? Probably not; you probably want to come home and watch it on the big screen if it's available. So it's a tool to be leveraged and something you can't ignore.

**Richard Finlayson, ABC:** The smart operators will make sure they're wrapping social media into their interfaces, which gives people ratings in a sense, in the way TripAdvisor does. TripAdvisor must have disrupted the travel industry enormously, because everyone suddenly has a sort of reasonably independent, quite authoritative view on what everybody else thinks of that hotel or that bar in that city. And making that a really prevalent way of discovering content will make a big difference in the same way Spotify does to finding music. You're going to see an increasing focus on program brands as a result of that as well.

"Certain clips are watched more on Facebook than on YouTube, and more and more they are wanting YouTube stars to upload directly, rather than post to YouTube and just link from Facebook."

Courtney Gibson

### *Facebook is already in short-form video – but long-form?*

**Courtney Gibson, Nine Network:** February this year [2015], Facebook confirmed their users are seeing nearly four times more videos in their feeds than a year ago, and one reason counts have risen is because they play automatically when you scroll to them. Certain clips are watched more on Facebook than on YouTube, and more and more they are wanting YouTube stars to upload directly, rather than post to YouTube and just link from Facebook.

Whether they stay in the largely short-form world, or move into longer-form is the question. Long-form's harder and more expensive and on the face of it would seem like a leap and unnecessary diversification of their business. But maybe one of these platforms will take a punt and experiment, especially with the short-form space being so competitive.

Instagram has been hiring journalists to discover and promote budding stars of the platform, so that just gets bigger and bigger, especially among younger users here in Australia. Twitter just seems so 30- and 40-something by comparison, but they're launching a video editing service, whereby you can create, edit and play videos up to 30 seconds long. They're also expanding messaging to allow more group messaging. It's all about keeping you in there: every platform wants you to stay, not keep linking out to do other things somewhere else. Vine, the video app owned by Twitter, with 40 million active users at the time of writing this, has launched Kids Vine, where the video content has been vetted to ensure it's suitable for a young audience.

Snapchat has lately partnered with MTV, CNN and Vice to provide 'editions', which are news stories and features that refresh every 24 hours. Off the back of that, Snapchat has announced its first commissioned mini-series. Not mini-series as we know them – these are actual minis of 100-200 seconds in duration – 12 episodes in all, four being released each week. The series is called *SnapperHero* and will star YouTube and Vine personalities playing superheroes. These heavy-hitter partnerships and the content coming out of them mean exciting times for Snapchat and their users, and we'll soon see whether sustainable business models can be built around them.

**Joshua Green, Arnold Worldwide, Boston:** Warner Brothers experimented with Facebook as a distribution channel, but no-one has ever really followed. I think they're focused on a different model of interaction, and they'll stay focused on short hits over long-form for the foreseeable future. Scroll-and-click is how their revenues work, and long-form seems a little antithetical to that. Plus, the distribution space is getting crowded. But Facebook still holds significant sway for discovery and referral.

“The content world, to be somewhat dramatic, is a sort of endless Sargasso Sea of misery and complaint. It’s a hard business.”

Malcolm Long

“When you realise Amazon started out as a place to buy books online, and now they are suddenly able to sell anything, including entertainment. Why wouldn’t Facebook do that?”

Richard Finlayson

### *Becoming a distribution platform for long-form content would not be easy*

**Jenny Buckland, ACTF:** If Facebook were the platform for distribution they’d have to move into the acquisition/ commissioning/ rights/ legals business – easier said than done. But who knows, maybe they’ll morph into that. YouTube is trying to go down that path in a way, by encouraging producers and distributors to set up their own channels, thus avoiding YouTube having to worry about paying for content. All the social media platforms are showing a distinct reluctance to actually invest in any content, given that they can rely on their users to upload everything for free.

**Kim Dalton, Freeview:** Social media platforms such as Facebook are very good at connecting people but not so good at understanding content or the creative processes around creating good content, or the way you then package and deliver that content. These are highly specialised skills and different from those required to run a social network platform. I don’t think we’re suddenly going to find that Facebook and Twitter and Google or whoever will be the providers of all our content. I don’t think that will happen.

**Ian Davis, Telstra TV:** I’d be surprised if Facebook became a substantial distribution platform for long-form, simply because the need or the interest from consumers in this seamless, anywhere, anytime, any device kind of experience is going to require companies with access to the technology and an identity more towards being the ultimate distributors. Will Facebook find a way to play more of a role in that? Undoubtedly. Will they be the actual distributor? I’d be surprised.

**Malcolm Long, media and communications consultant:** There will always be a strong business model for clever communications platforms and some of them will develop production and content expertise and some won’t. Involved as I am in a company that essentially is a pipe provider, we have no interest in getting involved in content. You know, the content world, to be somewhat dramatic, is a sort of endless Sargasso Sea of misery and complaint. It’s a hard business. Some people will not want to get involved in trying to guess what people are going to want in content. They will stick to clever platforms which can sit around whatever content is produced by those who decide, for better or worse, to go into the content production business.

### *Facebook will do what makes money*

**Gai Le Roy, digital media strategist:** Facebook will do what makes sense financially, so if the opportunity is there, they’d be silly not to look at long-form content. Their relationship with, particularly with FMCG [fast moving consumer goods] and CPG [consumer packaged goods] companies in the US is very tight and possibly it’s closer to long-form branded content as an opportunity, but I think short-term, short-form video is growing and working; they’re still new to it, but it’s working well for them and it’s getting good returns.

**Jon Penn, BBC Worldwide:** They have to follow the money. So if the money is in long-form content, or in discovery or in people recommending brands and services – if that’s where advertisers want to be to reach audiences – then social media platforms will have to follow. They have to become self-funded and profitable networks.

**Deanne Weir, digital media entrepreneur:** If they can find out ways to make mega more bucks then they will! Google’s doing it through Google Play. Facebook is different; it’s a social environment platform. I think they will just keep on finding ways to work with other platforms, in ways that keep bringing people back to Facebook, and they will look to monetise that. Facebook wants to keep people in the Facebook environment. So as a distribution platform for long-form content, that doesn’t necessarily make sense.

**Richard Finlayson, ABC:** When you look at Amazon and realise, hang on, they started out as a place to buy books online, now they are suddenly able to sell anything and everything, including entertainment. Why wouldn’t Facebook do that?

**Scott Lorson, Fetch TV:** Unlikely. Online audience does not translate to success in monetising long-form content. To be successful in this space, you need to win on content, convenience and cost. Telcos, not media players, have the core assets required for success – bundling, single bill, unmetering / packet

prioritisation, plus the ability to leverage the existing cost base (sales/marketing, retail, logistics, billing, technical support, customer care, etc).

**Tawny Schlieski, Intel:** Certainly they would hope [Facebook-owned] Oculus Story Studio launches a bunch of content and makes money, but I think if they are successful as a studio, they are more likely to peel off the core company. Something like Disney Cruise Lines and Disney Movie Studio: adjacent businesses with key things they can share, but with significantly different business models.

**Tim Worner, Seven West Media:** Facebook has led the way in personalisation and individual-to-individual communication, and those trends will continue. It's possible there will be more differentiation between socialising and publishing via social media, and platforms like Facebook that merge the two may need to pick a lane. I think we can definitely predict that the amount of data available and also the decision-making power of that data will continue to increase dramatically.

" If they can get the video piece right, Facebook could quickly become one of the most powerful distributors of content ... and perhaps even give YouTube a run for its money."

Ben Liebmann

### *Facebook could test YouTube*

**Ben Liebmann, Overture Management:** If they can get the video piece right, Facebook could quickly become one of the most powerful distributors of content. They know my passion areas based on the things I like, the people I engage with, and they've built communities around passion points. If they could start delivering content, they could scale very quickly and perhaps even give YouTube a run for its money.

**Mitch Waters, AOL Platforms:** I would love to know what Facebook is going to do, wouldn't we all? I can't really see how they couldn't [get involved with long-form video], with Google being so strong with YouTube.

That's probably one of my biggest surprises over the last couple of years, that there hasn't been a really strong number two in the video streaming space. Vimeo does well but it's very niche, and then there's a wealth of other smaller sites, but nothing has come even close to the behemoth that is YouTube.

Facebook is arguably set up in the best way to be able to do that, and they have the content distribution element to it. There's always been rumours of them trying to do something from a YouTube competitor style thing, and I can't see why not. They might acquire a platform to do it, rather than building it in-house, and I would imagine they would have some sort of content discovery tool. Similar again, to what Snapchat recently did; they've just opened their content discovery to get more of their own content pushed.

**Anita Jacoby, ITV Studios Australia:** It's inevitable because people are going to be paying to reach customers. That's going to change the whole dynamic of what Facebook is about. I think they are likely to become a more promotional and a customer-oriented means of social media as opposed to what they were originally, which was for social engagement. I think that's inevitable

# VISION 2025

## Shapes of things to come

### Thinking forward to the next decade, to 2025, what aspects of the business are you most confident about?

“The TV experience will be closer to an app experience than to the old projection, theatrical, scheduled sort of experience that TV took from cinema.”

Arul Baskaran

“Maybe we’ll see more dynamic scheduling through social media data.”

Mitch Waters

#### *Consumers will be in charge*

**Gai Le Roy, digital media strategist:** Consumers will be in the driving seat. The demands and expectations from consumers now, and the ones coming through, are going to get higher and higher.

What will evolve will be business models to support that, though the evolution will take a while. If people want content and information badly enough, they’ll find the right business models to support it, whether that be advertising, or subscription, or a blend.

**Annabelle Sheehan, SAFC:** Audiences will wish to pay for content on a wide range of platforms, but the portals or ‘brands’ they choose as their trusted aggregators will be hard fought among the major media companies.

**Scott Lorson, Fetch TV:** Consumer behaviour will continue to shift from traditional ad-supported appointment viewing to time-shifting ad-free viewing, particularly for content outside the sports and news genres.

I expect we will continue to see strong concentration of viewing behaviours, rather than fragmentation to niche content. An example is smartphone apps and online bookmarks: people regularly explore, but core usage is very concentrated.

**Arul Baskaran, Yahoo!7:** The TV experience will be closer to an app experience than to the old projection, theatrical, scheduled sort of experience that TV took from cinema. It’s going to be more like software in a number of significant ways.

