**Submission – New models of commercial sustainability in online Australian content production**

**Stuart Cunningham**[1]

This submission is a complement to the submission 'The establishment of an Australian Screen Content Fund – a phased incentive based model to achieve the policy objectives of the review' by Stuart Cunningham and Ian McGill.

It addresses principally the third core policy objective for the Review: driving more sustainable Australian content industries, but it also addresses the first: securing quality content to promote Australian identity and culture.

This submission seeks to provide some background to the Review's understanding of what it calls 'user generated content' and raises some policy issues pursuant to that understanding. One component of online content creation is what we call 'social media entertainment' (my collaborator David Craig, Clinical Adjunct Professor at the University of Southern California Annenberg School for Communication and Journalism, and I have a major monograph – *Social Media Entertainment: The new industry at the intersection of Hollywood and Silicon Valley*, in press with New York University Press). This is content uploaded to the main digital platforms (YouTube, Facebook, Instagram, Snapchat, Twitter) for which creators receive remuneration through programmatic advertising, branded content, influencer marketing, merchandising, licensing deals, and live appearances and, through the exploitation of these revenue sources, are building new business models for the production of Australian content.

I provide this background in the form of 3 Annexes: a short article from *The Conversation*, are yet to be published book chapter surveying the social media entertainment field in Australia as at 2015, and an article from *Metro Magazine* updating the situation as at 2017.

I submit that the Review needs to understand in more depth the extent to which social media entertainment provides a viable model for the production of Australian content.

In the context of PwC's 'gloomy' forecast for traditional media, it is notable that, commenting on the release in June this year of the 2015/16 ABS Film, Television and Digital Games Survey results, Screen Australia CEO Graeme Mason said:

'Special mention must be made of online content creators who have delivered exponential production growth, now representing $93.6 million of non-TV production costs compared to just $5.5 million in the 2011/12 survey. This sector is fertile ground for developing new talent and encouraging risk-taking and Screen Australia will continue to invest in this space.'

The Consultation Paper for the Review does make a point of featuring the recent figure from July 2017 that 65 Australian YouTube channels had more than 1 million subscribers. However, in the section of the Consultation Paper on 'greater commercial sustainability', it doesn't consider either the data, or the possible policy implications, arising from a close attention to the dynamics of social media entertainment in Australia.

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I suggest that the Review could do, at the least, three things. First, it should consider how the government can get a deep picture of what screen content Australians, especially the millennial generation largely lost to traditional linear television, are engaging with.

Second, it should consider a new content fund that facilitates new ways of producing content, and ensuring that creators have sustainable careers. While there are well-established models for film and TV funding, this requires a new approach. The details of such a proposed content fund are put forward in the submission 'The establishment of an Australian Screen Content Fund – a phased incentive based model to achieve the policy objectives of the review' by Stuart Cunningham and Ian McGill.

Third, it should consider how to ensure this content fund supports new voices who can genuinely engage with those who have been lost to traditional television and cinema going.

**Annex 1**

**Australia's screen future is online: time to support our new content creators**

The Conversation, August 21, 2017 5.21am AEST
RackaRacka, a sketch channel on YouTube, have been called Australia's most successful content creators. Screenshot from YouTube

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Ever heard of Mighty Car Mods? Or maybe RackaRacka? Or perhaps Veritasium? These are a few of the most famous Australian screen creators you might never have heard of.

Mighty Car Mods are a couple of petrolheads who run the world's number-one independent online DIY automotive show (their most-viewed video has had 6.6 million views).

RackaRacka, run out of Adelaide by brothers Danny and Michael Philippou, creates action-packed videos full of choreographed fight scenes, comic violence, and pop culture references (their Marvel v DC video has had nearly 50 million views). Graeme Mason, the CEO of Screen Australia, has described RackaRacka as Australia's most successful content creator.

You might know Veritasium as Derek Muller, presenter of SBS documentaries on nuclear power, but who has been leading Australia's contribution to popular science online and around the world (with 35 million views for his video on the Magnus Effect).

Last week the Australian government released a consultation paper as part of its review into Australian and Children's Screen Content. The paper acknowledges the explosion of screen

content available to Australians online, and the disruption this has caused to many traditional business models in the screen sector. However, it is fair to say there is no consensus on what, if anything, to do about it.

