



Australian Government

# Media Policy Statement: Green Paper Response and Next Steps

February 2022



## Media Policy Statement

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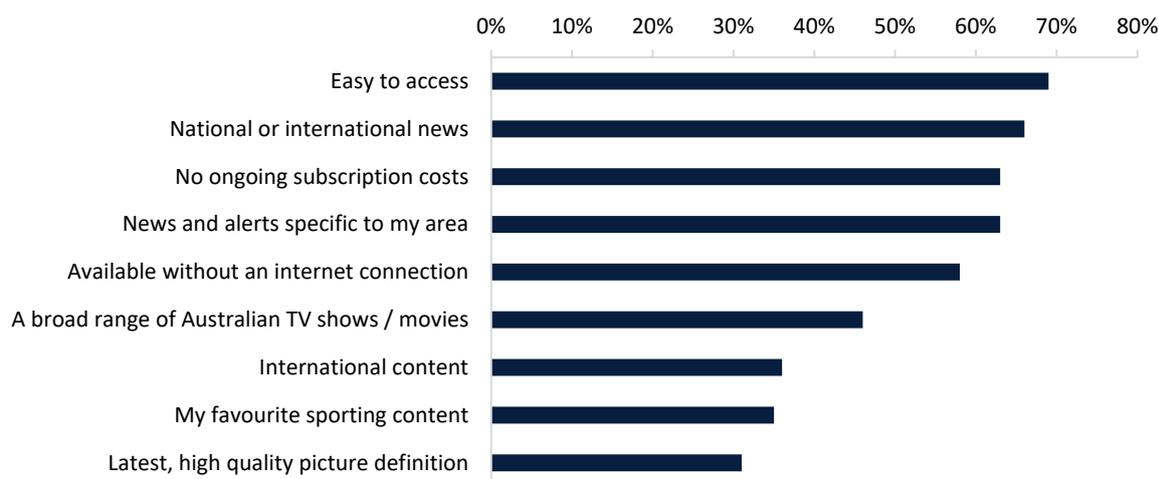
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## Executive summary

The media reform green paper process has raised important issues about how Australians access television content in a contemporary media environment. Australians value the key attributes of broadcasting, particularly free and ubiquitous access to content and the provision of news and local information. This is highlighted in Figure 1.

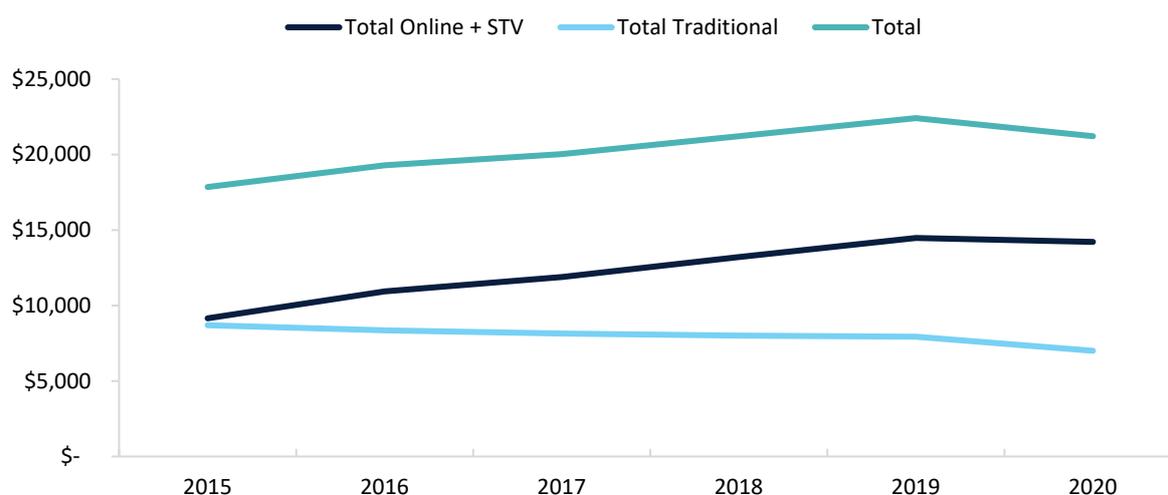
**Figure 1: Essential or main reasons for watching free-to-air television**



Source: Social Research Centre (2021) Media Content Consumption Survey, report to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

Broadcasting services today operate in a much deeper and broader market for audio-visual content than they have in the past, and this market is rapidly evolving. As shown in Figure 2, the total size of the media industry is growing, with the market share of traditional media declining.

**Figure 2: Total revenue of selected subsets of the Australian media industry 2015-2020 (\$m)**



Source: PwC (PricewaterhouseCoopers) Australia (2020) Global Entertainment & Media Outlook 2020-2024.

As the market changes, the range of services providing television content is broadening. Consumers have an unprecedented level of choice of content and the means of accessing it, and usage and consumption patterns are evolving.

- Between 2016-17 and 2020-21, the percentage of Australians (14+) who used a Subscription Video on Demand (SVOD) service in the past four weeks increased from 42 per cent to 68 per cent.<sup>1</sup> Between 2016 and 2020, average prime time audiences for free-to-air television fell by 18.2 per cent.<sup>2</sup>
- Today, over three quarters of Australian households have a subscription to at least one subscription streaming video service;<sup>3</sup> close to half of households have two or more services; and 10 per cent have five or more subscriptions.<sup>4</sup>

These changes exemplify the structural adjustments taking place in television markets in Australia and overseas. These adjustments present both opportunities and challenges, and the Australian industry is responding. In its submission to the green paper consultation, Free TV noted that:

**“The industry is investing heavily to meet the demands of modern audiences by providing them the quality of content they demand and delivery through the platform of their choice” and that “Metropolitan broadcasters have also responded to the demand for internet-delivered as well as terrestrial broadcast services, investing over \$550m in technology and innovation to build world-class BVOD services.”<sup>5</sup>**

Successful television businesses will be those that are able to navigate changing consumer preferences and behaviours, and provide a compelling value proposition for advertisers and users. It is for individual television businesses to determine and execute their strategy.

However, Government policy settings can support the television sector (both businesses and consumers) through this process of structural adjustment and enhance the provision of the content valued by Australians. In doing so, those policy settings must reflect important public policy objectives, including:

- contributing to national identity and our sense of a shared experience through the production, distribution and consumption of Australian content;
- informing citizens and underpinning our democratic institutions;
- employing Australians and driving economic growth;
- providing a voice for diverse communities and minority groups; and
- supporting Australia’s national interests.

The Government has listened to industry and appreciates their constructive engagement through the green paper process. This process has identified a number of issues where action by Government and industry is warranted, and areas where further work is required.

The Government’s response to the green paper, represented by this policy statement, is organised into three ‘themes’.

- Theme 1 – developing the pathway to modernise Australia’s television market

<sup>1</sup> Roy Morgan (2021) *Roy Morgan Single Source Database*.

<sup>2</sup> OzTAM 5 City Metro I Consolidated 7 I Average Audience I 1800-2400 I Weeks 1-52 I excludes Community TV. Data copyright © OzTAM 2020.

<sup>3</sup> ACMA (Australian Communications and Media Authority) (2021) [Communications and media in Australia: Supply and use of services 2019–20](#), ACMA, Australian Government.

<sup>4</sup> Ampere Analysis (2021) [The future of streaming in Australia](#).

<sup>5</sup> Free TV [submission](#) to the *Media Reform Green Paper*, May 2021, p 4.

- Theme 2 – supporting Australian content across devices and platforms
- Theme 3 – enhancing regional news services

The Government is committing to a range of actions and measures under each theme.

## Theme 1 – Developing the pathway to modernise Australia’s free-to-air television market

The green paper laid out potential technology paths towards a sustainable and future-oriented media industry. The consultation process has allowed a better understanding of the likely timing and sequencing of any changes, including in relation to spectrum. Based on that understanding, the Government will work with the sector to establish a process to determine and enable a transition to a modernised television delivery framework.

Through a **Policy Development and Engagement Initiative**, we will establish and manage a **Future of Broadcasting Working Group** across Government and industry. The Working Group will inform the development of a pathway to modernise free-to-air television services. It will provide a forum for industry to work collaboratively on future technology standards and broadcasting planning issues. Consistent with the principles set out in the green paper, this approach will prioritise choice and optionality for the industry.

The Government will **retain the Commercial Broadcasting Tax** and will **extend transitional support** for eligible regional broadcasters until 30 June 2024. As work on the future technology path for the industry progresses, the Government will consider when there is an appropriate point at which to reflect that work in a recalibrated regulatory framework, in turn enabling industry participants to evolve their delivery models should they choose to do so.

In parallel with the Policy Development and Engagement Initiative, the Government will **commission research** through a **Television Futures Research Program**. This Program will provide an evidence base to support the Working Group’s deliberations and future policy development. This will include research into the technical capabilities, consumer usage and market supply of Australia’s television population; a survey to capture consumer preferences and trends in relation to content consumed on connected televisions; and complementary technical research by the Australian Communications and Media Authority (ACMA).

