

**MEMEME PRODUCTION'S RESPONSE TO THE AUSTRALIAN AND
CHILDREN'S SCREEN CONTENT REVIEW ACMA CONSULTATION
PAPER OF AUGUST 2017**

1. Are the policy objectives and design principles articulated in the discussion paper appropriate? Why?

mememe productions is in agreement with both the policy objectives and principles in Section 3 of the Australian and Children's Screen Content Review consultation paper.

The creation and distribution of children's content has fundamental and significant cultural and economic value.

Since our inception in 2009, mememe productions has produced 45 hours of quality Australian children's content. The Australian content developed and created by mememe productions alone has since 2009:

- been consistently on air on the ABC and CBeebies in Australia;
- sold to over 128 countries throughout the world.
- provided work for over 200 people in the children's television industry, 60% of these jobs being in regional Australia and 64% of them for women in the industry.
- provided training in the form of internships, professional placements, work experiences and production attachments in the areas of production, writing, design, storyboarding, acting, directing, editing, sound and music.

As producers our content has been shared on free to air and pay television, online in apps and games, live on stages, across streaming platforms , SVOD, VOD, downloads, AR, VR, interactive websites... children have watched and engaged , interacted and created, taken our content into their daily lives with such activities as: gardening , recycling, bushwalking, composting, planting trees, cleaning beaches, singing and dancing, saving water, switching off lights... changing the way they care for the world and each other ... our stories have permeated every corner of this nation.

As outlined in the policy objectives, any changes to the current landscape would need to ensure that:

- there are continued platforms available for Australian content, with a minimum amount of content being produced specifically for the current sub-quotas, including children's content;
- the changes continue to allow the production sector for such content to thrive and to continue to sell content internationally;
- recognises that any changes need to include much needed boosts to industry in regional Australia, and consider the ability for those in regional areas to access content.

The above is particularly relevant in the case of children's content. Australian children should have access to content which reflects their culture and lifestyle, and the diversity of that across the nation, content which is created and produced specifically for them.

2. What Australian content types or formats is the market likely to deliver and/or fail to deliver in the absence of Government support?

In the absence of Government support, the danger is that content would be commissioned based entirely on ratings and the ability of the show to travel overseas, e.g. reality and other formats created in Australia and sold as formats internationally. While there is nothing inherently wrong in formats, Little Big Shots being an example of excellent family viewing, there is a serious issue if that were the only type of programming available.

Children's content, other than on the ABC, is only commissioned by commercial networks and subscription television in order to meet the current quota obligations. If there were no Government support, particularly in the form of quotas, it is likely that foreign children's content will be purchased in significant quantity by the Australian networks and therefore become a mainstay of the viewing for Australian children.

We do have an example of what happens when commissioning of content is deregulated. Following certain deregulation of children's content in the UK in 2003, there has been a 93% drop in the spending by commercial networks in the UK on children's content. This has prompted the UK Government to give OFCOM (the UK regulator), power to reinstate children's television quotas. (The Telegraph, 17 April 2017).

3. What types of Australian screen content should be supported by Australian Government incentives and/or regulation?

For the reasons set out above, children's content is seen as particularly vulnerable in an unregulated environment. The commercial networks argue that it is too expensive, both from a licence fee point of view and due to the restrictions advertising placed around the broadcast of children's content. The decrease in viewing audiences on traditional platforms has exacerbated this problem.

Without government intervention and protection, following the example of the UK, it is likely that the creation and distribution of Australian children's content would fall to almost non-existent levels, and the industry that has developed around this content would be unsustainable. Unlike other areas of the content, there are a number of business, meme Productions included, that operate solely in the areas of children's production.

Being based in regional Australia we are also very aware that television viewing still plays an enormous role in how children are connecting with content in regional Australia. While Internet speeds are increasing in regional and rural Australia, the amount of data and the cost of data delivered in regional Australia does not supply a never ending flow to families and therefore television is still the main way families connect with content. It is expensive for families to allow children to view content on digital platforms, and even with the NBN, there are other uses for the bandwidth such families have access to.