**Ian Davis, Telstra TV:** I’m as positive as I can be of the significant rise of what I’ll call ‘what-I-want, where-I-want, when-I-want’ consumption of television content. It’s starting to happen and for me, there’s little question that, ultimately, consumers will get what they want here because they’re willing to pay for it. When I say ‘pay’, I mean it in the broadest possible sense – you can pay for things in more ways than taking money out of your wallet. You can pay by watching ads, or by giving some details that somebody can use to target things towards you. There’s lots of ways to pay.

**Mitch Waters, AOL Platforms:** There’ll still be TV. It won’t look like it looks today, but my opinion is it will still be there, and it will still be quite prominent.

What will change – and I think we’re starting to see it – is the way TV is measured and how the data is used. We’ll see a big shake-up in that. Social media is a great example. Already it’s a great barometer on how shows are rating. Bad social media in the first week of a new show could save a couple of weeks of poor network results if they say, ‘Well okay, this is not working, we’ll shuffle it out.’ So maybe we’ll see more dynamic scheduling through social media data.

“There will be more ways to experience entertainment than we can imagine. Better quality, more depth, perhaps holography.”

Ross Crowley

### *Content interfaces will proliferate and audiences will shift to online platforms*

**Tim Worner, Seven West Media:** There'll be a proliferation of choice. We have to get into this space and drive some of this ourselves. Consumers are going to be presented with an unprecedented array of choices for consuming television. That will happen without any question.

**Kim Dalton, Freeview:** The change will primarily be around the interfaces [with content]. There is this vast mine of content out there and it's becoming more and more accessible in terms of finding it, getting hold of it and consuming it. Accessing and consuming content is still going to be the front edge of the wave.

**Ross Crowley, Foxtel:** There will be more ways to experience entertainment than we can imagine. Better quality, more depth, perhaps holography.

**Richard Finlayson, ABC:** I heard Reed Hastings from Netflix say the other day that he really thought broadcast television would be gone by 2030. I thought that was interesting, because it also may well be the natural conclusion of our next set of terrestrial transmission deals. It's 15 years away, but it does feel like that is a point at which you're going to see a really significant change in the way broadcast TV works. It will shift almost completely to an IP-delivered model. It doesn't mean there won't be a terrestrial service that supports all that, but the IP model will be the dominant one.

**Ben Liebmann, Overture Management:** There's a public debate around the future of free-to-air TV and whether this market sustain so many broadcasters. I think that's a valid question, but when people say television is dead, the production sector is dead, I don't believe it for one moment. There's going to be a shift in the model – there'll be consolidation – but I think we're entering a really exciting time to be a content creator and a producer.

**Russel Howcroft, Network Ten:** Commercial television will remain the number one driver of demand and sales and let's just call it commerce generally. This is something the industry needs to celebrate, concentrate on.

It will become even more powerful. Lots of households to have very big screens which are both internet enabled and normal free-to-air enabled – the notion of hybrid TV or HbbTV. And that's going to provide incredible commercial opportunities: advertisers are going to be able to actually get a sale straight off the screen.

“The television set will continue to be the appliance that hangs on your wall that people still gather around and look at.”

Doug Peiffer

### *A big 'TV screen' will stay in the picture*

**Malcolm Long, media and communications consultant:** The proliferation of video delivered online, IPTV, is unstoppable and will continue to grow. Audience acceptance will take time though. It surprises me a little that there are still so many people who haven't discovered that the expensive flat screen in their home can be linked to their wifi system to get IPTV.

On the other hand, looking at the devices fed by all the platforms we've talked about, I think the thing that will endure is the big screen, the big screen in the lounge room, now in the bedroom too. I'm impressed by the fact that people want big high-quality video resolution available to them on a regular basis and I think that's good news for the set manufacturers.

**Doug Peiffer, OzTAM:** The television set will continue to be the appliance that hangs on your wall that people still gather around and look at.

What's changing is that distributors are putting content on many more devices and realising that even old content has a shelf life and people will come back and consume it. TenPlay and iView and 9Jumpin and those services are starting to understand what that means and how to use it. So for me that keeps people close to the content. They'll still watch, say, an episode of a drama on television but if they're not in front of the television, they can still watch it on the tablet, on their PC, on their phone and that just keeps them closer to the content. What you don't want them to do is walk away from the content.

"I don't see it going to a user-generated world. People want to view and consume really well made content."

Jon Penn

"A piece of content or video that's truly compelling, that has a narrative, that has an essence about it that just resonates with a particular audience – that will remain."

Rebeka Horne

"Drama will endure. Whether it's or not Australian drama is the thing I'm concerned about."

Jenny Buckland

### *Content will be produced professionally under new business models*

**Rebekah Horne, Network Ten:** Quality will win over the user-generated type of content, particularly for integration opportunities. The brand piece is important, not from an audience point of view, but from a business, monetisation point of view. What I mean is, a piece of content or video that's truly compelling, that has a narrative, that has an essence about it that just resonates with a particular audience – that will remain, that will prevail.

What clearly will change is where people are accessing this content and in what volumes.

**Jon Penn, BBC Worldwide:** Quality content made by quality content producers will endure. I don't see it going to a user-generated world. People want to view and consume really well made content. I don't see that changing.

What will change permanently eventually, however, is the distribution method. The long-term future of content consumption is going to be over online networks. The question is how far in the future is the big disruptive change going to start hitting us – 10, 15, 20, 25 years?

It isn't changing quite as fast as we think. I read a report on the US market recently, that talked about the fact that the rate of 'cord cutting' is in fact slowing down in the US. So it's hard to say when all content will be available online only. It's probably fair to say, however, that there will still be linear platforms available for a considerable time in the future.

**Anita Jacoby, ITV Studios Australia:** Content will still be king, I've got no doubt that will continue. Content and the calibre of content will always attract an audience, that's the fundamental, it doesn't matter what technology you've got, if you haven't got good content the technology is not going to work.

What will change is how we actually view our content. I keep deferring back to the smart phone, because to me, everything is about connectivity. That's what's going to make all the changes in the way we view the actual transmission or get our content: it's all about the smart phone.

### *Storytelling will endure*

**Ross Crowley, Foxtel:** The heart of entertainment is always great storytelling. The growth in new media has only ignited demand for quality storytelling.

**Debra Oswald, screenwriter:** Good drama will still be there. The delivery system by which people will take drama, I really don't know. I think anyone who thinks they do know is foolishly confident.

**Tawny Schlieski, Intel:** Real (by which I mean told and architected) stories. Reality TV and talent shows only get us so far. I have 100 per cent confidence in the resilience of the storytelling. A genuinely told story, which is funny and unexpected, or scary, or dramatic, will always have a place at the table.

**Ian Davis, Telstra TV:** I'm quite confident that what will endure is the strong and mass appeal of compelling stories, professionally produced. The forms in which that content is consumed will change, but how compelling humans find stories that are professionally produced, I don't think will change at all.

**Deanne Weir, digital media entrepreneur:** I absolutely believe good storytelling will endure. I have no doubt about that.

**Jenny Buckland, ACTF:** Drama will endure. Whether it's or not Australian drama is the thing I'm concerned about, but I actually think high-quality professionally produced television content is definitely going to endure.

What I'm not so confident about is our current regulatory regime. I just don't think that's going to last very much longer at all and our financing structure is therefore going to have to change too. Certainly, I doubt very much children's content will be screening on all of the commercial channels.

**Tony Broderick, Twitter:** Australians in particular still have a real thirst for local content. Even though the likes of Screen Australia have an incentive to make sure we're telling great Australian stories, what we're seeing is that the audiences expect that across the commercial sector as well, and that's generally what continues to rate and perform. The commercial networks have seen that and will continue to invest, which is really great.

What I think we will see, though, is much more diversity in terms of the scripted side of television, so we'll probably see a lot more international scripted content being consumed by a wider audience. Apart from obviously what's already on free-to-air television, I think we in the industry can tend to assume that everyone's watching what is still relatively niche programming in terms of its overall reach but is often talked about a lot.

That will become more and more mainstream. And I think we'll be sampling not just US but also UK. We're seeing broader trends around European dramas as well – you know, anything with subtitles. There are some really interesting genres coming from that.

“People still get a buzz from the idea of communal viewing, especially once you add in Twitter. People like that idea of sharing a moment in drama with other fans.”

Debra Oswald

### *And so will live entertainment and communal experience*

**Annabelle Sheehan, SAFC:** The big question for me is: what kinds of experiences will audiences be happy to pay for and watch in a communal setting and at prescribed times, like cinema and time-based TV?

The things that will endure are the big ticket items that broadcast television and cable, and also now Yahoo!7 and Amazon and Google, already do so well – the moments in time where people want to see something time-based, like a sporting event or a cultural event or a reality TV show, like *X Factor*, *Masterchef*. They want to be able to go in the next day and say, ‘Did you see what happened last night?’ At this point, I think that's going to endure because it keeps communities of people talking.

There will still be cinema screenings – maybe there'll be a resurgence. Maybe people will start to say, ‘We want to be a community to get together around these projects’. Everyone talks about blockbusters and *Hunger Games* and all of those things, which are absolutely great to watch in the cinema. Yet we've also enjoyed watching a fabulous performance, a fabulous drama, in cinemas. People sometimes take a snapshot of what's happening now and go, ‘Oh my God, it must mean we're no longer ever going to watch a film like *Kramer vs Kramer* together in a cinema again’. But there are examples where people are still watching great drama in the cinema. It's just that, right now, the wisdom is that you're better off with an action genre, that large pieces will play in the cinema and be more certain for you.

### COMPELLING CONTENT WILL COME FROM ANYWHERE

**Ben Liebmann, Overture Management:** It's the heyday for content – we're just witnessing a fundamental shift in the business model.

I started my career in the music industry, working with one of the (then) major international labels. In their heyday, all the money was in the hands of the five major labels, and everything else was kind of the periphery. Now the periphery is the mainstream and the labels have become just one part of the industry.

I think we're witnessing the exact same thing. More people are consuming more content than ever before, and it's not just being produced from a handful of major producers; it's coming from anywhere. Great content will endure. We're just watching a complete shift in the paradigm of how it's created and how it's funded.

**Courtney Gibson, Nine Network:** It's really the amateurs who pose the greatest threat to the professionals in our industry. My children and their friends spend far more time watching YouTube and making and sharing their own content, than they do watching TV. That's not to say they don't want big events or high-end HD drama and storytelling, but their appetites are varied and their habits impassive.