The Government also expects that the Future of Broadcasting Working Group will examine the question of the ‘**prominence**’, or availability, of free-to-air and subscription broadcasting services regulated under the *Broadcasting Services Act 1992* (BSA), on connected television devices. This will be informed by findings from the Television Futures Research Program. This work will be a key input into Government consideration of whether regulatory measures to deal with the question of prominence are required and, if so, what form those measures should take.

The Government aims to enable broadcasters to make choices that promote the long term sustainability of the sector. The Government’s primary objective will be to promote the important public policy objectives associated with free-to-air broadcasting. The production and consumption of news and Australian content remain key policy objectives now and into the future, regardless of delivery technologies.

## Theme 2 – Supporting Australian content across devices and platforms

The Government is committed to enabling the provision of Australian content to Australian audiences and to supporting a vibrant and consumer-focused Australian production sector. Regulation is one of the levers available to Government to support this outcome. However, there are **elements of our current regulatory framework** that are **out-of-date and unbalanced**.

- Commercial free-to-air and subscription broadcasters are subject to Australian content requirements, but streaming services are not, even though they are one of the most popular ways for Australians to access content.
- Reporting requirements are not consistent, creating an opaque and distorted view of the contributions being made to the provision of Australian content across different segments of the industry.

The Government announced the first stage of its policy and regulatory reforms on 30 September 2020. The suite of measures included additional funding of \$53 million to support the production of Australian drama, children’s and documentary programming, reforms to the Australian Screen Production Incentive, and changes to simplify Australian content obligations on commercial free-to-air broadcasters.

The Government will now proceed with its second stage of reforms.

A **Streaming Services Reporting and Investment Scheme** will set clear expectations on large SVOD services on their investment in new Australian content, and require reporting on investment and efforts to make Australian content discoverable to Australian audiences. At the same time as releasing this Media Policy Statement, the Government is releasing a *Streaming Services Reporting and Investment Scheme Discussion Paper* to facilitate discussions with stakeholders on key design elements of the Scheme. Consultations will close in April 2022.

A **National Broadcasters Reporting Framework for Australian Content** will provide the Government and the public with transparent information about how the ABC and SBS are contributing to the availability of Australian stories on our screens.

A **recalibrated drama expenditure requirement** for subscription television broadcasters will reduce the regulatory burden on an industry sector in transition and provide for a more consistent application of obligations across the industry.

These reforms will improve public transparency regarding the investment in, and provision of, Australian content. They will also support Australian audiences’ access to Australian content, regardless of whether they watch it on free-to-air television, subscription television or SVOD services.

## Theme 3 – Enhancing regional news services

Access to quality, public interest journalism is critical to the health of Australia’s democratic system. However, the challenges to the business models for the production and dissemination of journalism have had a particular impact on the availability of news in our regions.

There have been significant reductions in the numbers of journalists employed in regional areas, as well as the closure and contraction of various local news outlets, as revenues have declined. This trend

of service contractions and job losses accelerated through COVID-19, with some estimates suggesting that in excess of 1,000 journalists lost their jobs due to closures of smaller independent publications in 2020.<sup>6</sup> Although the act of gathering and producing news is changing with advances in technology, the production of journalism still requires journalists.

To support the provision of public interest journalism in the regions, the Government will provide \$10 million over two years (\$5 million per annum) for a **Journalist Fund**.

The Fund will support eligible regional media organisations to hire cadet journalists and to upskill existing journalists. The Fund underscores the Government's strong commitment to regional and small news businesses.

Cadet journalists will be funded for two years, with funding to be provided in the form of a partial contribution towards a cadet journalist's salary, travel and training costs. Successful cadet journalists will be required to be based in the local community for the duration of the program.

The Fund will also support training activities for journalists. Funding for up-skilling staff will cover the costs directly related to the relevant training, such as course materials, travel and accommodation. Relevant training is likely to target identified gaps for regional journalists, including digital literacy. Training activities organised to support cadets could also be transferrable for use to upskill an organisation's existing journalists.

The Fund will support an increase in cadet journalists in regional Australia and training for existing journalists to assist the industry in transitioning to increasingly digital business models.

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<sup>6</sup> Guardian Australia 2021, submission 13 to Media Diversity Inquiry.

## The process to date

In the Government's response to the Australian Competition and Consumer Commission's (ACCC's) Digital Platforms Inquiry Final Report, it committed to commence a staged process to reform media regulation towards an end state of a platform-neutral regulatory framework covering both online and offline delivery of media content to Australian consumers.

In September 2020, the Government announced its first stage of reforms with changes to the Australian content obligations that apply to free-to-air television networks and the mechanisms to provide funding support to the Australian screen production sector. This followed extensive consultation with a range of stakeholders as part of the release of the *Supporting Australian stories on our screens* options paper, jointly produced by Screen Australia and ACMA.

In November 2020, the Government released the media reform green paper for public consultation, which set out proposed reforms to support the media industry and enhance the range and quality of services and content for Australians.

The green paper focused on television services. It outlined the challenges facing the industry and argued that reform is needed to address a range of commercial pressures and regulatory imbalances.

The green paper highlighted that digital disruption has rendered many of our regulatory settings obsolete and noted that pressure has been most acute for broadcasters and publishers. These are the entities that – in concert with the production sector – produce, commission and distribute the content from which public benefits are derived: local content; Australian programming; and public interest journalism, among others.

The Government has welcomed an open dialogue with stakeholders, and has carefully considered the views and issues raised during the consultation process. This media policy statement outlines the next steps to progress the green paper reforms.

## The proposals put forward in the green paper

The green paper identified and sought comment on proposals to support the free-to-air television sector to move to a more sustainable operating model, reduce the regulatory imbalance between free-to-air television and internet-based competitors, and sustain the continued delivery of news and Australian content.

### **A new model for free-to-air television services: efficient spectrum use, reduced regulation**

The green paper proposed to offer commercial broadcasters a choice to transition to a new class of broadcasting licence. The new licence would offer a pathway to deregulation as new licence holders would not be charged a commercial broadcasting tax, and would have no obligation to meet Australian content requirements on their multichannels. Broadcasters would be able to access the new licence on the condition that they commit to moving to shared spectrum arrangements, facilitating the consolidation of broadcasting spectrum.

### **Dedicated funds to support Australian news and content**

The consolidation of spectrum could generate significant proceeds for Australian taxpayers. The green paper proposed that a portion of these proceeds be used to provide support for a stronger media

sector and public policy outcomes into the future. Two trusts would be established, capitalised with the proceeds of consolidation, to deliver these outcomes:

- A Public Interest News Gathering (PING) Trust – a capital fund that could be drawn on over time for grant funding to support the provision of newspaper, radio, television and online news services in regional Australia. The PING Trust would have no capacity to control the editorial content of the supported entities.
- A Create Australian Screen Trust (CAST) to support the creation and distribution of Australian content. The CAST would have two funding pools, one focussed on projects of cultural significance, and another focussed on commercial investments.

## Legislating expectations for Australian content across platforms

The green paper proposed that expectations be set for large SVODs to invest a percentage of their Australian revenue in Australian content, with services required to report to ACMA each year on performance against those expectations. The Minister for Communications would have the power to implement formal regulatory requirements on a service that failed to meet expenditure expectations for a period of time. It was also proposed that services make Australian content discoverable to Australian audiences.

Reflecting the important role that the ABC and SBS play in providing Australian content, it was also proposed that they be required to provide new Australian programming, in line with the obligations imposed for other sectors of the Australian media industry. The green paper proposed a requirement that the ABC and SBS provide information about their investment in, and provision of, new Australian programming to ACMA annually, again, in line with other media organisations.

## Consultation and stakeholder views

The green paper received 110 submissions to the public consultation process, which closed in May 2021. Extensive consultation was also undertaken with relevant stakeholders, including two Australian content roundtables on content matters raised in the green paper. Stakeholders generally agreed that reform is needed, given the rapidly changing media environment, but expressed differing views on the kinds of reform that should be pursued.

### A new model for free-to-air television services: efficient spectrum use, reduced regulation

Broadcasters requested a longer timeframe to consider options and work towards efficient spectrum use and a lower regulation environment. Broadcasters also expressed concern that moving to shared multiplexes and an MPEG-4 only compression technique (as envisaged in the green paper) would lead to a reduction in services.

In its submission to the media reform green paper, Free TV noted the need for reform but argued against some elements of the licence proposal. Instead of moving to shared multiplexes and MPEG-4, which free-to-air broadcasters argue will lead to a reduction in services, Free TV supported the exploration of a DVB-T2 pathway over a much longer timeframe.

Free TV also argued that there are broader reforms that should be implemented independently of (and before) broadcasting licence changes, such as removing the Commercial Broadcasting Tax (CBT), safeguarding free-to-air broadcast prominence on smart TVs, net neutrality, and reforming the anti-siphoning scheme to capture digital services.