Having said this, mememe productions also recognises and agrees with the principal in the Consultation Paper that any changes need to as far as possible be platform agnostic, recognising the rapid changes brought about by new technologies and the corresponding new services, creating a move to viewing content across a number of different platforms. This does not necessarily mean a corresponding drop in viewing, but rather a shift in viewing platforms. Any changes to the current quota and support systems needs to recognise that the obligations to ensure Australian audiences see themselves and their stories on these platforms should not be limited to their first point of communication. Any changes also need to ensure that Australian kids continue to enjoy access to high quality local children's content across all content platforms, and across generations of Australian kids.

As children's content producers we have a unique opportunity. Our content has longevity due to the nature of our audience. In the nine years that *dirtgirlworld* has been on air, we have a new audience every 6-12 months, bringing content that feels fresh for each new audience. The million kids we reach this year, is a slightly different million kids in subsequent years, and children love to watch and re-watch content. We meet teenagers in the community now who remember fondly watching the show when they were small children, and the carry forward what they took from the show.

mememe productions has seen and largely endorses the proposals/models set out in the submission by SLR Productions as set out below:

Commercial Free-to-air Networks

- At a minimum maintain 32 hours annually of C Drama within the C Band of CTS for each FTA Network.
- Increase the age from 14 years to 16 years within C Drama to allow for more family friendly content.
- The definition of C Drama to be restricted to quality animation and live-action drama only removing sketch comedy programs and dramatized documentary;

- Introduce measures to ensure quality preschool programs are made by introducing 16 hours annually of P Drama within the P Band of CTS for each FTA Network.
- The definition of P Drama to be restricted to quality animation and live-action drama only;
- Allow 'P' and 'C' Drama quota to be tradeable across all of the wholly owned FTA platforms that are free to the end user such as digital, catch up services, VOD services and apps;
- Implement a minimum licence fee on all FTA networks that guarantees a feasible level of finance to producers. In the case whereby the FTA networks might wish to invest more than the minimum licence fee, this should be encouraged on commercial terms between the producer and the network, (for example an investment over and above the minimum licence fee could be an equity investment);
- Allow FTA networks to take on the responsibility of classifying their own children's content and deciding on what is age appropriate for their audience;
- Relaxing broadcasting time restrictions and allowing variable time formats and series lengths within this obligation (for example time formats could be 5 mins, 7 mins, 10 mins, 15 mins, 22 minutes as a series length which could be any combination as long as the overall annual quota is met).

4. The current system of support for screen content involves quotas, minimum expenditure requirements, tax incentives and funding. What are the strengths and weaknesses of the current systems? What reforms would you suggest?

In respect of the production of children's content, we believe that a continuation of all the current support systems in some form or another is vital to the continued health of the children's production sector, and the continued successful production of high quality children's content. Quotas and/or minimum expenditure requirements ensure the continued commissioning of children's content, while Government funding and tax incentives ensure that a sufficient level of funding is secured given the relatively low contribution by networks (other than where Screen Australia funding is involved).

Again, we largely support the proposed reforms made by SLR Productions in its submission to ensure the continued creation and production of local Australian kids content across all broadcast platforms:

The Australian Broadcast Corporation

- Amend the ABC Charter to include a specific obligation to deliver original Australian children's content for both preschool and school aged children on their all dedicated platforms with an explicit requirement that at least 50% of all children's content on such platforms is Australian content made for Australian children with a significant proportion being first run content;
- reinstate to the ABC the full, indexed amount of annual funding sufficient to support the commitment to ensure that the total percentage of Australian content on ABC kids platforms is at least 50%.
- implement minimum licence fees that guarantees a feasible level of finance to producers;
- require the ABC to commit to all genres so that they are a comprehensive service for Australian Children;

Producer Offset and PDV Offset

- Raise the producer offset to 40% to match the offset currently in place for feature films;
- Lower the QAPE threshold for children's content (to access the offset) at the level commensurate with that afforded to non-feature documentaries;
- Extend the producer-offset scheme to be eligible across multiple seasons of a show and access to any content production fund to include interactive content (a form of content taken up at higher levels by young audiences);
- Maintain the current PDV Offset at 30%.

Children's Content Fund

- A specific children's content fund is worthy of consideration as a way of making sure all content service providers and social media platforms make a contribution to Australian screen culture. This content fund would require the introduction of legislation obliging content service providers across all broadcast platforms (including social media services) to commit to an annual percentage of their budgets or revenue to a children's television content fund which would contribute to the funding of Australian children's television programs.
- Government could also contribute to the fund instead of its annual allocation to Screen Australia, allowing for decent levels of children's funding to be quarantined and only accessed by production companies

and producers. Creating this fund would foster growth and production.