**Annabelle Sheehan, SAFC:** The interesting thing with this whole explosion of content is that everybody is trying to say it means everyone is going to be a content producer or distributor like when the movie camera was invented or when Super 8 or the video camera was invented. There are reams of articles about the democratisation of the means of production. When the pencil or the typewriter were invented, it didn't mean everyone was going to be a great novelist. Not everybody is going to be a great producer or distributor of content. You need to have places you go to where somebody has pooled together, aggregated, curated great material.

What it's probably done to the ecology is expanded the experimental base of it, opened more gateways and doors, made it a little bit more confusing for aggregators, curators, commissioners, and financiers to say, ‘what will we bet on next?’ But in the end, the great talents will still rise to the surface.

**Tim Worner, Seven West Media:** The popularity of live entertainment will not change. We are actually right in the midst of a renaissance of live entertainment, and I see that as something that will endure. That includes sport but it's not confined to sport. Even beyond the screen, we're seeing this return to live entertainment, I think, because people want to get away from their screens. They want to go and see a band.

**Tony Broderick, Twitter:** There will always be key genres that resonate with audiences – shows that people will still want a shared collective experience around, and in Australia that's live entertainment, news and sport.

**Debra Oswald, screenwriter:** Simultaneous mass viewing is already failing, but poignant TV moments will still happen, if the broadcasters engineer release dates for shows with devoted fans. People still get a buzz from the idea of communal viewing, especially once you add in Twitter. People like that idea of sharing a moment in drama with other fans.

"The hi-fi (expensive, professional, quality) and the lo-fi (amateur, shared) will endure. The arse will fall out of the middle."

Courtney Gibson

### *But less 'mid-level' content will be produced*

**Courtney Gibson, Nine Network:** Shared short-form content, news cafts, high-end TV drama, and event TV – especially sport – will endure. The hi-fi (expensive, professional, quality) and the lo-fi (amateur, shared) will endure. The arse will fall out of the middle. Single documentary looks sadly terminal; at best it's extremely compromised and unloved by broadcasters. Perhaps reality TV will have retro appeal by then, and bounce back after the current crop of formats mature.

Production and distribution methodology will have changed, with increased dominance of YouTube and VOD services, the latter of which will have radically altered the TV landscape, especially subscription TV.

## Will the United States be the dominant screen culture in a decade? And what part will original Australian shows be playing?

"The great promise of the internet is that it should socialise opportunity but the reality is that major players dominate market segments more than ever."

Richard Finlayson

### *The US is likely to dominate*

**Tony Broderick, Twitter:** Yes, I think it probably will, but maybe less so – the European market will probably be a little bit more diverse. Its obvious strength is that it has an incredibly strong approach in business whereby they can invest a lot in very high-quality English-language content which can be distributed. In 10 years that'll probably still be the case. Maybe beyond that, the English language will be a little bit less relevant to people: already a lot of European-language drama is already taking off – even in markets like the UK where people are pretty much very hesitant to learn any other language – and it's becoming quite cool and trendy to watch. So I think yes, the US will still be dominant, but the scales will be tipping a little bit more.

**Jenny Buckland, ACTF:** Yes I do. I think we might have more opportunities to see more special stuff from around the world, in the way that we've seen Danish political dramas. There's some really interesting stuff we're becoming aware of that perhaps 10 years ago we would never have seen in Australia in a million years. And audiences are becoming more sophisticated. But yeah, I think the US will be the dominant culture. They're just such a massive market and they do it very well. They've mastered the vertical integration and I don't see that changing.

**Ross Crowley, Foxtel:** If we accept that English is growing as the default language of trade and business and China has 400 million people learning English, then the US will have a strong role to play producing content, even globally-oriented content like *Kung Fu Panda* or James Bond, for a long time.

**Richard Finlayson, ABC:** I can't see that changing really. It's interesting, isn't it? The great promise of the internet is that it should socialise opportunity but the reality is that major players dominate market segments more than ever – look at Google and Amazon. It all actually ends up just consolidating in the place where there's the resources, the dominant distribution systems and around those, the creative talent.

**Courtney Gibson, Nine Network:** In terms of dominating screen culture on a global level, at least on a Western level, one can imagine the US continuing to be at the vanguard in terms of creativity and striking out on new distribution platforms.

**Kim Dalton, Freeview:** I think the US will continue to dominate because English-language programming and Western programming will continue to dominate the global market.

**Anita Jacoby, ITV Studios Australia:** You'd think China would dominate, because of the population, but their government is so restrictive on what you can and can't do, and that will be a problem for them. So I look at the world landscape and think, yes, America is still going to be the dominant producer of content – it shapes our popular culture. A lot of what we watch on television is still American, a hell of a lot – and if it's not American we've ripped off the idea and we're doing it here in Australia. I can't see how that will change in 10 years.

**Doug Peiffer, OzTAM:** That's where the money is, that's where the big production is, that's where the stars are, that's where they're going to produce content and share content and develop content.

Home-grown content still does really well in the ratings – last year the INXS programs were very successful for example. Aussies want to watch Aussies, the Chinese will want to watch Chinese, the Brits want to watch Brit. And we continually see content that's been developed in a country and adapted in the US or adapted in the UK.

People realise that home-grown is important, but the economics means you need to get it to travel to pay for it. So in 10 years' time I think the US will be dominant, but for each market you're still going to have local producers that are very important to the local market and important to video and TV.

**Tim Worner, Seven West Media:** Probably, because of the size of their market. They just have so much money to throw at things, and when you are throwing that much money, something's going to stick. But for many years I've been to the LA screenings in May, and seen some of the worst shows I've ever seen in my life picked up by US networks – you just would not pick them up after 40 beers, but they do. I think it's because they've got this largesse to be able to do it, to take risks of that size. When you've got a market that big, and a market that continues to produce great television, great films, they probably will be still dominant – less dominant, but probably still dominant.

**Arul Baskaran, Yahoo!7:** We're seeing bigger crossover hits – crime drama comes to mind. And we're seeing a lot more content travel around the world right now. In terms of pure eyeballs, in China and India you're looking at a lot of local content that's doing really, really well. But in Australia, I think so, yeah, the US will dominate. Especially the film market.

**Scott Lorson, Fetch TV:** Yes for #1, but with a much lower share. Other markets will lead in certain genres – for example Spanish telenovelas, Korean drama, Japanese anime, Bollywood, etc.

“The existing studio/pilot model will be obsolete but [the US] will still be a high-volume influencer... They have the concentration of expertise in one place and they have market-driven innovation (only the best ideas win).”

Nathan Mayfield

“Will the American accent still dominate [screen culture], even if it's financed by China and most of the box office runs to China?”

Annabelle Sheehan

### *But US screen content is evolving*

**Nathan Mayfield, Hoodlum:** Yes. But the players will be different. The existing studio/pilot model will be obsolete but they will still be a high-volume influencer. Simply the level of storytelling expertise will evolve. They have the concentration of expertise in one place and they have market-driven innovation (only the best ideas win).

**Tawny Schlieski, Intel:** US screen culture is so utterly permeable – the culture will continue to diversify with international voices and concerns. The distribution network and sheer ‘weight’ of Hollywood is an asset to anyone trying to spread their content. As long as Hollywood continues to adapt and welcome in the new cultures, it will continue to be a powerful player. (And even if they don't, I think it will take them more than 10 years to screw it up.)

**Joshua Green, Arnold Worldwide, Boston:** Two qualifiers on US dominance:

Firstly, US productions are more globally aware now than they were 10 years ago, and that will continue. The need to please significant foreign markets like China has a real impact on narrative and production decisions for major blockbusters out of Hollywood, and their influence will grow. Actors of Indian and Pakistani descent are showing up more and more in mainstream productions, and the US is starting to cater to these audiences as well.

Secondly, screen culture in the US is changing and fracturing, with the rise of really strong African American, Latin and Hispanic, and LGBTQ audiences. While a lot of it is still fairly white and middle-class, more and more of it is not. And these audiences are driving demand for programming not only that looks different, but which comes from elsewhere.

### *And the influence of Asian markets will grow*

**Mitch Waters, AOL Platforms:** For Australian screens, in the next 10 years, probably yes, the US will remain dominant. However, I think globally you'll start seeing the population powerhouses starting to take over from a cultural perspective. China's middle class seems to look to America more than, for example, India, which tries to retain more of its own culture through television. I'm sure there are academics who could provide a more reasoned response, but I do think Australia will continue to have a lot of US content. We all love Australian TV, of course, so I can't see our local culture being swamped by overseas influences.

**Deanne Weir, digital media entrepreneur:** In an increasingly globalised world, some elements of US influence will wane, but I think that's still 15–20 years off. There's a great Joss Whedon TV show, *Firefly* [2002], which was set like 300 years in the future and the predominant cultural influence was Chinese. It was so brilliant how they did it: they swore in Mandarin, everyone ate with chopsticks. It was still a predominantly Caucasian cast but all of the cultural influences you saw were Chinese. I'm pretty sure we'll get there, I just don't know how many years that will take. But Hollywood is still such a massive machine, it's so pervasive at the moment, and I think there won't be that much change in 10 years.

**Ben Liebmann, Overture Management:** There will be a definite rise of South East Asia, China and India in terms of volume and influence, but I still think the power will remain in the United States for a long time to come

**Gai Le Roy, digital media strategist:** English-speaking screen culture, yes. Particularly from a platform/distribution side of things, and most likely content as well, but definitely from that control of making things available to the consumers. But China is a huge opportunity and I don't even pretend to get my head around it.

**Annabelle Sheehan, SAFC:** I think the definition of domination will be reviewed. China will probably have the biggest box office but does that mean they will dominate? All the tropes and norms and forms have been defined by Hollywood for many, many years, whether the films were made in Germany or Australia or England. So how will we define what it is to dominate screen culture? Will the American accent still dominate it, even if it's financed by China and even if most of the box office runs to China? And will the two languages of cinema be Chinese and American English? That's the part I'm not really sure of.

"[Local content] will always have a place. But we'll probably always need quotas/incentives to ensure we get enough of it."

Ian Davis

**Jon Penn, BBC Worldwide:** Not in my view. The Japanese were the first to adopt mobile through DoCoMo's i-mode. New Zealanders were quick to adopt text messaging. The rapid rise of middle-class populations in Asia, for example in India, China, and Korea, means they are the places to watch. They are the early adopters of technology; their young people are addicted to mobile and they were quick to see the benefits of high-speed broadband into the home. I think Asia's probably the place to watch, when it comes to dominant screen culture.