In individual submissions, commercial broadcasters supported Free TV's views, while regional broadcasters raised some additional points. Regional broadcasters argued that the costs of transitioning to shared multiplexing far outweigh the benefits. They sought additional financial support from the Government, and the ability to merge their services.

Transmission infrastructure owner BAI favoured a transition to DVB-T2, noting its improved capacity, lower risk of interference and compatibility with more efficient compression standards.

Television manufacturers advocated for a transition to DVB-T2 and submitted that the Government should develop a DVB-T2 roadmap with industry.

Consumer advocates (ACCAN) were broadly supportive of a spectrum restack, but raised concerns about potential consumer impacts and opposed any changes that would reduce the quality or range of services.

Wireless audio services operating in the 500/600 MHz band opposed a restack.

### **Dedicated funds to support Australian news and content**

A range of stakeholders – including SPA, the MEAA, ACCAN and news industry representative bodies – indicated their support for the PING Trust and CAST, with many suggesting the funds be capitalised immediately.

Broadcasters generally didn't support the establishment of trusts such as PING, questioning the catalyst for funding being auctioning spectrum currently allocated to broadcasting, while regional broadcasters indicated concern that PING will not be available immediately, and did not believe that it provided a viable or sustainable solution to their financial issues. The ABC supported the concept of CAST, but argued that funding should not be available for content that is not freely available.

### **Legislating expectations for Australian content across platforms**

Stakeholders generally agreed on the importance of providing Australian content to Australian audiences, however views differed on the best approach to regulating streaming services and the national broadcasters.

Most streaming services suggested that the existing voluntary reporting process would be sufficient. They highlighted the contributions they are already making to Australian content, and raised concerns that capacity constraints could be further exacerbated in the sector by an investment obligation. This view was echoed by Free TV.

Alternatively, production sector stakeholders supported an obligation on streaming services. SPA and many aligned organisations advocated for an obligation set at 20 per cent, with many arguing for: sub-genre quotas; restrictions to only count the commissioning of content; mandated engagement with independent producers; and reduced eligibility criteria to broaden the scope of the obligation.

Both production sector stakeholders and international SVODs opposed a scheme that would exclude services owned by the holder of a broadcast licence.

There were mixed views on what obligations should be placed on the national broadcasters. The ABC and SBS were both concerned that content obligations could impact editorial independence. Some stakeholders indicated support for content obligations for at-risk genres, while others pointed to the

current high levels of Australian content made available by the ABC and SBS as arguments against imposing an expenditure requirement.

## Additional technical analysis

Given the highly technical nature of spectrum planning, the Government commissioned Kordia Limited (Kordia) to conduct additional work in relation to the technical spectrum issues raised through the green paper process.<sup>7</sup> Kordia was engaged to:

- provide technical advice on the proposal for a possible consolidation of the television spectrum;
- identify and evaluate the technical feasibility of at least two different approaches; and
- conduct consultations to develop an agreed set of facts concerning the technical parameters relevant to the potential spectrum consolidation and shared multiplex arrangements.

Kordia's report considered different transmission pathways available to the Government and industry, including a potential pathway towards DVB-T2 and HEVC broadcasting, and the opportunity for broadcasters to share multiplexes. Television standards and compression techniques are described in more detail in Box 1.

The Kordia report involved extensive consultation with industry and was intended to support, but not supplant, broader consideration of media policy issues. The report identified several areas where further work could be progressed, and these identified areas have provided an important input into the development of this Statement.

### Box 1: Digital Television Broadcasting

There are two key components of television broadcasting: transmission and compression.

#### Transmission

Australian free-to-air broadcasters currently use a transmission standard called DVB-T, which is currently broadcast in Australia with a data rate of 23 megabits per second (Mbps) on a 7 MHz multiplex. DVB-T2 is the second generation terrestrial standard for digital terrestrial TV, which provides greater efficiency for digital terrestrial broadcasting compared to DVB-T. DVB-T2 is expected to operate at a 32 Mbps data rate on a 7 MHz multiplex.

#### Compression

Australian free-to-air broadcasters currently use a mixture of the MPEG-2 and MPEG-4 compression formats to broadcast digital TV services. Currently in Australia, DVB-T transmissions generally use MPEG-2 for standard definition (SD) video channels, as all receivers in Australia are MPEG-2 compatible. DVB-T transmissions in Australia use the MPEG-4 standard for High Definition (HD) channels as it provides greater coding efficiency when compared to MPEG-2. All receivers sold in Australia since 2015 are MPEG-4 compatible. High Efficiency Video Coding (HEVC) is a newer standard not currently used in terrestrial broadcasting in Australia. Compared to MPEG-4, it provides higher efficiency coding rates for resolutions above HD (e.g. 4K and 8K).

<sup>7</sup> Kordia's final report is available on the [Department's website](#).

## Theme 1 – Developing the pathway to modernise Australia’s television market

### Key points

- The Government will establish a **Future of Broadcasting Working Group** to provide a forum to work through issues relating to broadcasting technologies, including spectrum planning and consumer impacts.
- The Government will lead a **Television Research Work Program** to provide greater evidence on issues such as the capability of household television equipment and audience preferences for television content.
- The Government expects that the Future of Broadcasting Working Group will examine the **‘prominence’**, or availability, of free-to-air and subscription broadcasting services on connected television devices. This work will be a key input into Government consideration of whether regulatory measures to deal with the question of prominence are required and, if so, what form those measures should take.
- The **Commercial Broadcasting Tax** will be maintained while the Working Group assesses future technology pathways for the television industry, and the existing **transitional support** for eligible regional broadcasters will be **extended for two years**.

### Free-to-air television remains important and regulatory settings need updating

Free-to-air television broadcasting continues to play an important role in the contemporary media environment.

- Free-to-air television is a key producer of Australian news and content and remains a major entertainment and news source for Australians, who watch an average of 17 hours (or 1,022 minutes) of free-to-air television per week.<sup>8</sup>
- Free-to-air television is also the trusted source of significant Australian moments, including iconic sporting events such as the AFL and NRL grand finals, and keeps Australians informed during times of crisis such as the 2019-20 bushfire season.

Australia’s public policy framework relies heavily on ubiquitous and free television broadcast services to deliver key public policy outcomes, namely quality Australian content and public interest news. However, the technologies and regulatory settings for television broadcasting and spectrum use in Australia are dated.

Australia’s conversion from analogue to digital television – while significant – was initiated over 20 years ago, and consumer engagement with television and audio-visual content has changed to an

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<sup>8</sup> Roy Morgan (2021) *Roy Morgan Single Source Database*.

extent that was perhaps unrecognisable when digital television services were first broadcast in Australia.

The breadth and scope of the changes under way in our television markets are outlined in Box 2.

### Box 2: Changing consumer preferences in Australia

- The average prime time audience for free-to-air television in metropolitan markets declined at an annual rate of **4.9 per cent** between 2014 and 2020.<sup>9</sup>
- Between 2010 and 2020, the percentage of Australians (14+) who watched free-to-air television in the past seven days fell from **94 per cent to 81 per cent**.<sup>10</sup>
- Between 2016-17 and 2020-21, the percentage of Australians (14+) who used a subscription video on demand service in the past four weeks increased from **42 per cent to 68 per cent**.<sup>11</sup>
- In 2021:
  - **79 per cent** of Australians had access to at least **one streaming subscription service** (up from 77 per cent in 2020).<sup>12</sup>
  - 62 per cent of Australian adults reported that they had **watched screen content** through a subscription service **in the past 7 days** (up from 60 per cent in 2020).<sup>13</sup>

### The industry argued that more time is needed to work through issues

Submissions to the green paper consultation process made clear that decisions regarding future technology standards and spectrum need to be approached carefully.

Free TV stated that:

**“The broadcast industry is open to exploring with the Government a platform upgrade path that would achieve both objectives of meeting future demand for television services while allowing some spectrum to be released for auction.”**

but noted that:

**“the option of upgrading the existing terrestrial platform to DVB-T2 transmission technology and utilising HEVC compression technology needs to be preserved while the necessary further work is undertaken to assess the impact on viewers and available transition paths.”<sup>14</sup>**

Similarly, the ABC argued that once a reallocation of spectrum in the 600 MHz occurs:

<sup>9</sup> OzTAM 5 City Metro | Consolidated 7 | Average Audience | 1800-2400 | Weeks 1-52 | excludes Community TV. Data copyright © OzTAM 2020.

<sup>10</sup> Roy Morgan (2021) *Roy Morgan Single Source Database*.

<sup>11</sup> Roy Morgan (2021) *Roy Morgan Single Source Database*.

<sup>12</sup> Social Research Centre (2021) *Media Content Consumption Survey*, p 30, report to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

<sup>13</sup> Social Research Centre (2021) *Media Content Consumption Survey*, p 30, report to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

<sup>14</sup> Free TV [submission](#) to the *Media Reform Green Paper*, May 2021, p 7.

