

1 November 2021

BY EMAIL: captioning@infrastructure.gov.au

Dear Sir/Madam,

A Captioning Scheme for Subscription Television ('**Issues Paper**')

Thank you for the opportunity to make a submission with respect to the Australian Government issues paper, 'A Captioning Scheme for Subscription Television' ('**Issues Paper**') dated October 2021.

Australian News Channel Pty Ltd (ANC), operator of Sky News Australia welcomes the proposals in the Issues Paper. We strongly support a simpler approach to captioning, which will see STV continue as the leader in television captioning while also being fairer to STV channel providers and more transparent and predictable to viewers.

About Australian News Channel and our experience with captioning

ANC provides a suite of channels to Foxtel including Sky News, Sky News Extra, and Sky News Weather. These channels are carried predominantly on a live basis.

Sky News is captioned at the rate prescribed in the *Broadcasting Services Act (Cth)* 1992 (BSA).

Sky News Extra is Australia's only channel devoted to live coverage of parliament nationwide and carries live press conferences and live speeches and events, and some repeat programming from Sky News. The channel serves a unique but limited market of viewers interested in live coverage of parliament.

Sky News Weather is Australia's only 24-hour weather channel featuring the country's largest on-air meteorological team. It serves a niche market of viewers.

Both Sky News Extra and Sky News Weather are currently subject to a "Numbers Exemption" under the BSA. Captioning at the required target of 50% would impose an onerous burden on ANC as the cost of captioning would not be commercially viable.

The reform proposals

ANC welcomes a number of the reform proposals outlined in the Issues Paper, on the basis that they are implemented as a package. The package of reforms we support will maintain the STV industry as the leading television source of captioning for deaf and hearing-impaired Australians but through a simplified and fairer approach.

(1) Removing the annual 5% increase on each genre's captioning target.

We strongly support the proposal to introduce a cap on each genre's captioning target, rather than progress to a potential 100% requirement.

Successive 5% year on year increases means that the compliance burden on our business is continually increasing and there is a real cost associated with this. In addition, unless the targets are capped we will be required to caption at up to 100% in the future, which we submit is onerous compared to the level of captions required on FTA services with much larger audiences.

As such we strongly support the proposal to remove the 5% annual increases. Our view is that STV captioning targets should be capped across all genres at no greater than the relevant FY22 captioning level per genre (or an average of the FY22 targets if the movies and general entertainment categories are collapsed). We submit that the FY22 captioning levels already provides an extremely high level of captioning. Any higher means that technical compliance becomes a significant challenge.

The investment required to caption may potentially become so significant that it may place the long-term viability of the channels in jeopardy.

(2) Introducing a low audience share exemption.

We support a low audience share exemption which applies where viewership of our channel is below 0.1% (one tenth of 1%). This proposal ensures that STV captioning obligations are appropriately targeted to the channels with a reasonable level of viewers.

This exemption is consistent with the regulatory policy of the BSA, which states that different levels of regulation should be applied to services "according to the degree of influence" those services have on the Australian community.

Both Sky News Extra and Sky News Weather channels are special interest channels. They have a limited number of viewers and a low share of viewing, below the threshold proposed. The ability to offset the high cost of captioning is challenging and, at times, prohibitive.

Introducing an objective test for exemptions will ensure that captioning is targeted at channels with a reasonable audience share.

In conclusion, ANC strongly supports the package of reforms outlined in the Issues Paper. These proposals will ensure that captioning is appropriately targeted at channels with a reasonable audience share and will also assist in simplifying the regime for the whole of the STV industry.

Yours sincerely,

Sky News Australia
Australian News Channel Pty Ltd