**Ian Davis, Telstra TV:** Western world, probably. But I think if you look by value, my guess is the Chinese market will probably be bigger by then – just by weight of numbers and increasing economic ability to pay in some way, shape or form. The Chinese market may already be bigger than America's – I really have little idea how big the Chinese market is, in terms of the absolute spend on video content, because it's kind of invisible to us here in the western world. But I have little doubt that in 10 years, it will be bigger than the American one. Will it have more influence on us in Australia? Probably not. We'll probably still look to the US for most of our content, I guess.

### *People will always want local stories*

**Nathan Mayfield, Hoodlum:** We will still want to see and hear Australians but we will search them out across on other platforms – social and gaming for example.

**Jon Penn, BBC Worldwide:** In any market, people want to see their own stories told. I don't see a world where Australian stories are done away with at the expense of other people's stories. Australian drama is still by and large the most popular drama format in Australia. The big international dramas like *House of Cards* and *Walking Dead* and all that, are really only watched by niche audiences here. They've got a huge name but a small audience.

**Arul Baskaran, Yahoo!7:** When Australian content resonates, it does exceptionally well here – stories that are relevant and local and you don't get anywhere else, like *Redfern Now* out of the ABC last year. So while we enjoy all the big, blockbuster, Hollywood shows, I think there's room to find stuff that speaks more directly to the condition and issues we face here.

**Anita Jacoby, ITV Studios Australia:** We're kind of insular in the way we view ourselves and we love to see our stories reflected in the content that we make. I look at *Australian Story*: I mean 17–18 years on air and it still rates over a million viewers a week. It's not like we're sick of hearing our own stories.

To me, if anything, it's growing; I've been tracking news and current affairs and what we put out here is actually heading north. People want more content, they want more content about themselves, they want more information – hopefully less reality television (even though we're making one at the moment) – but I think it will only head north. People want it.

**Doug Peiffer, OzTAM:** Aussies want to watch Aussies and want to hear about Aussie stories. You want to see successful Australian producers do well and that's what rates at the moment. So I think it will still be a big part of the Australian production community and the broadcast community. I don't see it going away any time soon.

**Tony Broderick, Twitter:** Australian content will still be at the core of what people want and what will bring the biggest audiences, as long as we have a strong public service broadcaster that can have that investment. That will set an expectation, and I feel the commercial networks are pretty open about the fact that it delivers the biggest audiences for them – Australian drama, Australian versions of their shows. The networks this year are launching a lot of brand new formats – Australian-owned and Australian-developed formats too – which will hopefully explore and deliver great investment back into the Australian production business.

**Russel Howcroft, Network Ten:** There's two things going on at the same time. On one hand we are getting more and more global, so more and more interconnected, which is brilliant. There will be a global culture, and that does probably get driven out of the US more than anywhere else.

But in parallel, what is also happening is localisation and that also makes sense. Paul Keating has said, 'It's the states that matter now; Canberra doesn't matter anymore', and I personally say 'I'm a Melburnian first, a Victorian second and an Australian third'. I think that's a reflection of being connected to the world and also wanting where you live to thrive – and those two things are really interesting.

It's that lighthouse theory, just create what you want to create and then stick it out there into the universe and see what happens. You've got to be brave to do that.

**Scott Lorson, Fetch TV:** There will always be local demand for Australian stories, and Australia will continue to hit above its weight in the creative industries (international actors, directors, writers, etc). The question will be whether Australia can produce stories that are relevant in international markets outside of the historic success of *Home & Away* and *Neighbours* in the UK.

**Ian Davis, Telstra TV:** It will always have a place. But we'll probably always need quotas/incentives to ensure we get enough of it, that is, as much as, in a democratic society, we as voters and the government we elect decides is enough. I come from Canada, which is similar in a lot of ways to Australia and is very close to the big next door neighbour, America. Canada has quotas and incentives for many forms of media. It's reasonably accepted that there is value for society in locally produced storytelling, and a reasonable acceptance, as well, that without quotas and incentives, it would be in greater danger, just by sheer economic force. That's something you get to choose in a democratic society. I'm thrilled that you get to. I think there's value in quotas and incentives. They're necessary and I think they should continue.

[Rules should be platform-agnostic], because the internet doesn't care where something comes from, right? So is there a way of solving that - working towards platform-agnostic but continuing to have quotas and incentives for local content? I don't pretend to have the answer, but it's something that we need to figure out.

**Ben Liebmann, Overture Management:** I hope this new world order leads to greater risk-taking and greater investment. It would be fantastic to see global ideas and formats developed out of the Australian market. I hope that with new platforms emerging and looking at ways to define themselves, it won't just be with first-run or second-run international programming - that increasingly you'll start seeing more investment in local content.

### *But what is culturally 'Australian' will likely evolve*

**Rebekah Horne, Network Ten:** I've lived in a lot of different places and worked in a lot of different countries for long enough to get a sense of the culture, and I think there's something fundamental to Australian culture that still prevails - look at *Puberty Blues*, or *Gallipoli*. Now, will that continue, given that the cultural make-up of this country is changing so fast? I don't know. Personally, I hope the culture of Australia does change. There's a lot that's exciting about Australia becoming truly multicultural, if in fact it does get its head around becoming truly multicultural.

Why wouldn't you have an Australian version of *The Kumars*, for example, which is a great show, totally relevant to Britain, very English. I guess maybe it's about redefining 'Australian'. And it still comes back to the same thing: if it's a great show and if it's well produced and well scripted and well cast, it will resonate with an audience.

Perhaps it's the media's role to start to have different types of representations of what it is to be Australian. It can't just be the role of SBS or the ABC; it's got to be the mainstream media channels. You're starting to see that with certain shows, and you have to assume it will seep in over time.

“One of the upsides of Australian companies being bought by multinationals is the way the world opens up for those producers, and in turn creates an appetite for other work by locally owned outfits.”

Courtney Gibson

### *And Australian content – and talent – can work anywhere*

**Courtney Gibson, Nine Network:** As well as being loved locally, the very best Australian drama and comedy – as formats and as tape – are great exports. Hopefully that grows even more over the next 10 years. One of the upsides of Australian companies being bought by multinationals is the way the world opens up for those producers, and in turn creates an appetite for other work by locally owned outfits, many of them small, nimble and imaginative.

**Joshua Green, Arnold Worldwide, Boston:** Australia produces some of the greatest audiovisual material in the world. Taken as a whole, it is braver, more interesting, and more compelling than the bulk of material produced in the US. It exports well, though mostly as formats (and talent) into the US, and will continue to provide any local platform with a competitive advantage in the marketplace. OTT platforms should present a new opportunity for domestic productions, much the same way *Orange Is the New Black* and *House of Cards* have done for Netflix. These new platforms may necessitate new regulatory frameworks or perhaps increased attention in order to ensure the market grows.

**Ross Crowley, Foxtel:** Australia already contributes a strong feed of writers, producers and actors to Hollywood. Increasingly Australian stories (*Summer Heights High*, *Rake*, *Secrets and Lies*, *Wentworth*) will be part of the global broadcast scene, either as originals or being remade in local languages

**Richard Finlayson, ABC:** There's a really interesting and growing relationship with the US market that is already a key feature of many financing plans we see. And that's following the lead set by our creative talent, who are in huge demand – actors in particular, but now also writers and directors. It's creating a commercial collaboration on a number of shows.

The US market is hyper-competitive and desperate for ideas. It's almost like ideas are a non-renewable resource – they've exhausted theirs and they need to go and mine them from other countries now. Unlike the UK, there's a growing acceptance of non-local ideas, so agents and distributors are highly commercially motivated, and are out hunting for new talent and shows all the time. They're picking up lots of our content, providing new revenue streams for us to be able to fund development of our new ideas and creating a nice, virtuous circle.

**Gai Le Roy, digital media strategist:** Australian content will be everywhere. Australian companies will probably have to hire more lawyers, which is scary, but organisations will have to get used to negotiating with global companies and being pretty savvy about that. It will be a mixture of making sure that at times we can make content that is translatable, but leave some of the more 'local content' local. It doesn't mean it can't still be in those same distribution environments: the local soaps, local dramas, that have a really domestic audience will still have a role, but we'll also have an opportunity outside that to sell more broadly.

**Malcolm Long, media and communications consultant:** There's an upside to being part of the English-language production process. In the past we've bellyached about the oppressive importation of other people's English-language programming, but we also have an opportunity, and to some degree we're taking advantage of that. Our production values are very high, we have some quirky and interesting stories to tell about our quirky and interesting country, but we also have, I think, an opportunity to take on some strands and niches in programming and do them really well.

For example, there's a bunch of people in Perth who are some of Australia's best documentary makers. That's just grown up for complex reasons. But there is absolutely no reason why Australia, with a bit of effort, shouldn't become significantly good in documentary-making, animation and some of the more niche areas of production that Hollywood and the BBC and others don't necessarily put that much effort into anymore. I think we have an opportunity as a small player in a big market.

**Jenny Buckland, ACTF:** If we really focus on trying to support that kind of quality content, it will get a bigger audience internationally. It's interesting that the SVOD platforms are wanting to buy things for international distribution. There's been a lot more interest in the last few years in Australian adult drama around the world, including the American's trying to remake it (it'd be really nice if they decided they could just watch *The Slap* set in Melbourne!). There'll be more and more opportunities. Up until the last few years it was *Neighbours* and *Home and Away* - and kid's drama - that sold around the world. But there's an appetite in Europe for non-American content, even though I still think America will dominate.

**Annabelle Sheehan, SAFC:** Can we be like Paris in the 1920s, like New York in the 1930s!? We will have worked out the definition of a niche by that time. We'll have made it a virtue.

## PUBLIC SUPPORT, PUBLIC BROADCASTING

**Deanne Weir:** Public service broadcasting is still incredibly important in Australia. Look at what we do with Screen Australia on a spectrum of the amount of focus and money that Australian governments, progressively over the years have been willing to invest in. If we spoke Swahili, there wouldn't be such a need, because we'd be only competing against ourselves and whoever makes content in Swahili. Because we live in a globalised world and we speak English, it's an amazing opportunity for our production companies and content creators, to now operate on a global scale, and to take our culture out there.

But it also means we are living in a world where we are absorbing other cultural influences, American influences, UK influences. It is really important for us to make sure we have our own voice and we are telling stories that are culturally relevant and that we are seeing, and our kids are seeing themselves on screen, and that we're seeing all of the Australian experience on screen. Whether it's small screen, big screens or whatever, that's really important.