**“there will be no further upgrade path for terrestrial television in Australia; the platform will be locked into the broadcasting and compression technologies current at the point of transition.”<sup>15</sup>**

The Government acknowledges the complexity associated with any changes to the use of spectrum for broadcasting and the potential impacts on industry and consumers. But this does not mean that change should not be pursued where it delivers net benefits for industry and enhances the value of television services for consumers.

The broadcasting industry has not shied away from the challenges and opportunities associated with new technologies. However, as part of its response to the green paper, industry has asked for additional time to explore potential technology pathways.

As Free TV submitted:

**“More time is required for a suitable upgrade path for TV than the Green Paper proposals envisage.”<sup>16</sup>**

The consultation process has allowed a better understanding of the likely timing and sequencing of any changes, including in relation to spectrum. Based on that understanding, the Government will work with the sector to establish a process to determine and enable a transition to a modernised television delivery framework.

The Government aims to enable broadcasters to make choices that promote the long term sustainability of the sector. The Government’s primary objective will be to promote the important public policy objectives associated with free-to-air broadcasting. The production and consumption of news and Australian content remain key policy objectives now and into the future, regardless of delivery technologies.

## **A Future of Broadcasting Working Group will progress and inform technological choices**

As part of a **Policy Development and Engagement Initiative**, the Government will establish a **Future of Broadcasting Working Group** to provide a forum for the Government and industry to continue to work through issues and progress television market reforms. The Working Group will include free-to-air broadcasters, infrastructure providers, television receiver manufacturers and Government representatives. Its focus will be on settling technical issues to inform a future technology end-state.

The green paper process highlighted a significant degree of uncertainty regarding the technology future for television services in Australia. Free TV and its members advocated for retaining a transition pathway to DVB-T2, but the industry has not committed to a transition, citing a number of uncertainties surrounding spectrum planning and consumer impacts.

However, Free TV advocated for:

**“the current standards review process to clarify the expectation that all future TVs sold in Australia should support DVB-T2 / HEVC.”<sup>17</sup>**

<sup>15</sup> ABC [submission](#) to the *Media Reform Green Paper*, May 2021, p 21.

<sup>16</sup> Free TV [submission](#) to the *Media Reform Green Paper*, May 2021, p 8.

<sup>17</sup> Free TV [submission](#) to the *Media Reform Green Paper*, May 2021, p 39.

SBS argued:

**“For the Government to achieve its second digital dividend goals, Australia’s potential transition to DVB-T2 broadcasting standards should be considered, with sufficient lead time.”<sup>18</sup>**

Manufacturers also expressed their preference to transition to DVB-T2. In their joint submission, the Australian Industry Group (Ai Group) and Consumer Electronics Suppliers’ Association (CESA) recommended:

**“Government should include development of a government-industry supported roadmap from DVB-T to DVB-T2.”<sup>19</sup>**

Industry is currently developing technical standards for DVB-T2 compliant receivers through Standards Australia. This work is expected to be finalised by the end of 2022.

The technical work undertaken by Kordia explored the available technology options, including both DVB-T and DVB-T2.<sup>20</sup> Kordia’s report found that DVB-T2 is a more spectrum-efficient transmission standard, and would enable broadcasters to deliver a larger number of HD streams, as well as Ultra HD (UHD) services. However, the report highlighted a number of uncertainties associated with DVB-T2.

- For broadcasters, it would require significant and costly upgrades to existing infrastructure.
- A large number of households would also need to upgrade their television receivers, although there is no accurate data on the number of households that would be impacted.

There was general consensus that most options are technically feasible, but some will be more complex, and all will involve commercial and policy choices. Kordia’s report suggests that a transition to DVB-T2 in Australia is not inevitable. It is one possible future for the delivery of broadcast services in Australia, but not the only one. This highlights a key issue identified through the green paper process.

Commercial broadcasters have suggested they do not want to commit to the proposed ‘new licence’ model without greater certainty as to what their future technology delivery mix will be. Accordingly, the Working Group is intended to provide industry and the Government with the evidence base needed to inform commercial decisions and plan future broadcasting services, including spectrum use in the 600 MHz band. It will be established in early 2022 and it is expected that consideration of technology futures will be finalised by late 2023, although the Working Group will ultimately determine the timing itself.

The Working Group may also choose to progress the areas of further work highlighted in Kordia’s report, including finalising receiver standards and examining technical implications of the proposed new licensing model. It may also choose to test the viability of wide-area single frequency networks, which would require collaboration between Government and industry.

<sup>18</sup> SBS [submission](#) to the *Media Reform Green Paper*, May 2021, p 6.

<sup>19</sup> Australian Industry Group and Consumer Electronics Suppliers’ Association joint [submission](#) to the *Media Reform Green Paper*, May 2021, p 2.

<sup>20</sup> Kordia’s final report is available on the [Department’s website](#).

Through the **Working Group**, the Government will continue to work with industry to consider **options for a modern broadcasting technology mix and regulatory framework**. This could potentially include more flexible licences in some form, building on concepts explored in the green paper.

As work on the future technology path for the industry progresses, the Government will consider when there is an appropriate point at which to reflect that work in a recalibrated regulatory framework, in turn enabling industry participants to evolve their delivery models should they choose to do so.

## Television futures will be informed by Government-led research

To support the consideration of television futures, the Government will **commission research** through a **Television Futures Research Program**. This initiative will include analysis of:

- the technical capability of Australia’s television receiver fleet and how this is expected to change over time;
- prominence issues associated with connected television devices; and
- the attitudes, preferences and habits of Australian television consumers and how they are likely to evolve over coming years.

As highlighted in the Kordia report, the broadcasting industry requires better data to support decisions relating to future television technologies. In response to the green paper, Free TV submitted that:

**“the Government and the ACMA should work with industry to undertake research to understand the capability of receivers in households today.”<sup>21</sup>**

Similarly, BAI submitted that the Department:

**“should commission research to understand the current receiver population in Australian homes and a forecast population over the next 5-7 years.”<sup>22</sup>**

The ABC suggested:

**“It would be of considerable value if the Government and the ACMA were to undertake research into domestic consumer reception arrangements.”<sup>23</sup>**

The Research Program will provide data to address these uncertainties and support commercial and policy decisions. It will provide evidence on the number of households with MPEG-4, HEVC and DVB-T2 capable receivers, and project how this data is expected to change over time. This analysis will provide vital information on technical capabilities to guide future policy decisions and inform industry choices regarding delivery technologies.

<sup>21</sup> Free TV [submission](#) to the *Media Reform Green Paper*, May 2021, p 39.

<sup>22</sup> BAI Communications [submission](#) to the *Media Reform Green Paper*, May 2021, p 12.

<sup>23</sup> ABC [submission](#) to the *Media Reform Green Paper*, May 2021, p 14.

## The Working Group will investigate ‘prominence’ requirements for connected devices

The issue of the ‘**prominence**’, or availability, of Australian content, including news, on connected television platforms is a high priority for the broadcasting industry.

Free TV submitted that:

**“The single most urgent regulatory issue facing broadcasters in the connected environment is ensuring free-to-air content is prominent on connected TVs” and that “remaining prominent or easily discoverable on viewers’ devices ... is the question of how to prevent local TV from becoming invisible in a borderless, online world of abundant choice.”<sup>24</sup>**

The ABC and SBS both share this view:

**“SBS strongly supports measures to improve the discoverability of Australian content on broadcast and digital platforms.”<sup>25</sup>**

**“The ABC believes that there is an urgent need for regulatory guarantees of prominence for broadcasters’ services on Smart TVs and other connected-TV platforms, as they are becoming a new type of gatekeeper for Australian media services and content.”<sup>26</sup>**

Other jurisdictions are currently grappling with similar issues, as shown in Box 3.

The Government expects that the Working Group will examine the prominence of free-to-air and subscription broadcasting services regulated under the Broadcasting Services Act, on connected television devices. This work will be informed by findings from the Government’s Research Program. This work will be a key input into Government consideration of whether regulatory measures to deal with the question of prominence are required and, if so, what form those measures should take.

The Government will separately consult relevant stakeholders on **other potential areas of reform** identified by industry, such as the **anti-siphoning scheme**.

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<sup>24</sup> Free TV [submission](#) to the *Media Reform Green Paper*, May 2021, p 5 and 62.

<sup>25</sup> SBS [submission](#) to the *Media Reform Green Paper*, May 2021, p 3.

<sup>26</sup> ABC [submission](#) to the *Media Reform Green Paper*, May 2021, p 38.

### Box 3: Prominence in the United Kingdom

In the UK, Ofcom published the ‘*Small Screen: Big Debate*’ report on 15 July 2021.<sup>27</sup> The report provides recommendations to the UK Government on the future of public service broadcasters (PSBs), reiterating a call for legislation to secure prominence for live and on-demand PSB content. Ofcom recommended the UK Government introduce legislation to:

- require television platforms to carry live and on-demand FTA services and give ‘appropriate prominence’ to FTA content;
- set up an enforcement and dispute resolution process to encourage commercial agreements between broadcasters and platforms, including giving Ofcom the power to resolve disputes; and
- modernise broadcasting licences to secure important FTA programming and safeguard the quality of traditional broadcast services.