A new industry is emerging based on previously amateur creators turning pro and working across many platforms such as Youtube and other social media, building global fan communities and creating their own media brands. Established industry professionals worry about its lack of quality and that online content creation is not a sustainable career. Actually, it is a real opportunity for Australian creators.

## Dream numbers

Screen creators such as RackaRacka are producing viewer numbers of which our broadcasters could only dream. At the same time these creators are exporting Australian culture to the world, and generating real export dollars from their huge overseas audiences through a mixture of digital advertising revenue, merchandising, live appearances and other innovative methods. These twin goals have proven very challenging over some time for Australia's screen content industry.

Worldwide more than three million YouTube creators earn some level of income from their uploaded content, and 3,500 YouTube channels have at least a million subscribers. In Australia, there are now 65 online creators with more than one million subscribers, and about 90% of their video views come from overseas.

A Google-funded study by AlphaBeta estimates the number of content creators in Australia has more than doubled over the last 15 years, almost wholly driven by the entry of 230,000 new creators of online video content. The same study estimates that online video has created a A$6 billion consumer surplus, or the benefit of a service on top of what they've paid for it.

## New voices, new business models

For its consultation paper, the government wants to know what its role in the screen industry, both traditional and online, should be. It's long been accepted that the creation of content that tells uniquely Australian stories requires government support.

While that remains the case, the government needs to address the evidence that the creation of local Australian online video content is booming and that this has happened with very little government regulation or market intervention. This would suggest that regulation is not the answer to securing the benefits of online video content for Australia.

Platforms like YouTube have allowed creators to commercialise niche content by aggregating small audiences in many countries from around the world into large fanbases. There's perhaps no better example of this than the YouTube channel Primitive Technology. Videos on the channel record a man in remote far north Queensland making primitive huts and tools from scratch using only natural materials.

The videos include no dialogue and you barely see the man's face. This type of content would never interest a broadcaster, commercial or public. And yet the channel, which

launched just over two years ago, has already attracted more than 4.5 million subscribers and its 26 videos have been viewed more than 270 million times.

The popularity of online content creators, and their ability to engage especially new and passionate viewers, explains why Screen Australia has partnered with Google on its successful Skip Ahead program three times since 2014 to provide funding for popular online creators to "take their work to the next level".

# A gap for government

Australia's media industry has changed since the current laws and regulations were drawn up, no more so than in the booming world of online video. As the government ponders its role in supporting Australian content, it should address the online challenge to historical models while also embracing the ongoing success of our online video creators and the stories they tell.

The biggest gap in the consultation paper is a lack of attention to new online business models. What the paper calls "user generated content" is beginning to transform what Australian content is, and who is engaging with it. The review purports not to be a narrow review of only regulation. Funding support and the needs of the viewers are also on the table. Therefore, it should do three things.

First, it should consider how the government can get a true picture of what screen content Australians, especially the millennial generation largely lost to traditional television, are engaging with.

Second, it should consider a new content fund that facilitates new ways of producing content, and ensuring that creators have sustainable careers. While there are well-established models for film and TV funding, this requires a new approach.

Third, it should consider how to ensure this content fund supports new voices who can genuinely engage with those who have been lost to traditional television and cinema going. It is time to start taking so-called "user generated content" seriously.

## Annex 2

**Stuart Cunningham and Adam Swift forthcoming, Over the Horizon: YouTube culture meets Australian screen culture, *Wiley-Blackwell Companion to Australian Cinema* eds Felicity Collins, Susan Bye, Jane Landman**

This chapter looks over the horizon – at a major emerging global dynamic in screen culture in which Australia is beginning to be embedded. This nascent screen ecology is being shaped by a set of increasingly global online screen entertainment platforms, most prominently Google/YouTube, Apple, Amazon and Netflix. One of us has previously examined the global contours of this phenomenon (Cunningham & Silver, 2013). Here, we focus on how Australia fits into the explosive growth of arguably the most challenging and innovative element of this new screen ecology: a very low-budget tier of advertising-supported online channels driven mainly by the professionalisation and monetisation of previously amateur content creation. This part of the ecology consists predominantly of previously amateur creators, using platforms such as YouTube (but also others such as Facebook, Vine, Instagram, Snapchat, Vimeo, Vessel and increasingly cross- and multi-platform strategies), to develop subscriber/fan bases of significant size. These bases are always transnational in composition, often generating, as a consequence, significant advertising and sponsorship revenue and, increasingly, the attention of mainstream media.