Public broadcasting is such an important part of that. There are some things that commercial organisations won't do, there are some areas they won't go. There might be stories they just don't want to tell, and that's the role that a brave public broadcaster can play.

But it doesn't make intuitive sense to me to sit here, when we see all of this massive change happening - change in business models, technology, consumer behaviour and everything else - and say that our public broadcasters will be exactly the same as they were when we set them up. That's not logical. So I think there's an opportunity to continue to renew, refresh and reinvigorate with the true purpose of what public interest broadcasting is.

## In 10 years, will your organisation still exist, and if so, how different will it look?

**Arul Baskaran, Yahoo!7:** It's going to be a mixture of media and technology, more and more. We're in a really strong position because we're working with some of Australia's biggest content brands, when you look at the Seven Network's programming, and some of the biggest magazines too: *Men's Health*, *Women's Health*, *Marie Claire*, *New Idea*, *Who* – all of those. So the challenge is really transitioning that shift to on-demand reading and viewing, but doing it in a way that's measured and that works for both of the owners of the business: Yahoo!7 is the technology owner and SWM owns the media side of it.

**Tony Broderick, Twitter:** I hope it will still play to its strengths, as this live public conversational second screen to TV, in terms of my part of the business. I think it will be incredibly rich: this year we've launched video on the platform; last year we brought in other media such as photos and GIFs. It's quite possible video and photos will be the most dominant type of content shown on the platform, as the tools we have get better and it gets easier for the mass audience to produce that content as well. But it will still be very much a live platform, and something people would dip into when they want to find out what's going on in their world or the world at large.

**Jenny Buckland, ACTF:** The ACTF is the only national film and television organisation that's been going since 1982 – the others keep changing and merging! I don't know where the money is coming from but I just feel ACTF will be more important as a financier. For niche content where producers don't have connections with big distributors and that kind of thing, I think the sort of activity that the ACTF does around distribution will become more and more important as a source of funding, and that the ACTF will need to have really solid partnerships with new platforms and that kind of thing. But if Australian children's drama is going to continue to be financed, the ACTF will somehow need to play a role.

[Whether it still has television in its title] will depend on who is there at the time. I quite like the term 'television' and I don't actually think it means you have to see it as the kind of terrestrial model we do now. The acronym ACTF is well known, and I think they'd be crazy to change the logo but yeah, maybe the name will change. There's bound to be some new person come in who will say 'We need to do something sexier with that'.

**Ross Crowley, Foxtel:** Foxtel will be available in better quality, on more devices, in more combinations and its brands will be anchored by even stronger investment in Australian sports, Australian storytelling and the Aussie lifestyle.

**Kim Dalton, Freeview:** I would have thought that in 10 years free-to-air in some form or other is still going to be the dominant platform. It will be working much more actively and aggressively and innovatively – getting engagement with audiences and delivering its content via other systems and platforms and technologies. It will still be important for it to be a platform and to have a sense of strategy as a platform, and that's what Freeview does. So yes, I think there'll still be a role for Freeview.

**Ian Davis, Telstra TV:** It will continue to exist. But it will change into much more of an experience provider and enabler, rather than an access provider.

**Richard Finlayson, ABC:** It may depend on who's in government for that 10-year period, but the ABC will certainly exist and will probably continue to perform a similar role to what it does today. Obviously it will be highly present on digital platforms that work alongside its more traditional mediums – like today but further on down the continuum. In 20 years you'll see more profound changes but I'm idealistic enough believe that public media will always have a role, regardless of how technology moves.

And let me just add, one impact of digital is that we'll have to worry less about having a whole host of linear channels and can focus on the flagship ABC channel. It's one reason we changed the brand this year from ABC1 to ABC. It will be the brand that survives as long as it makes sense to terrestrially distribute a channel. It will focus on shows that need to be watched live, big premieres, news and events that are breaking in the moment, but it'll be supported by a whole host of tailored, niche channels, both free and paid.

**Courtney Gibson, Nine Network:** I'd expect the Nine Entertainment Company to be a thriving media business, the leading video news cafts service, with sport, drama and entertainment events tent-pegging noisy acquired shows – streaming content to the regions, maybe everywhere. Whether there are still traditionally broadcast channels, how many channels there are, how we play across social media, and how we position ourselves in the market – all that will change.

**Joshua Green, Arnold Worldwide, Boston:** The advertising industry will persevere. Agencies have historically had a role alongside native producers in helping uncover the creative potential of new platforms. They're as responsible as platform-unique YouTubers for helping understand what that platform could do, and they'll continue to help drive innovation (and clutter up screens) for at least another 10 years.

Many companies are bolstering in-house talent, and that may change whom agencies work for, and how, but it won't lead to their demise within the next decade. The fascination with 'content' – long-form editorial, influencer and content marketing, and the like – will change the type of content and the emphasis of our business some. The 30-second spot isn't going away, but few clients commission TV-only these days.

Despite the last 25 years of understanding how the Internet works, campaigns still aren't as integrated as they should be; hopefully that will shift. Finally, the way digital products and services are created and experienced will change the role for agencies also. Innovation activities may increase, and longer-term strategic engagements will become increasingly business, rather than marketing, focused.

**Rebekah Horne, Network Ten:** I don't know that Ten as a brand will be Ten. We could go two ways: it could be part of a much bigger media company that could be really strong in video and content and production and distribution and all that sort of stuff. Or it could go really niche and become something like an HBO or an AMC where they're just known for great stuff in a particular vertical or a genre or a set of genres, but it's just premium-premium.

You've got a direct consumer offering, assuming that free-to-air television goes on and on and on, but it doesn't matter whether you're accessing it via an app on a television or if you're looking at it on your iPhone. It's essentially delivery of great content to audiences, wherever they are.

It could go either way. Ten has always been known for its quality. The challenge is that it's hard to have a powerful niche in Australia because it's small. In America you can have a niche that's powerful because it's such a big country. Here we're 23, 24 million: I don't even think 50 million is enough to make a niche strong enough. Or maybe it becomes a channel of a massive aggregate sort of conglomeration media company.

**Anita Jacoby, ITV Studios Australia:** We will exist because we've got a parent company, ITV over in the UK, and that's got big companies all over the world. The company will have evolved to a much more business-oriented model, which we are working on now. We will have a head of business affairs here who will drive all the deals, so when we go into the network and pitch an idea, we will have a business affairs person with us. We'll talk content, and they'll talk about what this means in terms of the business plan.

So we'll still exist, but the company will have morphed into making content with business affairs in mind, across a number of platforms. We're already doing a brand-funded program for Channel 9 so we're very mindful that we have to diversify the genres we're working in and how we finance those programs, because you won't get the money 100 per cent from the network these days: you've got to think about other ways of making it.

**Ben Liebmann, Overture Management:** Shine Endemol will continue to exist. The production sector, the big producers, aren't going anywhere. They will find a way to adapt to this new world of producing programming for different distributors in a different cost base.

**Gai Le Roy, digital media strategist:** If digital advertising, which is all IAB is primarily concerned with, is nearly 40 per cent share of the paid media market now, in 10 years pretty much everything will be digital. I imagine most of outdoor will be digital by then, TV will look very different, radio will be a mixture of streaming services, there'll probably still be some print publications,

So if IAB still exists, it will look closer to a paid-media advertising supported trade organisation. It'll have more in common with OMA, with Free TV Australia, with CRA [Commercial Radio Australia]. And in that – I won't call it a battle! – delicate balance marketers have between paid, earned and owned media, it will have a lot more in common with those trade associations proving the effectiveness and benefit of paid placements. Rather than fighting it out for that share, they will be probably looking at showing marketers that spending externally, rather than always internally, can be beneficial from a customer acquisition point of view and from a whole range of different marketing angles.

**Malcolm Long, media and communications consultant:** Broadcast Australia [of which I'm a director] will exist absolutely and, if we're successful, it will be a global multiplatform provider of communication services. We're able to build off the base of very strong relationships and customers in broadcasting and the learnings we've had from that over such a long period about the nature of the radiofrequency spectrum and how it works in delivering to Australian broadcasting audiences and to users of broadband access services. If we can leverage that skill and that tradition, there's every reason why Broadcast Australia should be a great Australian company operating globally in a whole bunch of important areas.

**Scott Lorson, Fetch TV:** Yes. Hard to say what it will look like.

**Nathan Mayfield, Hoodlum:** Yes it will exist. At the moment our business has two streams: the digital gaming side and the scripted TV side. These will be the same. We won't have a digital business per se – we won't even use the word digital.

**Debra Oswald, screenwriter:** As a freelancer, and someone who writes in different media, I have to remain flexible and go where the opportunities are. I guess Endemol would be my most recent producer. I think they'll still exist, but whether they're making drama is a question. There's a real chance Australia will be used as a location by whatever producing entities exist. That's great, but it's not the same as us generating our own projects and making them here. There's very little traffic the other way, is there – almost nothing Australia sells overseas?

**Doug Peiffer, OzTAM:** What we do now is measure an appliance in a household: a television set hanging on a wall. We're starting to measure appliances or devices. Every device in 10 years' time is going to be connected, and our role will probably be as an aggregator of many different data sources. Instead of electronically measuring it, we'll get what we call 'census data'. Like what we built now for the second screen, we plug in and we get that data. In 10 years' time everything could be measured and put back into a pool, which then changes the operational side of what we do. There's still need for an industry currency so there's no dispute over what the numbers are and we can trade off those numbers. It's just going to be collected a bit differently, with probably bigger sample sizes, etc.

**Jon Penn, BBC Worldwide:** What happens to us in Worldwide depends on what happens our parent – the BBC. The BBC produces and broadcasts great quality content with no commercial imperative but just a simple mission to inform, educate and entertain the British public, and by extension the rest of the world. That must continue, so BBC Worldwide will continue, being the commercial arm that takes all those amazing stories and content and brings them to the world.

The way we do that, though, will inevitably change. We've built our business around very careful windowing of content across pay television, free-to-air, online, DTO, SVOD. As the new platforms emerge we address them around the world. I don't see all content being delivered over the internet in 10 years time – it will take much longer than that – but there may be fewer windows and the windows are going to be shorter, and the content may flow faster to consumers. Business models will change too: how we make money from content will definitely be different.

**Tawny Schlieski, Intel:** Intel (my parent company) will definitely exist, but my team will be looking at an utterly different collection of technology challenges – much larger compute capabilities, much higher demands on the infrastructure, more people connected. If they aren't, then my crew and I have failed ;-)

**Annabelle Sheehan, SAFC:** Screen agencies will need to exist, because there will be new generations of filmmakers and screen producers, whose ideas will astound us and they will be outside traditional platforms and we'll have to support them to show there are new voices in the world.