The UK Government has indicated it will release a Broadcasting White Paper to address prominence, amongst other issues.

### Extending Transitional Support for Eligible Regional Broadcasters

In 2017, the Government implemented a comprehensive package of media reforms, including the abolishment of licence fees for commercial broadcasters, which were replaced with the Commercial Broadcasting Tax (CBT). The CBT levies approximately \$46 million per annum on commercial television and radio broadcasters for their use of spectrum.

As part of these reforms, the Government implemented transitional support payments for particular broadcasters, worth \$4.8 million per year, to ensure that no broadcaster was worse off under the new spectrum pricing arrangements, which expired in 2020-21.

ACMA has recently undertaken a review of the CBT, which was tabled in both Houses of Parliament on 22 June 2021. It recommended that the tax should not be repealed, noting that it provides the Government with the flexibility to impose a price on spectrum that represents its value and provides opportunities for recovering the indirect costs of spectrum management. ACMA also recommended that the tax should be amended, noting opportunities for improving the simplicity, transparency and flexibility of pricing arrangements.

The Government will consider future CBT arrangements in the context of free-to-air television market reforms. The Government remains open to the idea of offering broadcasters a choice to move to lower cost operating models including an option for a new licence type with no CBT, but has made no decisions in this area. The Government understands broadcasters consider more time is required to consider technology options.

As an immediate action, the Government will extend transitional support to relevant regional broadcasters (effectively **extending the Transitional Support Payments**) until June 2024 while it considers the next phase of media reform, including any changes to CBT. The purpose of this action is so that no broadcaster is worse off due to the CBT arrangements implemented in 2017.

<sup>27</sup> Ofcom (2021) [Small Screen: Big Debate](#).

## Theme 2 – Supporting Australian content across devices and platforms

### Key points

- The Government intends to implement a Streaming Services Reporting and Investment Scheme to incentivise investment by streaming services in Australian content over the long-term.
- Details on the proposal are outlined in the ***Streaming Services Reporting and Investment Scheme Discussion Paper***, being released at the same time as this Media Policy Statement, which seeks input from stakeholders on the key design elements of the Scheme. Responses are sought by April 2022.
- The ABC and SBS will report to ACMA on their provision of Australian content under a new **National Broadcasters Reporting Framework**. This will enhance transparency of the key role the national broadcasters play in the provision of Australian content.
- The **New Eligible Drama Expenditure** (NEDE) requirement on subscription television broadcasters will be **recalibrated to 5 per cent of total drama expenditure on drama channels** to enhance the equity and sustainability of Australian content obligations across the industry.

Australian screen content is critical for supporting cultural identity and social cohesion. However, this content risks being under-produced by the market without support. Regulations are in place to address this risk of market failure, but elements of the existing framework are out-of-date and unbalanced.

- Commercial and subscription broadcasters are subject to Australian content requirements, but streaming services are not, even though they have become one of the most popular ways for Australians to access content.
- Reporting requirements are also not consistent across the industry.

The media reform green paper canvassed the implementation of an Australian content investment obligation on large streaming services like Netflix and Disney+. The proposed measure received support in submissions to the green paper, with further work to be done on the design of the proposal.

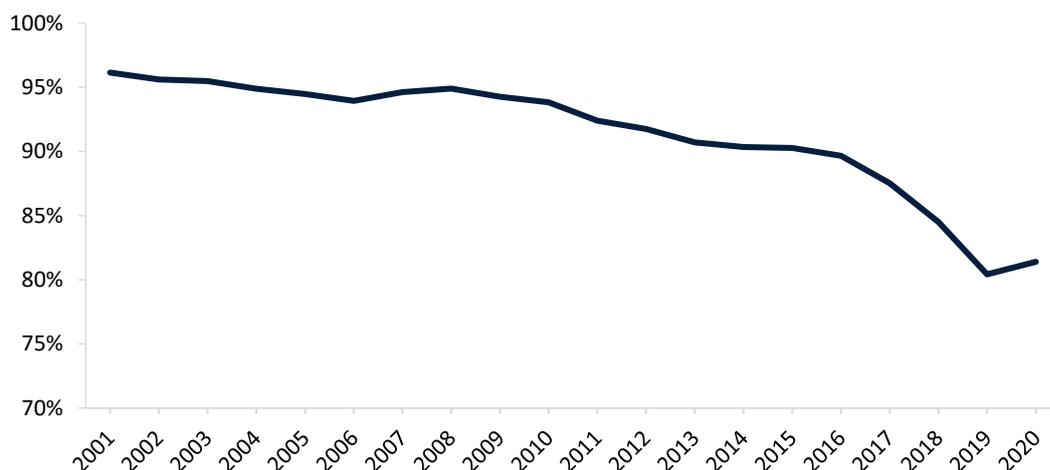
Informed by the green paper process, the Government is now proposing to implement a Streaming Services Reporting and Investment Scheme to support a minimum level of investment by streaming services.

The key elements of the proposed Scheme, and consultation questions for stakeholders, are outlined in the *Streaming Services Reporting and Investment Scheme Discussion Paper*, which is being released at the same time as this Media Policy Statement. These elements are also summarised in this Statement. The Government will consider stakeholder feedback through to April 2022 before finalising the design of the Scheme and developing amending legislation for implementation.

## Australians are increasingly turning to streaming services for screen content

Over the past decade, audiences have shifted away from the linear consumption of audio-visual content in favour of online and on-demand platforms. The viewership of free-to-air television has declined (Figure 3) as the uptake of SVOD has increased.<sup>28</sup>

**Figure 3: Percentage of Australians who viewed free-to-air television over a seven day period**



Source: Roy Morgan Single Source, Australians aged 14+, 2001 – 2020 (Calendar Years).

Research commissioned by the Department of Infrastructure, Transport, Regional Development and Communications in 2021 showed that SVODs have overtaken commercial free-to-air television as the most popular way to consume screen content, with 62 per cent of respondents using SVODs over the past seven days compared to 58 per cent using commercial free-to-air TV.<sup>29</sup>

Over three quarters of Australian households have a subscription to at least one subscription streaming video service;<sup>30</sup> close to half of households have more than one service; and 10 per cent have five or more subscriptions.<sup>31</sup>

## The Government will consult on the design of a Streaming Services Reporting and Investment Scheme

While SVOD services have increased their investment in Australian programs since emerging in the Australian market, there is nothing to guarantee that this level of investment will be maintained over time. There is a role for the Government and the Parliament to set clear expectations for SVOD services in terms of their investment in Australian content, and to back this up with sanctions should those parties fail to meet those expectations.

The proposed Streaming Services Reporting and Investment Scheme would be proportionate, and not overly prescriptive, locking in the positive contributions that streaming services are currently making

<sup>28</sup> Deloitte (2021) [Media Consumer Survey 2021](#).

<sup>29</sup> Social Research Centre (2021) *Media Content Consumption Survey*, pp 4-5, report to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

<sup>30</sup> ACMA (Australian Communications and Media Authority) (2021) [Communications and media in Australia: Supply and use of services 2019–20](#), ACMA, Australian Government.

<sup>31</sup> Ampere Analysis (2021) [The future of streaming in Australia](#).

for the long term. It would be implemented in two tiers to encourage services to invest in Australian content without imposing rigid sanctions or pursuing enforcement action.

The Minister for Communications would have a power to designate large SVOD services, such as Netflix and Amazon Prime, as Tier 1 services. These services would be required to report annually to ACMA on their expenditure on, and provision of, Australian content, and the steps they are taking to make Australian content prominent and discoverable on their services.

If a Tier 1 service were to invest less than 5 per cent of its gross Australian revenue in new Australian commissions in any given year, the legislation would enable the Minister for Communications to designate the service as a Tier 2 service under the Scheme, triggering a formal investment requirement on the service backed by an enforcement regime.

Should a Tier 1 service fail to report, or a Tier 2 service fail to meet the stipulated investment obligation, ACMA would have scope to take action under a graduated enforcement framework, utilising infringement notices, enforceable undertakings, civil penalties or other remedies.

During consultation, stakeholders expressed opposing views on the rate at which SVOD services should be investing in Australian content. While streaming services argued against a mandated rate of investment, the production sector advocated for an investment rate of 20 per cent of gross Australian revenues.

The proposed Scheme would not stipulate, *ex ante*, the percent of revenue that would be required to be invested by an entity designated under Tier 2 of the Scheme. Rather, the Scheme would permit the Minister for Communications to designate a service to be subject to the enforceable obligation, and at that time specify the level of required investment.

The Scheme would deal with new commissions of Australian content. Acquisitions of existing programming would not be regulated and would not count towards the 5 per cent threshold.

SVOD services would not face specific genre requirements under the proposed Scheme. Voluntary reporting has demonstrated that services are already investing in a wide array of genres, with a particular focus on those generally considered 'at-risk' due to their high production costs – drama, children's, and documentary content. This also recognises that each service may have its own 'brand' or points of difference for consumers and that it is important to allow services to tailor content to match the preferences of their subscribers.