The YouTube scale metrics are impressive and well known, while always arcing upwards: more than 1 billion users, revenue estimated in 2015 at US$4 billion per annum, 4 billion videos watched per day, uploads of 400 hours per minute, downloads of 7752 hours per minute, and viewing now comes 50% from mobile devices (http://www.youtube.com/yt/press/statistics.html). What is perhaps less well known is that more than 1 million YouTube creators now receive some level of remuneration from their uploaded content. 1500 YouTube channels have at least a million subscribers (to say nothing of the rest, as many of the most influential, breakout channels don't have a million subscribers - sometimes much less). These creators are spread widely, albeit predominantly in the West. 80% of YouTube traffic comes from outside the US, and 60% of creators' views come from outside their home country. YouTube operates a formal corporate presence in 85 countries and 76 languages, while reaching a far wider proportion of the world's population.

This new wave of media globalisation (Cunningham, 2015) underlines the challenges faced by Australia's screen ecology as it continues to undergo shifts driven by digital disruption, convergence and new demographics of taste and consumption. Critics such as Deb Verhoeven (2014) have called on screen studies to recognise the degree to which such trends are laying waste to established critical approaches and suggests a different analytical framework: the 'greatest challenge for writing about the contemporary Australian cinema is to understand it as an embedded (rather than distinct) industry, involved in or supplementary to other … cinemas, other industrial practices and other commercial exchanges' (p. 152). We analyse these challenges by seeking to answer four questions in a necessary sequence: does it make sense to talk of a nationally-bounded online creator/YouTube 'space'? We address this by examining Google's activities and strategies in Australia. What does the profile of an Australian YouTube creator look like? What are the structures supporting online creators? We look at the so-called Multichannel Networks. And how is established Australian screen

culture engaging with YouTube culture? We analyse the joint Screen Australia-Google development program, Skip Ahead. This chapter introduces a wholly new range of players, reframes what counts as Australia's screen culture, and evidences the next wave of globalising dynamics.

## Google in Australia

Google's voice in the Australian cultural policy space is provocatively orthogonal to the established mindset. It challenges content makers to move beyond the old dichotomy between cultural address to the domestic market and entertainment address to international markets, while beginning to embrace new revenue streams in addition to, and sometimes completely independent of, public subvention and broadcaster and distributor licences. Australian screen content culture has been historically structured by what Dermody and Jacka (1987) termed 'Industry 1' (culturally specific, domestic market-oriented production) and 'Industry 2' (internationally-oriented entertainment product), with a normative bias toward the former over the latter, conditioned by cultural policy-based state subvention and regulatory support. Cultural policy influence also treats long form narrative fiction and social documentary as privileged genres for the purposes of subsidy as they are uniquely vulnerable to market failure. As the screen sector has globalised, some of the normative weight in these dualisms has eroded. Verhoeven (2014) identifies an 'Industry 3'which is comfortably ensconced across both domestic and international vectors but focuses on an 'Industry 4' which 'is characterised by the adoption of new methodologies for producing and distributing content afforded by the digitisation of the screen industries' including such tactics as data mining to identify audiences, different labour practices such as a 24 hour work cycle, and an opportunistic approach to finance (p.163). In the next section of the chapter, we will explore to what extent 'Industry 4' characterises emergent YouTube culture in Australia.

The Google/YouTube presence in Australia has a corporate, a policy and a cultural dimension. 2015 figures for Google show that the corporation employs around 57,000 people worldwide, with 38% (21,600) of its workforce located outside of the US. With 1200 employees, the Australian office is one of the larger branch offices. It oversees 2014 revenue of AU$438.7 million and a profit of AU$58.7 million. This doesn't include the more than AU$2 billion in revenues earned through its core business in Australia – selling advertising locally on its search engine business – because local advertising sales are not booked to Google Australia, but through Singapore to Google Asia-Pacific, excluding them from public reporting for tax purposes (Khadem, 2015).