**Mitch Waters, AOL Platforms:** TV will be one element of a multi-medium solution that is all bought in real time through data and automation. We'll be looking at ways of actually mapping back to a sale rather than an action like a completed video. We'll be working out how we derive certain values for different mediums and different subsections of those mediums, and working back to an attribution. So I think it will be far more measurable, far more tracked, and with more ability to have a holistic view around where your media dollars are going across all devices at the one time. There'll be a lot of two-way discussions between devices and TVs, out-of-home, cars, radio. We've heard how TVs could be listening in to what you are saying – perhaps we'll be able to measure mood as the next step beyond demographics. Maybe we'll only serve ads when the viewer sounds happy!

*Will there be a single provider of that networked data?*

I don't believe so. There will be small start-ups that come up with the technology to be able to do it, that are agile enough and see an opportunity, and then they'll be acquired by big tech companies. I think you'll find a real strength and requirement for solid third-party data management companies that offer protection, privacy, and all the security that fits the regulatory environment, and also the safety for brands, knowing their data's not being leaked. But it will be much more of a two-way conversation without consumers even knowing.

**Deanne Weir, digital media entrepreneur:** Hoodlum will still be making great quality content, just for different platforms perhaps, or different customers. But storytelling is at the heart of what we do, and I would like to think we would still be telling fabulous quality stories. The way they get funded will be different; some of them will be purely funded by brands, some by networks. It will be interesting.

**Tim Worner, Seven West Media:** It'll definitely still exist. I don't subscribe to the view that television's dead, which I think some bloke from Netflix was saying the other day. I just reckon that's crap. Seven Network will still be around, and it's my fervent hope that we are more of a content company than we are now: that we're not just a broadcaster of content, we're a producer of content. We create it once, and publish it and broadcast it everywhere in turn and exploit it along the way. That's our strategy. If we're able to execute that strategy well in the next three to four years, we will be a thriving business. Not just 'still here'; we will be thriving in 10 years.

# In 2025, will there still be something we call 'television'?

"Absolutely. Isn't television just getting better and better?"

Kim Dalton

"As a device and as a medium, television as we know it is going to disappear."

Arul Baskaran

"Yes. But no. The screen will serve multiple purposes. It will be meaningful as well as a utility."

Nathan Mayfield

"I think it's got at least another decade in it."

Joshua Green

**Arul Baskaran, Yahoo!7:** If there is, it'll be dramatically different from the way the word television is understood now. Right now, 'television' is a medium, a format and a device. As a format – the content we call television – it has the most endurance. We recognise this content whether we watch it on the plane or on the iPad or on a television set, right? But as a device and as a medium, I think television as we know it is going to disappear.

We'll probably have ambient screens or paint-on screens or whatever in our living rooms. I don't think there will be a set called a television sitting there.

As a transmission medium, I think television will be very different. It might still exist as a fairly cheap, one-to-many fixed cost way of delivering content. But I don't think it will be consumed at the same time. The transmission is really to recorders at the other end – capturing the shows and then people play them back on demand or in whatever mix. So it's sort of like podcasting almost.

Especially if there are temporary challenges with bandwidth and cost of delivery for high-quality content. There are cable providers, for example, in Europe who have slots late at night that they know no one will ever watch, but they expect people to find them in the EPG and book a recording. So they're putting it at that time purely to allow people's devices to grab that content and hang onto it.

It could be that bandwidth continues to get much cheaper, the devices have more capacity, and it's no longer an issue at all – you can do full HD on demand. But at the moment, it's somewhat unsustainable to support an audience the size that you aggregate on live television via purely on demand. Just the cost. Especially when you look at moving to HD or something. Pure delivery costs of those are very significant.

**Tony Broderick, Twitter:** Yeah, there will be. I think we'll be referring to it as a content type as opposed to a platform though. Again, I'm a big believer in broadcast and the power of that mass audience experience, so I think that will still exist, but people will consume content in a much richer and much more diverse way. And the way we share it and the different ways we watch it will continue to be richer. The one thing we've seen from every platform that emerges is that what we call 'television' in terms of that narrative structure is still as loved if not more loved than ever and I think we just will find more ways of consuming it.

**Jenny Buckland, ACTF:** Yes, because drama is going to survive. I still think you want to be able to sit at home on the couch and watch *House of Cards* or *The Code* on your television screen – that you still think of as a television. But that doesn't mean the model of television and the scheduling and the way it all works now is necessarily going to be the case. .

**Ross Crowley, Foxtel:** Yes, but the meaning will be a lot broader and will encompass more means of consuming content, including digital on demand, higher definition, immersive picture walls.

**Kim Dalton, Freeview:** Absolutely. Isn't television just getting better and better? I mean, the TV we're sitting in front of is only a couple of months old. The quality of the picture is better, the content I can get onto it with just with a few clicks is better, the sound is fantastic. So that's television: the device and the experience. Television's not going to go anywhere.

**Ian Davis, Telstra TV:** In my view, absolutely, though what people take it to mean will have shifted. The image people have when you say television today, to a certain extent, still means the five linear broadcast channels with 30 second ad breaks that we have grown up on in this country for the last 50 or 60 years. It will move to mean more the compelling video I choose to watch, in the way I want to watch it, on the device I want to watch it.

**Richard Finlayson, ABC:** Intuitively, because the word TV is tied to an old model, you'd think that language might shift to be less about the device and more about shows. But just as 'radio' won't become 'audio', the word TV will probably still be used as a way of describing the type of show it is, ie, it's not a musical in a hall...

**Courtney Gibson, Nine Network:** Yes, of course there will be television; there will continue to be large flat-screen televisions in every home; our watches, phones and iPads are TV screens, and there will be television content online. There will be more TVs and TV content than ever.

**Joshua Green, Arnold Worldwide, Boston:** Television has trodden the edge of significant revolution its entire life. It has never been static. I think it's got at least another decade in it.

**Rebekah Horne, Network Ten:** Absolutely. I actually think even today if you asked a 10-15-year-old, what television is, they would point to YouTube, they would point to *The Bachelor* – it's just content. Platforms like Twitter or YouTube are now starting to use the phrase 'television' because it just explains video content.

**Russel Howcroft, Network Ten:** It will still be called television, just like the phone is still called the phone despite the fact it's got nothing to do with the phone. It's interesting when sometimes within this environment, people can be concerned about the future and I say, 'Well, can you imagine a future without screens?' And of course the answer to that is 'No', so as long as you define your business as being part of this world of screens, we are part of screen culture, if you like, and that has a really strong future.

**Anita Jacoby, ITV Studios Australia:** I looked at the definition of television. If you park aside the means of how you televise, which is changing, the nature of content and the fact that we still want pictures and sound – of course there'll be something. Whether it is television as we know it today, we still want content. So is there a television set that sits like this here? I don't know, I really don't know, but there will always be content.

**Ben Liebmann, Overture Management:** Yes. The screen will still be there. It won't be a dumb box in the corner. It will be a smart box in the corner. But the idea of television rather than the construct, yeah, it will still be there. TV's not going anywhere.

**Gai Le Roy, digital media strategist:** I play around with this word a lot. It seems to be winning, the word 'television'. Even if people are talking about Netflix or Amazon series, they still refer to them as 'television' series, so I think the word will still exist. Whether it ends up being a default for video content, long-form video content probably, or for the biggest screen in the house, I guess is yet to be seen, but that word 'television' seems to be quite resilient.

**Malcolm Long, media and communications consultant:** There is a lot of confusion about all of this but no-one is really walking away from television. If television is defined as watching understandable genres of video on screens of various sizes and being able to have access to linear content at least some of the time, I think those services will just go on and on.

A long while ago in the 1990s, when interactive internet was just developing, I used to run a line about the great battle for human time and eyeballs between the computer industry, Bill Gates, and the broadcasting industry, the BBC, CBS and so on. I used to say that one of them would have to win the battle for eyeballs.

Well it now seems they both won. The computer industry is, in a sense, winning the war with broadband access to its services. On the other hand, those services are carrying content which is mostly video and audio and is mostly reflecting traditional television-style genres. I don't think that's going to change. In this sense, accepting there will be many platforms for delivery, I think television will be around forever.

**Scott Lorson, Fetch TV:** Yes – but I don't know what it will be called! As long as we have living rooms and sofas, we will have TV... and we've had living rooms and sofas for a fair while now.

**Nathan Mayfield, Hoodlum:** Yes. But no. I think we see it now with the description of screens versus a television. The screen will serve multiple purposes. It will be meaningful as well as a utility.

**Debra Oswald, screenwriter:** 2025 is only 10 years away. There'll still be television broadcasting with news and kids shows and reality and events, big events. But it depends what you call television. People still have hardware, they'll still have screens and speakers to view screen drama, which they will have acquired from a variety of sources. 'Appointment TV' might still happen too, on specific occasions. I

suppose the question is: will people build up loyalty to a show if there's not enough communal watching? I don't know. I really love *Friday Night Lights* for example, and of course I didn't watch that live, I watched it on box sets. But I love finding people who've also seen it so we can talk about it. *Justified* is also one of my favourites. That's on FX channel, really great.

Once I discover something I go back and watch, find the box sets of the earlier series, and then I enjoy chatting on Facebook and on the telephone to friends who are also watching it. How we'll all have that experience in the future I don't know, because part of the fun of drama is sharing it with other people, isn't it? Will fragmentation kill that, or will the human desire for a communal experience affect the way people choose to watch things? I see my son going to events where people want to gather in a place together physically. So he goes to events where people view things. I went to a light-hearted one, where they showed the *Number 96* feature film. We all gathered at a pub and watched it together. People like that idea, so maybe there'll be a bit of that happening as well. You just can't finance an industry on that.

What do *you* think is going to happen to TV drama here – seriously what's your best guess? I'm keen to know because I have to plan my career ... Do you think it's hopeless for us?

**Doug Peiffer, OzTAM:** Television as an appliance will still exist – you'll probably see more of them in possibly every room of the household. They're getting smarter and smarter. It still makes me chuckle when I see a presentation that shows the old black and white TV in the corner with five channels on it. I mean they just don't exist like that. You turn on the TV now and it's connected to the internet, you can surf, you can download, you can do so much. They're thin, they're light, they're cheap. That device, as a device, will still be called a television.