## A National Broadcasters Reporting Framework for the ABC and SBS

The ABC and SBS play a significant role in commissioning and broadcasting Australian content. They are also particularly well placed to deliver content that is not financially viable for commercial broadcasters, such as children's and multicultural programming, and this role is supported by audiences.

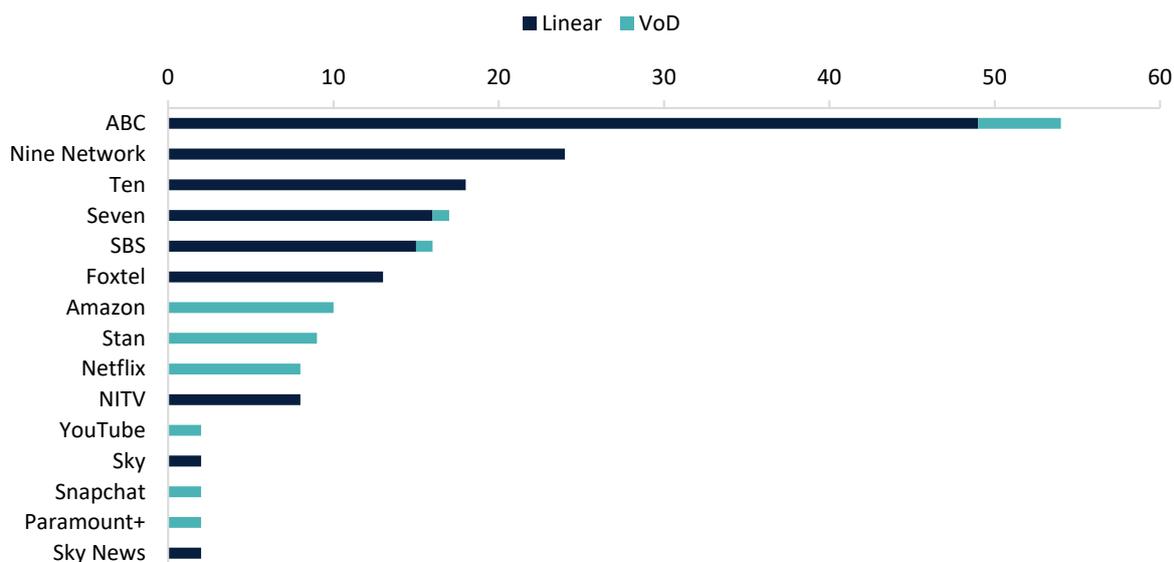
- In a 2021 survey, respondents identified Australian documentaries (68 per cent), Australian drama (48 per cent), Australian children's educational programs (46 per cent), and Australian children's content (44 per cent) as important types of content for the ABC to provide.<sup>32</sup>

<sup>32</sup> Social Research Centre (2021) *Media Content Consumption Survey*, p 43, report to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

- For SBS, content reflecting Australia’s cultural diversity (51 per cent) was identified as among the most important to provide.<sup>33</sup>

The ABC and SBS are key commissioners of Australian content. As shown in Figure 4, the ABC remains the lead commissioner of Australian content, with 54 total commissions in 2020-21. SBS commissioned 16 programs in this period.

**Figure 4: Top 15 commissioners of Australian content between July 2020 and June 2021**



Source: Ampere Analysis

The ABC has reported that, in the five years to 2019-20, it invested more than \$468 million in the independent sector on productions worth a total of \$971 million. This investment generated 1,477 hours of commissioned content.<sup>34</sup> In 2020-21, the ABC invested \$86 million in Australian production – leveraging \$228.4 million of total production value.<sup>35</sup>

SBS reported expenditure of \$30.6 million in commissioned content in their 2020-21 annual report, an increase of 42 per cent since 2015-16.<sup>36</sup> In its submission to the green paper, SBS noted that over 30 per cent of their commissioning budget is directed towards local Australian drama.<sup>37</sup>

Despite their key roles, there are no explicit reporting or disclosure requirements for either national broadcaster in relation to their provision of Australian content, or their commissioning and production of Australian content.

As Commonwealth entities, the ABC and SBS are required to prepare annual reports under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). However, the PGPA Act focuses on the governance, performance and accountability of Commonwealth entities in the broad, with an emphasis on general financial and corporate planning, performance and reporting. While it provides a

<sup>33</sup> Social Research Centre (2021) *Media Content Consumption Survey*, p 47, report to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

<sup>34</sup> ABC [submission](#) to the Media Reform Green Paper, May 2021, pp 31-32.

<sup>35</sup> ABC (2021) *Annual report 2020-21*, p 215.

<sup>36</sup> SBS (2021) *Annual Report 202-21*, pg. 106.

<sup>37</sup> SBS [submission](#) to the Media Reform Green Paper, pg. 22.

framework for Ministers to require entities to provide information, it is not a media-specific framework and doesn't include explicit requirements for reporting on Australian content.

Conversely, commercial and subscription television broadcasters are subject to detailed Australian content reporting requirements as part of their obligations under the BSA and the *Broadcasting Services (Australian Content and Children's Television) Standards 2020* (ACCTS).

Commercial broadcasters are required to meet transmission quotas – 55 per cent of content shown on primary channels between 6 am and midnight must be Australian, and 1,460 hours of Australian content must be broadcast between 6 am and midnight on non-primary channels. They are also required to meet first-release commissioned requirements in relation to Australian drama, documentary, and children's content. Commercial broadcasters will provide annual reporting to ACMA on their provision of Australian content across their channels, and detailed information on individual programs including titles, genres, format, duration and other factors.

Subscription television broadcasters are also subject to reporting requirements under the New Eligible Drama Expenditure scheme obligations, in accordance with section 103ZA of the BSA. Eligible entities are required to report to the ACMA on their expenditure on new Australian drama content each year.

The ABC and SBS do publish a range of information on their role in the provision and production of Australian content through their annual reports and related corporate documents.

- In its 2020-21 annual report, the ABC provided information on Australian first-release content as a percentage of total linear hours, by television channel and by genre. The annual report also included information on the ABC's commissioned investment in Australian content, broken down by genre.
- SBS' 2020-21 annual report provided information on broadcast hours of local and international content by genre and run status for each channel, by a 24 hour metric and for the period 6 pm to midnight. It also includes genre and title details for SBS-commissioned first run programs.

Both broadcasters enhanced the level of reporting on Australian content in their respective 2020-21 annual reports compared to previous years. In the case of the ABC, the 2020-21 annual report indicated that this fulfilled a commitment made in the ABC's submission to the green paper process to provide additional information about its program commissioning with the Australian screen production industry.

While these reporting arrangements provide a range of valuable information, there remains a degree of inconsistency in terms of what is reported – over time, between the ABC and SBS, or in comparison with other commercial free-to-air broadcasters. For example, over the past five years, the annual reporting by the ABC has included varying levels of detail on Australian content investment and provision.

- In 2020-21, the ABC's annual report included detailed reporting for both the 6 am to midnight period, and over 24 hours.
- However, in 2019-20, no detailed Australian content analysis was included in the annual report, while in 2017-18, the information provided was very limited.

It is also unclear which definition of 'Australian content' the ABC or SBS use in reporting Australian content shown on their services; whether the entities are using the same definition; and how any such

definition might compare with those used under the ACCTS or the New Eligible Drama Expenditure (NEDE) scheme.

There are also points of difference in the programming genres and channels included in reporting.

- The ABC has historically reported separately on ‘documentary’ and ‘factual’ content, whereas SBS has reported on ‘factual’ content.
- The ABC provides information on the Australian content made available on its *iView* service. Although SBS included this information for *SBS On Demand* in 2020-21, it had not done so over previous years.

To address these issues, the Government will establish a **National Broadcasters Reporting Framework** for the ABC and SBS to increase transparency of their provision of, and investment in, Australian content.

The Framework will be administered by ACMA and published reports would include information about the genres of Australian content broadcast on each of the national broadcaster’s terrestrial channels. Reports would be presented in a format that is comparable with compliance reporting by the commercial free-to-air broadcasters.

Program expenditure information would also be collected by ACMA through this framework. In its submission to the green paper, SBS expressed concern about being exposed to commercial disadvantage in disclosing sensitive financial details. To mitigate this risk, expenditure by the national broadcasters would be aggregated before publication. Detailed expenditure information will be made available to the relevant Minister to inform Australian content policy development.

The Government will work with the ABC and SBS to develop and implement the Framework on a voluntary basis. However, the Government reserves the option of requiring the broadcasters to participate in the Reporting Framework should the voluntary approach fail to enhance the transparency of the broadcasters’ operations in terms of their provision of, and investment in, Australian content.