- This content fund would be a top-up fund over and above the Commercial FTA, ABC and Subscription Television minimum licence fee commitments so that quality Australian programs have the ability to be positive financed in a competitive global environment.
- The Children's content fund should only be accessed if a program has a guarantee of broadcast/communication on one of the FTA, ABC, Subscription Television or SVOD platforms.

Content service providers and social media platforms

- As an alternative to contributing to a children's content fund, **content service providers and social media platforms would be required** to commit to commission and broadcast a minimum of 20% of new Australian content on their own platforms. (The European Council has recently agreed that there should be a minimum 30% quota on European works of VOD services providers, including international providers such as Netflix and Amazon).

Subscription Television

- Subscription television currently operates under an expenditure obligation where at least 10 per cent of the total programme expenditure for each subscription drama channel must be spent on new Australian drama programs.
- increase the expenditure obligation from 10% to 20% in respect of dedicated children's channels. This would allow for more reasonable levels of Australian children's quota to be introduced on channels such as Nick Junior, Nickelodeon, Disney Junior, Disney Channel, Disney XD, Boomerang, Cartoon Network, CBeebies, Discovery kids which would in turn offset the vast amount of foreign, often self-produced, content these channels currently broadcast;
- Allow quota to be tradeable across all of their wholly owned platforms, (digital, catch up services, VOD services and apps);
- Introduce some form of minimum licence fee (as proposed for the FTA networks) to guarantee a realistic contribution to the budgets for these programs by subscription platforms.

5. What types and level of Australian Government support or regulation are appropriate for the different types of content and why?

Unlike originally produced Australian adult drama, which can easily be monetised by the networks, and is in fact a mainstay of their broadcast

platforms (Tim Worner made the point recently that the top 40 shows in Australia last year were all Australian), original children's content is expensive to produce and difficult to monetise. Indeed, it would be much simpler and cheaper for networks to buy international children's programs for a fraction of the cost of producing local content. Many international distributors even give kids programming away at no cost in order to drive the market for associated merchandising.

Australians understand the value of original children's content that reflects their own culture and tells their own stories. The long-standing public support for Australian kids having access to their own stories goes back half a century. In 1978 the Senate Standing Committee on Education, Science and the Arts inquiry into the 'Impact of Television on the development of Learning and Behaviour of Children' handed down its report recommending that the ABT introduce a set of standards to ensure the quality and suitability of original Australian programming for children (APS. 1978).

Whilst the media landscape has changed dramatically since this time, the need for Australian kids to hear and see their own stories is as important, if not more important, than it was 50 years ago. It is therefore imperative that continued government support and protection remain in place to ensure the creation and broadcast of children's content across all broadcast platforms.

6. What factors constrain or encourage access by Australians and international audiences to Australian content? What evidence supports your answer?

The FTA networks are seeking an abolition of the children's quotas, presumably with the intention of ceasing to commission and make this kind of content. Coupled with the anecdotal evidence from the UK experience, it is safe to assume that if the quotas are removed, there will be little or no children's television commissioned from Australian producers for Australian children, other than the ABC.

Content needs to be commissioned by Australian networks, and they are driven by ratings, which are not necessarily delivered by children's content as the audiences are fragmented across different platforms, even on the commissioning network and then across different networks and platforms once the initial licence expires, and by budgets. They see the value in the content as the value to them, not to the audience other than in terms of ratings, and not to the cultural imperatives of the audience.

In order for producers to secure funding from outside Australia, producers require a sale of some kind in their home territory, so the Australian network is usually the trigger for the distributor, other financing and/or co-production partners.

Content producers have no control over when their shows are broadcast, how they are scheduled and the promotion of them.

Networks largely insist on exclusivity during their licence periods, do little or no promotion on children's content, and contribute no budget to this promotion (while contractually restraining producers from promoting their own shows). They can reschedule a show for their own purposes, e.g. to make room for sport or other programming in the middle of a series run. This leads to issues with ratings, which is then cited as a reason why they should not commission this content.