Content being called 'television', will that change? 'I watch video.' I don't think so; it will still be called TV content but how you get it and where you watch it is changing. I do think the majority of it still will be on the wall. It may not be linear, you might pay extra to watch it before it goes linear, you might pay more to watch it as a boxed set all collected over the whole series. It's evolving but I think it will still be known as TV.

**Jon Penn, BBC Worldwide:** If you define television currently as AV content broadcast over the air, to a dumb device, then I would say change is definitely coming. But high-quality, brilliantly told stories – delivered in multiple ways to a multitude of devices – will prosper. Entertainment must exist and will continue. People want to be entertained, they want to be told stories. I think the audiovisual format makes sense for people where they can share the experience. I don't see it for example going to an immersive virtual reality format or some other completely different format. The stories will continue to be told by professional storytellers. But who knows – futurists are just trying to predict from existing trends aren't they?

**Tawny Schlieski, Intel:** Absolutely. We still have radio. We still have stage plays. TV for me is episodic content in our home, based on the fundamental narrative premise of staying the same: it's a unique form that breaks away in really meaningful ways from the plays and movies that preceded it. It provides us with characters and continuity that we want to invite into our intimate spaces over and over again. That isn't going anywhere.

**Annabelle Sheehan, SAFC:** I would say yes, we will still have an object in a room that looks like a television set as it looks today. Even today, it doesn't look a lot like television from the 50s, 60s, 70s; it's now flat. I think there will be an object through which we view screen content.

People might even say, 'Let's watch television', because it's the machine around which families or people in the same household choose to do communal viewing. Whereas if you do individual viewing, you will be watching it on a handheld screen or a mini pad or a smaller screen.

Will there still be time based television? Yes, there will still be events that everybody wants to watch, time based. Will the brands that currently control television broadcasting be the same brands, the companies that control or aggregate content, even if that content is watched out of time, out of place? It seems that already major US network and cable companies and Australian equivalents are using their brand and infrastructure in adaptive ways that relate to the new forms of consumption. We are already seeing so much of that adaptation. Some players that don't repurpose themselves may fall but not all. And then of course all the new players, Facebook, Amazon, Netflix, will continue their march upwards.

**Mitch Waters, AOL Platforms:** TV is such an entrenched part of our culture and part of the home. There are still key events the nation aligns with that are usually delivered through a television. Consumers will still call it TV, but whether people in our industry will view it that way or not, I'm not sure.

**Deanne Weir, digital media entrepreneur:** Will we talk about television or will we just talk about screens? Or 'vids'? There'll definitely still be television, because there will still be plenty of channels in 10 years time. But will news be the Twitter stream in 10 years? It's too short a time for that sort of radical change. We've still got to compile – aggregation is still a really important function – because now there's so much choice.

What's my access point into all of this world and this content? It might be a social media platform, because it knows what I like, my preferences and my interests. Or it might be a specialist aggregator, one of the new kinds of platforms.

Traditionally, free-to-air networks have been trying to aggregate to the broadest taste possible. They've had to do that because they've been trying to attract the broadest audience possible, because they've been selling reach not environment. A lot of advertisers are ultimately going to go more for an environment and quality sell, because they're going to achieve reach across a multitude of different platforms. Maybe that does start to morph and networks become more specialised, and the advertising is very targeted to that niche, but I don't know.

**Tim Worner, Seven West Media:** We will definitely be watching a great deal more content over the internet, but I think we'll still be calling it television. And I also think we will still come together as a group around the big screen in the lounge room. I think that will happen. In many ways the television is the modern day version of the campfire. When there was no television, the family would gather around the campfire. Now they gather around the television, and if we challenge ourselves to keep doing our job better as storytellers and as entertainers, they'll still be gathering around that television in 2025.

# APPENDIX:

## WORKING IN 'TELEVISION'?

### Interviewees, roles and recent work highlights

If you meet a complete stranger and they ask you what kind of work you do, what do you say?

For you personally, what is the most interesting or satisfying thing you have done in your work in the past year?

If you meet a complete stranger in 10 years and they ask you what kind of work you do, what do you think you will say?

#### **Arul Baskaran: Head of Product, Yahoo!7 Australia and New Zealand**

**I tell a stranger:** I work in media and technology and at the intersection of technology and content.

**Highlight of the past year:** Working with technology on a global level. We have access to a pipeline with thousands of engineers around the world building interesting apps, and we're looking at how we can bring those into the Australian market and whether Australia can serve as a test market for some of those.

**10 years from now:** I like working with engineers, with application and software designers. But I equally enjoy working with content and telling stories. So I think it'll be some mixture of that. What do they say? From shadow puppets by the cave fire to tablets and animation: it's still storytelling and creativity.

#### **Tony Broderick: Head of TV Partnerships, Twitter Australia**

**I tell a stranger:** I'm part of Twitter's media partnerships team, which works with different parts of the industry that use Twitter. With my previous background in television production, I work with the TV networks and producers to help them get the best use of Twitter in their shows.

**Highlight of the past year:** Being my first year in the role, having a good contact relationship with everyone has probably been my objective. We've done some fantastic projects around most of the major TV events across the year: talent live tweeting, Q&As, behind-the-scenes content being pushed out on Twitter in real time, things like *Party Tricks* where we had characters live tweeting narrative. It's all been really well received and we're continuing to learn as well.

**10 years from now:** It's been interesting leaving the TV business and coming into a technology company, because the cultures and modes of business are really different. In the future, I'd love to try and take some of the practices of a technology company and use them to either start a traditional content business or go back into another business, because both sides do great things and could do a lot better if someone was to build those learnings.

#### **Jenny Buckland: CEO, Australian Children's Television Foundation**

**I tell a stranger:** I work in children's television for the ACTF and we support and encourage the production of Australian children's television.

**Highlight of the past year:** We've started having webinars for teachers, and video conferencing and virtual excursions for students, which has literally broken down walls. We did one with Tony Ayres about

creating *Nowhere Boys* and there were kids in Templestowe and Tasmania and South Australia all there talking to him. Teachers in remote schools in the Northern Territory say 'I never get to go anywhere', but through the web they've been able to. That's certainly been the most interesting new thing I've loved.

**10 years from now:** I hope I won't be working in television. Ten years seems quite a long way away. I'd like to think I'll be advocating for something else but I don't know what.

### **Ross Crowley: Director of Programming and Channels, Foxtel**

**I tell a stranger:** I'm a television programmer – I invest money in entertainment.

**Highlight of the past year:** We executed an unprecedented (in the global industry) review of our whole product coming into our 20th year, the results of which have been embraced wholeheartedly by subscribers and non-subscribers alike.

**10 years from now:** I'll be an entertainment executive, and I've just invested in Australia's first holographic drama.

### **Kim Dalton: Chair of Freeview, consultant and company director**

**I tell a stranger:** Freeview is about promoting and developing the free-to-air television platform.

**Highlight of the past year:** We launched FreeviewPlus. Some people talk about it being a 'game changer'. Maybe the invention of television was a game changer in relation to radio. I'm not sure that FreeviewPlus is a 'game changer' in that sense, but I think it's potentially an extraordinary injection of innovative practice for the free-to-air platform.

**10 years from now:** I'm old now; it's hard for me to be getting into anything terribly new. So I think I'll still be working around local content and the delivery of that local content via the free-to-air platform.

### **Ian Davis: Managing Director, Telstra Television Division**

**I tell a stranger:** I'm in television, or I'm in media with a large telco.

**Highlight of the past year:** I've been a serial advocate for promoting more ways for consumers to find and consume the video content they want. And this serial optimism has started to show results. I'm only a very small piece in the overall machine, but the rising interest level and incidence or prominence of 'what-I-want, where-I-want, when-I-want' types of offerings to consumers is quite satisfying to me.

**10 years from now:** I expect I'd still say I'm in media with a large telco. I'd just expect a less confused or inquisitive response.

### **Richard Finlayson: Director of Television, ABC**

**I tell a stranger:** I work in television.

**Highlight of the past year:** Mental As, our week of programming during Mental Health Week in 2014, was a huge success. It's an important way to remind your stakeholders of why you exist, a really important contribution to the community and a great way of getting a big organisation like this to work together. I was proud of that.

**10 years from now:** At the ABC, because of our internal structure, 'television' is the by-word for 'entertainment' – i.e. non-news. So I might say I work in the entertainment business, but I think the notion of making 'TV' should be durable.

### **Courtney Gibson: Programming Production Executive, Nine Network**

**I tell a stranger:** I work in TV, and if pressed further I say I produce and commission TV programs and content.

**Highlight of the past year:** Married four sets of complete strangers, in *Married at First Sight*.

**10 years from now:** I expect I'll still say I work in TV, and if pressed further I will say I produce and commission TV programs and content.

### **Joshua Green: Vice President, Digital Strategy, Arnold Worldwide, Boston**

**I tell a stranger:** I work in advertising; that is usually enough. If asked for more, I tell them I help companies create better digital customer experiences.

**Highlight of the past year:** It was my first year in advertising. Transitioning to back-of-house and seeing how sausage is made has been interesting, to say the least.

**10 years from now:** My hope is that the quality of customer-service interactions will have increased, but I doubt so dramatically that there is no need for people of my ilk.

### **Rebekah Horne: Chief Digital Officer, Network Ten**

**I tell a stranger:** I work in 'digital' across a range of functions, strategically thinking about where the industry is headed, what the changes in consumer behaviour are and how we invest for growth and develop a new version of, in this particular instance, television.

**Highlight of the past year:** What I've been able to do internally here at Ten is get the organisation focused on moving from linear broadcast – sending stuff down this enormous pipe to audiences at the end – to meeting consumer expectations, as part of our 'TV everywhere' strategy. It's by no means complete, but I think we've done an excellent job of delivering to that – listening to the audience and interacting with them in a very real way.

**10 years from now:** I'll be growing organic garlic.

### **Russel Howcroft: Executive General Manager, Network Ten**

**I tell a stranger:** I work in the media industry.

**Highlight of the past year:** I'm intrigued by the relentless nature of the TV industry: the notion that in the morning you get the ratings, and you'll either be suicidal or jumping for joy, and in the evening you get the revenue and it's the same. That's what is intriguing me the most: that it's a relentless measurement machine.

**10 years from now:** I hope I'm still in the media business, and still involved in connecting consumers and commerce and programming. I like the fact it's all these three things together. Here at 10, we want to be number one in what we call social TV. We want people to be talking about what we're doing, and also to be able to earn money out of all the talking. I think there's a really interesting future around being brilliant at social TV.