## A recalibrated Australian drama expenditure requirement for subscription television broadcasters

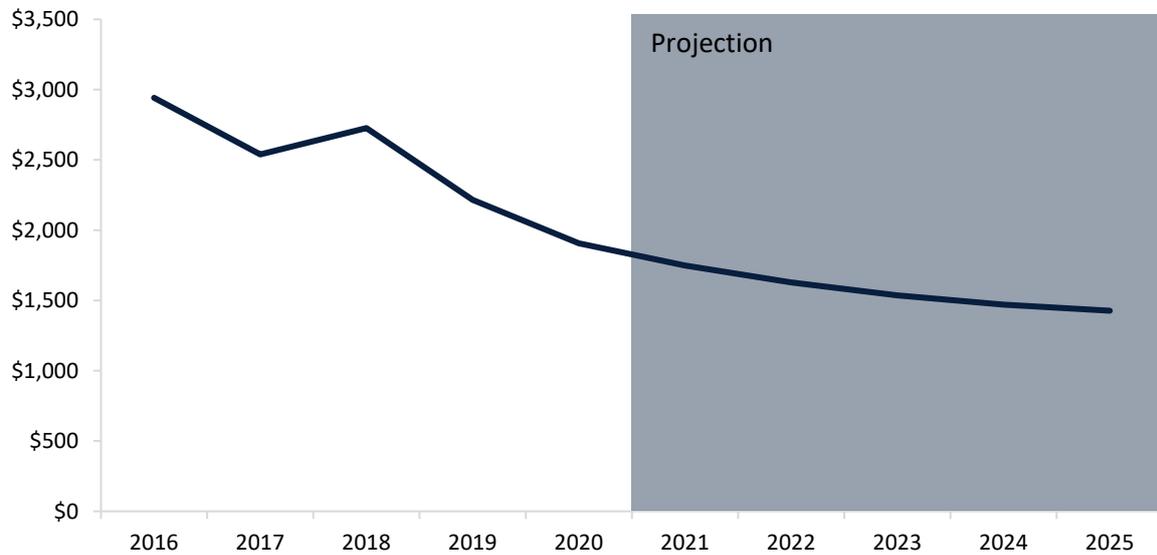
Expenditure-based investment requirements for subscription television broadcasting licences and channel providers have historically been employed to ensure that these service providers contribute to the production of quality Australian drama content. These entities have come under pressure, however, as online services have entered the market.

The primetime audience of national subscription broadcast television decreased by 31.6 per cent from 2014 to 2020, at an annual compound rate of -6.1 per cent over the period.<sup>38</sup> The PwC Industry Sector Outlook 2021 indicates that revenues for the premium box delivered market (broadcast subscription television) decreased by 35 per cent between 2016 and 2020, and this decline is expected to continue at a compound annual rate of -7.1 per cent between 2021 and 2025 (Figure 5).<sup>39</sup>

<sup>38</sup> OzTAM 6pm to midnight average audience. Subscription broadcast television refers to National STV. Data copyright @ OzTAM 2021. The Data may not be reproduced, published or communicated (electronically or in hard copy) in whole or part without the prior consent of OzTAM.

<sup>39</sup> PwC (PricewaterhouseCoopers) Australia (2021) Australian Entertainment & Media Outlook 2021-2025. Values from 2021 are projections.

**Figure 5: Subscription broadcast television revenue (\$m)**



Source: PwC (PricewaterhouseCoopers) Australia (2021) Australian Entertainment & Media Outlook 2021-2025. Values from 2021 are projections.

As announced on 30 September 2020, the Government will **amend the NEDE scheme** to reduce minimum levels of expenditure on new drama programs from 10 per cent to 5 per cent. This will place the subscription broadcasting sector on a more equal footing with their competitors in the online streaming sector.

## Theme 3 – Enhancing regional news services

### Key points

- Access to public interest journalism is critical to the health of Australia’s democratic system. However, the economics of public interest journalism is challenged, especially in regional areas.
- The Government will provide \$10 million over two years for the **Journalist Fund**.
- The Fund will create employment opportunities for cadet and trainee journalists, and professional development opportunities for journalists working in regional news businesses.

### News remains vital, but traditional models are under pressure

Independent and robust news media voices are critical to informing public debate, and supporting a healthy democracy. This is the case at the national, state and local level.

The COVID-19 pandemic demonstrated the importance of access to quality news and journalism, and news consumption surged during the early stages of the pandemic. News consumption has returned to more normal levels, but Australians continue to value news and seek it out.

Approximately 51 per cent of Australians access news more than once a day, based on a survey conducted in January and February 2021,<sup>40</sup> and 47 per cent reported accessing at least five different news brands in the past week.<sup>41</sup>

Historically, newspapers have been a critical source of quality journalism covering issues relevant to Australians, particularly news that is relevant to their local area. However, the economics of the bundled newspaper, which once cross-subsidised the production of quality journalism, have been fundamentally changed by technological and social disruption.

Digital publishing has enabled new, lower-cost means of producing and distributing news, but also unbundled the packaging of information, news and advertising that underpinned the business model of newspapers. Digital publishing methods have also enabled the low-cost replication of original journalism, eroding the potential return to the producers of news.

As highlighted in Figure 6, newspaper revenues have been under pressure in recent years, with revenues declining by 37.1 per cent between 2014 (\$3.90 billion) and 2020 (\$2.46 billion), with further declines forecast.<sup>42</sup>

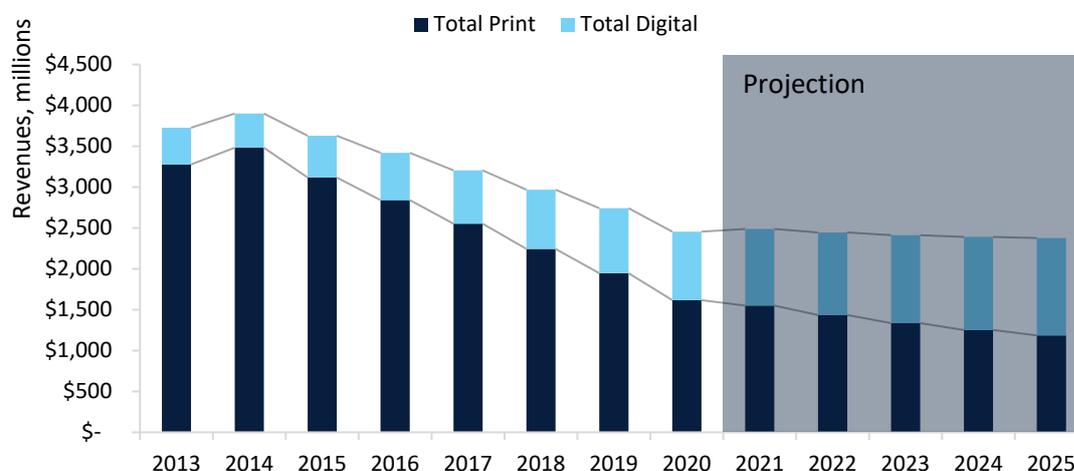
More than 230 Australian newsrooms have undergone contractions since January 2019, and approximately 165 of these were regional newsrooms. Over the same period, the Public Interest Journalism Initiative (PIJI) has reported 110 expansions, resulting in a net decrease over the COVID-19 pandemic of over 120.<sup>43</sup>

<sup>40</sup> Park et al. (2021) [Digital News Report: Australia 2021](#), p 51, News & Media Research Centre, University of Canberra.

<sup>41</sup> Park et al. (2021) [Digital News Report: Australia 2021](#), p 56, News & Media Research Centre, University of Canberra.

<sup>42</sup> PwC (PricewaterhouseCoopers) Australia, [Australian Entertainment & Media Outlook 2018-2022 & 2021-2025](#), 2018 & 2021.

<sup>43</sup> Dickson G (2021) [Australian Newsroom Mapping Project Report: September 2021](#), Public Interest Journalism Initiative.

**Figure 6: Print and digital newspaper revenues 2013 - 2025, (\$m)**

Source: PwC, Australian Entertainment & Media Outlook 2018 – 2022 & 2021 – 2025, 2018 & 2021. Values from 2021 are projections.

## Regional news has been the most affected

News production is under pressure across the country, and this is most acute in regional markets.

Regional and local news businesses cater to smaller audiences and have fewer opportunities for cross-subsidisation compared with national and metropolitan news providers. Prior to COVID-19, regional and local news was at risk of under-provision in many markets. COVID-19 heightened this risk.