Children's content has longevity. Unlike adult drama, where the first night combined ratings are what will often make or break a show, children will watch programs they love multiple times across multiple platforms and each year brings a new audience to that content. In contributing to new children's drama, the commissioning network contributes to the making of a show that will often be seen and loved by many generations of children.

It is noted that Australian children's content performs well overseas, and Australian producers are highly regarded as producers of content and production partners. Australian children's producers have won numerous international awards for their content, including BAFTA's, Emmy's and Rockie's.

Although Australian children's content wins awards all over the world, this is not celebrated in the same way as other content in Australia. Screen Australia's website does not even acknowledge children's content on its Awards page for the many awards this content has garnered, including Emmy's and BAFTA's.

Other countries, Canada, UK, France to name a few, also have local content requirements which Australian content competes against. These countries recognise the cultural importance of content made by their producers for their children.

Similarly to the Significant Australian Content test for the Producer Offset, it is worth remembering Australian children's content is made by Australians, for Australians and under the control of Australian creatives. The creators are Australian (even where the work may come from outside Australia), the writers and performers, as well as the crew, are all Australian. These shows hold a mirror up to the community and look at challenges facing Australians in Australia and on a global stage, and provide families and educators with opportunities to discuss these challenges.

If we rely on historical programs and don't make new programs, we are failing our children by not providing them with an opportunity to grow alongside their contemporaries as a nation.

dirtgirlworld has been continuously on air since 2009, and mememe Productions currently has Get Grubby TV airing on ABC Kids, regularly rating in the top 10 subscription television programs.

It is imperative that any reforms introduced by the government in relation to Australian children's content ensures that Australian kids and their international counterparts continue to have access to their shows across all broadcast platforms as well as ensuring the continued viability of the Australian kids production industry.

7. What would the Government need to consider in transitioning to new policy settings?

As noted in SLR Productions submission, it is critical to note that, unlike in the UK, Australia does not have the luxury to experiment with abolishing quotas and then reinstating them should they prove to have catastrophic consequences. Under the 2005 Australia-United States Free Trade Agreement, it is prohibited from reintroducing cultural content quotas once they have been removed. Given what happened in the UK when regulations were removed, it is therefore imperative that an updated regulatory system to ensure the continued creation, production and distribution of original Australian children's screen content is implemented before repealing existing regulations.

As FTA television continues to be the primary platform for screen content delivery in Australia for the foreseeable future, the existing transmission quota should continue throughout the transitional period as well as into the next three-year funding cycle (2019 through to 2022).

Businesses involved in children's content production, tend to make only children's content. If the new policy settings involve any lowering of the current quotas there will be significant impact on the production sector in the children's content industry, which may necessitate retraining or rescue packages for the affected business and personnel usually employed in this industry.

Consideration should also be given to the subsequent generations of disconnected kids who will neither see their place in the Australian community and all its diversity, nor understand the influence they have on it.

By taking measures that limit the industry we are saying to children: you are not relevant or important; your stories don't matter; your thoughts are inconsequential; and we choose commerce over society.

We have a huge opportunity to build a nation that knows itself and celebrates itself. One that confronts itself and grows through being exposed to its own story.

We make no apology for the passion of our thoughts and ideas nor their ambition or the endeavour. At a time when what is proposed by the changes sought by FTA television, amounts to a shrinkage of our industry, we are asking for expansion. More money grows more jobs equals more reach. This is nation building of a different kind.

The start of centuries are historically the times of great innovation. We are in an innovation explosion and a period of changing technology like no other, and this rapid change is unlikely to slow down any time soon. As producers, we are asked by broadcasters to sign deals that include sharing our content on any existing platform and on any platform of the future whether now known or unknown. That uncertainty is both confronting and exciting.

But what need to be remembered is that amidst it all, at its core is the story..... our story. If it sounds emotional to ask that we protect our story, this is because what we do every day is emotional. It's a business like no other. We are not the broadcaster or the content platform owner, and we need the government to profoundly understand the value and currency of a healthy engaged community. We are proudly in the business of emotion, as much as production. What we do is shaping a nation. The words... the sounds... the images...the heart ... the thoughts...the imagination...the voice.

We need to make sure that voice is loudly AND proudly Australian. We need to protect that and choose wisely and do wisely what needs to be done. This is not the time to be dispassionate. **Here is where our hearts should prevail.**