### **Anita Jacoby: Managing Director, ITV Studios Australia**

**I tell a stranger:** It's a very mixed job brief. I've come up as a content producer, so I always want to say I'm a journalist primarily and then a producer, but in fact I'm now running a production company so I then defer to saying a managing director, which sounds a bit wanky, but I also sit on the Australian Communications and Media Authority, so I also mention that in the package.

**Highlight of the past year:** We've embraced social media. The pictures and television might be at the heart of it at the moment, but everything else is coming into play and we need to think about that. We also need to think about business plans, how do we monetise what we're making? It's not just about selling to the network these days, it's how do we actually monetise it? So we're being forced to look at the business model more and more.

**10 years from now:** I'll be wrestling again. Am I a producer? Am I a journalist? Am I running a production company? I don't even know if I'll be here in 10 years. I will always defer to being a producer and a journalist, because the skills are making content.

### **Ben Liebmann: co-founder, Overture Media Ventures; partner, Overture Management. Previously CEO, Shine 360, a division of the Shine Group**

**I tell a stranger:** [It's about] brand and rights management. In its simplest form, I used to say my role was making money for Shine or the Shine Group anywhere other than making television. So if the core business of Shine was the creation of content, then my role as the CEO of Shine 360 was to make money in as many other mediums and platforms and categories as we could.

**Highlight of the past year:** At Shine, it was the shift from viewing brand extensions as 'logo slapping' and 'the caps and mugs business' to seeing smarter and more sustainable businesses being built off the back of intellectual property. In the case of *MasterChef*, we developed restaurants in Sydney, Melbourne and London, and were in the early stages of building online food networks. These were real businesses – inspired by the brand as opposed to simply leveraging the logo.

**10 years from now:** I hope I'm still doing what I'm doing, which is helping build and commercialise great brands.

**Gai Le Roy: independent media strategy and measurement consultant; at time of interview, Director of Research, IAB Australia**

**I tell a stranger:** I look at changing consumer habits using media and primarily digital media, and then try to guide businesses through that maze and help them commercialise those opportunities.

**Highlight of the past year:** At IAB, first, putting a roadmap out for the next few years, trying to tussle with solutions in audience measurement for the most fragmented market we've ever seen, one that's only going to get even more fragmented, to make sure we have oversight of what's going on from a market level. Second, looking within that at granular mobile phone and tablet usage data for the first time ever in Australia.

**10 years from now:** I'd like to think I would still be looking at changing consumer media habits. I've been doing something similar for 20 years and I'm not irrelevant just yet, so I imagine it would be something similar. What those consumers are doing will be completely different!

**Malcolm Long: media and communications consultant, and director of BAI Communications Pty Ltd**

**I tell a stranger:** I'd say I'm a media and communications consultant and company director.

**Highlight of the past year:** A subsidiary of our company BAI (Broadcast Australia Infrastructure) has been involved in putting mobile telephony and wifi into the New York subway. That's a very big project, 278 stations. The business models, especially in public wifi delivery in those kinds of confined spaces and specialist areas, have been fascinating to work with.

**10 years from now:** I think my label is relatively robust. I'm in media and communications.

**Scott Lorson: CEO, Fetch TV**

**I tell a stranger:** 'I work in media/TV' – that tends to get the conversation started better than 'technology and software'.

**Highlight of the past year:** I have been working with a very talented team and committed group of partners to disrupt the market with a highly compelling and differentiated consumer proposition – underpinned by a strong business model.

**10 years from now:** The same as now: I'll work in media/TV.

**Nathan Mayfield: Chief Creative Officer and Executive Producer at Hoodlum**

**I tell a stranger:** I am an executive producer at an entertainment company. We make scripted content for all screens from TV to web.

**Highlight of the past year:** The move into the US in a major way has been a great experience. The ability to open doors into new markets has been challenging but the ability to explore new, high-concept, high-risk projects on a global scale has been extremely rewarding. I am also excited by the new business models we are exploring in the way we finance our shows and distribute them, and the closer relationship we have with brands that are championing the move into longer form storytelling.

**10 years from now:** I think I'll be saying the same thing: I work for an entertainment company that makes content for many types of screens. The devil will be in the detail: gameplay and interaction will be ubiquitous in the stories we tell and the way we tell them.

### **Debra Oswald: screen writer**

**I tell a stranger:** I'm a writer. Over 35 years I've written TV, radio, stage plays and fiction. In the future I think I would slide into whatever medium gives me the chance to write, and find an audience.

**Highlight of the past year:** Being part of the creative team that took *Offspring* through five series, with the story material still strong. And having my first novel for adults, *Useful*, published.

**10 years from now:** I would like to say I'm a novelist and a TV writer. I think there's a chance the TV work will have dried up, and that I will say I'm a novelist. Mind you I'm intending to explore TV work in the UK this year, so we'll see.

### **Doug Peiffer: CEO, OzTAM**

**I tell a stranger:** I'm the CEO of the industry body responsible for producing the television ratings for the five capital cities in Australia. Then I usually get the question 'How do you do that?' and 'How come I haven't had a box?' and 'Is 5000 households representative?'

**Highlight of the past year:** We've been building out a second screen measure. Most research companies around the world are struggling to piece together what's happening on all those other devices. So we took it upon ourselves to measure this. We've built, with the broadcasters, a plug-in that goes in their players and feeds us minute by minute data so we can see what people are watching. It's still in the early phases and we're completing testing mode now.

**10 years from now:** If I'm still doing this I think it will be exactly as I said before: we provide a currency to the market, we measure the market. How we collect data could be different but hopefully we're still the currency for the market.

### **Jon Penn: Managing Director, BBC Worldwide Australia and New Zealand**

**I tell a stranger:** I work for one of the world's largest content distributors building the world's biggest television brands across multiple platforms.

**Highlight of the past year:** Having the chance to launch an entirely new linear pay television channel (there's still a big market for them, you know!). We created a whole new window for the BBC's drama television content, which plays now first on our new channel, BBC First. It was innovative and a big challenge, but we've had great feedback that people love the channel and love the content. We're launching a new TV series approximately every fortnight.

**10 years from now:** I would still say I'm building massive entertainment brands with multiple providers. 'Big brand' will continue and thrive; 'big content' will continue and thrive. The way we distribute it will change, the way people consume it will change, and the business models will change.

### **Tawny Schlieski, research scientist and media expert, the Intel Experience Group**

**I tell a stranger:** I research new media futures for Intel, and when they ask what that means (because they almost always do), I say I take the cool tech that Intel is developing, and show it to creatives in Hollywood, and ask 'what would you do if you had this?'

**Highlight of the past year:** I am working with a team of Shakespeareans who were utterly inspired by a technology capability of ours. Seeing their enthusiasm for the possibilities of telling familiar stories with new technology is thrilling. For every 10 grumpy TV execs who complain about the old days and don't know how Amazon's video sales model works, I meet at least one inspired creative who is leaning into the future instead of hiding from it.

**10 years from now:** I will say that I enable storytellers, that I give them the tools they need to bring their imaginations to life.

### **Annabelle Sheehan: CEO, South Australian Film Corporation (SAFC)**

**I tell a stranger:** I work for a state body representing filmmakers and investment programs that support the production and development of Australian screen content.

**Highlight of the past year:** Seeing the finance plan of a movie come together and get greenlit. It's such a feat of negotiation and patience for the production company and investors. There are so many moving

parts, with significant discrete elements negotiated in parallel with each subject to diverse external forces. Film can be magical and so too the financing!

**10 years from now:** I have had a life in film and television – since I was 18 – so I am going to have to think I will be still be working to support screen production. I'd love to be in a position to really diversify the kind of screen content that gets to the widest audience. It's great to have seen the changes already in the past couple of decades.

### **Mitchell Waters, Managing Director, AOL Platforms ANZ**

**What I tell my mum is:** Think of the TV ads that appear in front of videos on a website like YouTube – we give advertisers the ability to place them there based on audience rather than context, and we do that in a fraction of the time it takes to load a page. See page 28 for more about programmatic advertising.

**Highlight of the past year:** Getting buy-in by a major TV broadcaster to start this programmatic TV product in Australia. We're really lucky – MCN is an amazing partner and is set up in a way that they can action this quickly. They have the infrastructure and a leadership team that are really invested in driving change. A small market, lots of challenges in getting a TV product out like this, but when we spoke with them they were very bullish on attempting it. A massive win.

**10 years from now:** Anything I will be doing will have a strong element of understanding data, being able to action it in real time. And I think everyone in digital and advertising will have to have some element of the Internet of Things.

### **Deanne Weir: entrepreneur, company director and philanthropist**

**I tell a stranger:** I work with creative people who do great stuff in digital media. I bring my business skills and experience as an entrepreneur and help them try to do what they do better. I'm chairman of four businesses: Hoodlum, Moshcam, We Magazines, and Ai-Media. I am also the Deputy Chair at Screen Australia.

**Highlight of the past year:** I guess seeing *Secrets and Lies* [produced by Hoodlum] go to air [on Ten] – even though I wasn't a hands on producer. Seeing the guys initiate that show, take it all the way into production, have it go to air, see the format sold into the US, see them then remake it and Tracy [Robertson] establish herself as a producer in the US – that's all taken a bit longer than one year. The US show goes to air on the 1 March on ABC America, almost exactly a year since it went to air here, so that's certainly been a nice circle, if you like.

**10 years from now:** With a bit of luck I'll be working a bit more creatively. Moving out of my purely corporate strategic role, and contributing more story ideas. I've got one little idea I'm working on with the Hoodlums but they're like: 'Oh yeah, needs some work, come back.'

### **Tim Worner: CEO, Seven West Media Limited**

**I tell a stranger:** I'm in administration. If you tell them you're in television, you put yourself down for about 10 minutes of questions and usually opinions. And if you do tell them you're in television, they say, 'Well, what do you do at the television station?', because I'm not a particularly well known person. I tend to say: 'I'm in administration'. And if they press me further I just say something to throw them off the track. The one thing I do not do is tell them I'm the CEO.

**Highlight of the past year:** I was very proud of what Seven put together for our upfront presentation to our advertising partners. I looked at that and thought, well, that's where our business is going. We were able to present that to our partners in a really exciting and entertaining way – an emotional way at times – and it connected. That for me was a highlight of the year, but it's not something I've done – I don't actually do much on my own here. This is a team sport, and certainly that was the product of a great team.

**10 years from now:** Hopefully I'll be doing a lot of surfing.