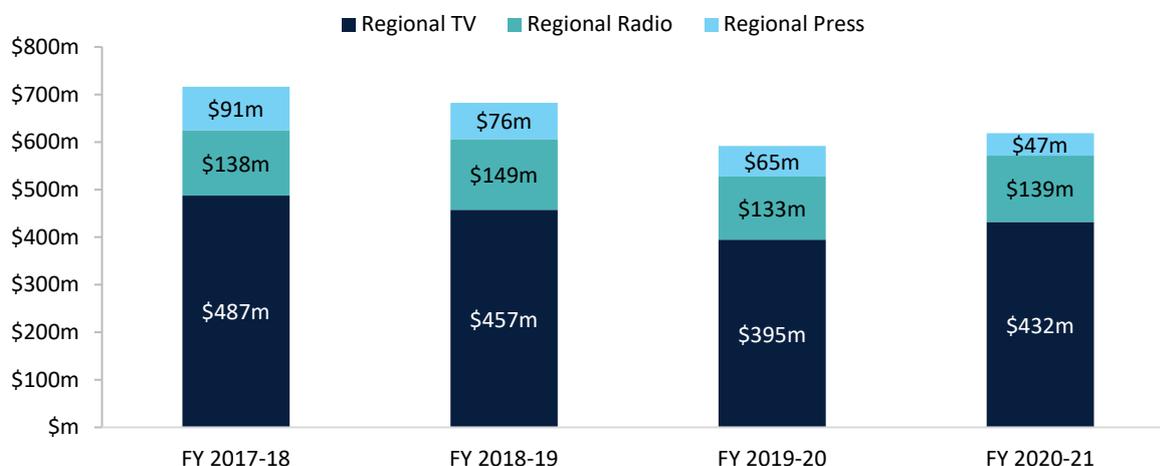
- Agency advertising spend attributable to regional print newspapers, radio and television declined by 26 per cent from the fourth quarter of 2018-19 to the same period in 2019-20.<sup>44</sup>

Although advertising markets have showed signs of growth in 2020-21, it has been an unequal recovery, as highlighted in Figure 7.

- Agency advertising spend on regional television and regional radio increased by 9.5 per cent and 5.1 per cent respectively from 2019-20 to 2020-21.
- Print newspaper revenues, however, declined by 26.6 per cent over the same period.<sup>45</sup>

<sup>44</sup> Advertising spend declined from \$174,442,213 in the fourth quarter of 2018-19 to \$129,144,262 in the same period in 2019-20. Source: Standard Media Index (2021) *SMI Dataminer (Gross Media Spend, Regional TV, Regional Press, Regional Radio, FY-Quarter)*.

<sup>45</sup> Standard Media Index (2021) *SMI Dataminer (Gross Media Spend, Regional TV, Regional Press, Regional Radio, FY October 2021 Data Release)*.

**Figure 7: Agency advertising spend on regional media through COVID-19**

Source: Standard Media Index (2021) *SMI Dataminer (Gross Media Spend, Regional TV, Regional Press, Regional Radio, FY, October 2021 Data Release)*.

## The number of journalists in Australia has steadily decreased

There have been significant reductions in the numbers of journalists employed in regional areas, as well as the closure and contraction of various local news outlets, as revenues have declined.

- The Media Entertainment and Arts Alliance has estimated that between 4,000 and 5,000 editorial roles have been lost since 2010.<sup>46</sup>
- The newspaper sector employed 11,200 fewer people in 2020 compared with 2011 – a reduction of nearly 50 per cent.<sup>47</sup>
- Many regional and remote communities no longer have a local journalist present and do not receive coverage of local issues and events.

This trend of service contractions and job losses accelerated through COVID-19, with some estimates suggesting that at least 1,000 journalists lost their jobs due to closures of smaller independent publications in 2020.<sup>48</sup>

## The Government has provided support for the sector

The Government has implemented a number of initiatives to support the news industry and address the acute challenges posed by the COVID-19 pandemic.

Introduced in 2017, the Regional and Small Publishers Jobs and Innovation Package supported metropolitan and regional publishers adapting to the challenges of the contemporary media environment, created employment opportunities for cadet journalists, and enabled regional students to study journalism.

<sup>46</sup> Media Entertainment and Arts Alliance [submission](#) on the *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill 2020*, 2021.

<sup>47</sup> IBISWorld (2021) [ANZSIC Report J5411: Newspaper publishing in Australia](#).

<sup>48</sup> Guardian Australia 2021, submission 13 to Media Diversity Inquiry.

The Public Interest News Gathering (PING) Program provided 107 regional broadcasters and publishers with a total of \$50 million in funding in 2020-21 to maintain or increase production of public interest journalism during the COVID-19 pandemic. The Government also provided \$20 million to the Australian Associated Press to support the provision of its newswire service.

These initiatives have made a material contribution to the sustainability of the sector, and Australians' continuing access to quality news and journalism. The PING Program, in particular, has provided support for public interest journalism through the challenges of COVID-19, with the program enabling the employment of 140 new journalists, and the establishment of 19 new mastheads.<sup>49</sup>

The News Media and Digital Platforms Mandatory Bargaining Code has created a strong incentive for digital platforms to reach commercial agreements with news businesses and to offer fair remuneration for use of their content. The Code was implemented to address the substantial bargaining power imbalances between Australian news businesses and the largest digital platforms – Google and Facebook – which provide a critical gateway for news outlets to reach consumers.

- Since the Code commenced in March 2021, Google has entered into deals with 19 news businesses, and Facebook with 11.<sup>50</sup>
- Public reporting of these deals suggests they have made a substantial contribution to the viability of the news businesses involved.

However, the Code was intended to address an identified bargaining power imbalance in terms of the use of news content, and is not a mechanism to remedy structural challenges facing the provision of public interest journalism.

## Targeted support is needed for regional news

There is a strong case for additional, targeted support for news production in regional areas. Local and regional journalism is at particular risk of under-provision. The smaller audiences they serve are less attractive for advertisers, and offer comparatively fewer monetisation opportunities through subscriptions or donations when compared with larger metropolitan or national markets.

Although the act of gathering and producing news is changing with advances in technology, the production of journalism still requires journalists.

Regional journalists occupy a critical and unique role in their communities:

**“Regional journalists feel they have a closer connection to the community they report on, than journalists in the city. Journalists working for local independent news outlets are more likely to see themselves as advocates for their local community. They are committed to serving their communities and find it satisfying.”<sup>51</sup>**

Country Press Australia has also emphasised the importance of local journalists:

**“... CPA members employ journalists based in their local communities to report on local news, activities and events, and this, rather than news wire copy, comprises the vast majority of the content appearing across newspapers, to the virtual exclusion of news wire content with**

<sup>49</sup> Department of Infrastructure, Transport, Regional Development and Communications analysis.

<sup>50</sup> Department analysis.

<sup>51</sup> Fisher et al. (2020) *Australian Regional Journalists: What they need and how they see the future*, pp 6-7, News & Media Research Centre, University of Canberra.

**perhaps, some very isolated exceptions. Generic wire service news does not meet the localised focus on the news content produced by our members and sought by our communities.**

**... a key element in enhancing and sustaining Media Diversity in Australia, is to ensure properly trained professional journalists are able to report the news from an independent and impartial view, and represent a variety of perspectives.”<sup>52</sup>**

There are also particular training needs for new journalists and those with many years on the job:

**“This points to a lack of support for time-poor graduates learning on the job in resource-strapped newsrooms. Additional support is needed for new outlets to support their new recruits and older staff with tailored ongoing training. Programs that can facilitate the retraining of journalists in their mid to late career can bridge the gap between university degrees and the workplace.”<sup>53</sup>**

While the industry is adapting, regional journalists continue to identify digital skills as the most urgent training need for the future. The need for additional digital skills is followed by audio-video skills, and both categories substantially exceeded all other training categories, including management / leadership, specialist reporting and journalism skills.<sup>54</sup>

The greatest need for digital skills were those regional journalists with more than 10 years of experience, and particularly those working in the print, radio and television mediums.

There are also skills gaps for junior journalists in relation to media law, reporting, data journalism and video production, while mid-career and senior journalists’ training needs are more diverse and include digital skills, leadership and media law.<sup>55</sup>

To address these issues, the Government will establish a \$10 million Journalist Fund to provide targeted support to regional news businesses to increase the number of journalists in regional Australia and upskill existing journalists which will assist the industry in transitioning to increasingly digital business models.

## Journalist Fund

The Journalist Fund will provide \$10 million over two years (\$5 million per annum) to support eligible regional media organisations to hire cadet journalists and to upskill existing journalists. The Fund underscores the Government’s strong commitment to regional and small news businesses.

Cadet journalists will be funded for two years, with funding to be provided in the form of a partial contribution towards a cadet journalist’s salary, travel and training costs. Successful cadet journalists will be required to be based in the local community for the duration of the program.

The Fund will also support training activities for journalists. Funding for up-skilling staff will cover the costs directly related to the relevant training, such as course materials, travel and accommodation. Relevant training is likely to target identified skills gaps for regional journalists, including digital literacy.

<sup>52</sup> Country Press Australia 2021, Submission 73 to Media Diversity Inquiry.

<sup>53</sup> Fisher et al. (2020) [Australian Regional Journalists: What they need and how they see the future](#), p 43, News & Media Research Centre, University of Canberra.

<sup>54</sup> Fisher et al. (2020) [Australian Regional Journalists: What they need and how they see the future](#), p 32, News & Media Research Centre, University of Canberra.

<sup>55</sup> Fisher et al (2020) [Australian Regional Journalists: What they need and how they see the future](#), p 33, News & Media Research Centre, University of Canberra.

The Journalist Fund is designed to support an increase in journalists in regional Australia and training to assist the industry in transitioning to increasingly digital business models.