There is a significant research and development presence, employing about 500 engineers. Google Maps started in Australia, and Sydney also contributes to Google Drive and the Chrome web browser. Google Australia vaunts the local presence of Vadim Gerasimov, one of the original co-developers of the famous video game Tetris. In the last several years Google Australia has heightened its public policy presence, contributing to public enquiries and debates and defending its tax minimisation practices as many jurisdictions put pressure on Google (together with Microsoft, Apple and other major software and entertainment multinationals) by profiling its investment of about $1 billion in Australia over the three years to 2015 (Google Australia Managing Director Maile Carnegie, cited in Lehmann 2015).

Google positions itself publicly as a major contributor to Australian science and technology innovation. But the bulk of its work, like a growing proportion of its work at headquarters, is developing relationships with significant brands and advertisers in order to grow revenue and educate brands and advertisers in the new digital marketing dynamics. Yet Google Australia also engages with Screen Australia to promote career development for Australian YouTubers – this is the Skip Ahead program which we will discuss later in the chapter. It provides a range of business development services, in collaboration with Multichannel Networks (MCNs), for Australian YouTubers, operating its standard multinational business practices of 'facilitating' professionalisation of creators and MCNs through matchmaking with brands. This supply or production side development is nascent, small-scale compared with the US and UK/Europe, while Google Australia also talks up the demand or consumption side, with bold claims to significant consumer surplus and trade surplus in video.

Google Australia frames its contribution to Australian society and culture by stressing the ways of accessing and uploading online content benefits Australian consumers and how it provides a global platform for Australian content. It funded a study by Boston Consulting Group (BCG, 2012, p.5) which found that in Australia:

- Internet media content is delivering a consumer surplus – the value that consumers place on an activity or a product that is over and above the price they pay for it – of AU$24 billion in year;
- Of this, the largest single contribution comes from online content portals. Consumers pay nothing directly, but they deliver a nationwide benefit valued at more than AU$9 billion per year;
- Online platforms play a key enabling role in delivering choice and providing opportunities for creators and producers to reach local, national and global audiences;
- Australians believe the media landscape is improving, with more good-quality content available both online and offline;
- Australia has a trade surplus in online video, exporting more than it imports. Twice as much Australian online video is consumed in the United States than is consumed in Australia.

The claim that Australia has a 'trade surplus' in online video celebrates the perhaps obvious fact that, with 98% of the world's population living outside the country, and with such frictionless cross-national YouTube traffic, it will inevitably be the case that more Australian-generated online content is consumed outside the country than is imported into it. It is also good spin, but disingenuous, to claim similarity with trade figures, as most online content consumed across borders sits outside the market as user generated content. The claim that the affordances of online content and services are delivering a consumer surplus (the value that consumers place on an activity over and above the price they pay for it) of the order of $A24 billion a year may look high, but it is a more compelling finding than the trade surplus argument, especially as online content creators increasingly monetise and professionalise online activity, converting 'consumer surplus' into producer remuneration.

**Creative labour: Australian online creators**

As of late 2015, Australia had 23 YouTube channels with over 1 million subscribers, and more than 100 channels with over 300,000 subscribers, and the top three Australian channels – HowToBasic (5.9 million), DangerDolan (4 million) and Troye Sivan (3.7 million) – had together garnered more than 1.7 billion video views. There are some dozens of high-profile Australian YouTubers who exhibit a typical variety of professional positioning, strategy and specialisation in the main YouTube 'verticals' (vlogging, gameplay, style/how-to/popular knowledge, pranking, web series), including globally recognised vloggers Troye Sivan and Natalie Tran/the Community Channel, popular science maestro Veritasium (Derek Muller), the popular cooking channel 'My Cupcake Addiction', and pranksters HowToBasic, The Janoskians, Danger Dolan and LeoKimVideo.

In this and subsequent sections of the chapter, we draw from dozens of interviews with participants in the Australian YouTube space conducted in 2015 as part of a much larger global project on the new screen ecology. Here, we focus on established, mid-range (typically, 'low range' means from 10,000 to 100,000 subscribers; 'mid range' from 100,000 to a million; and high means anything above a million) Australian YouTubers working within key 'verticals' (the term used for the main online formats or genres). Some are at the low end and some at the high end of this continuum. These fit the profile of professionalising amateurs – they are, or aspire to become, full time, businesslike entrepreneurs, with creative strategy and aspiration, while faced with challenging and regularly changing, working conditions.

These included beauty, fashion and lifestyle vloggers/tutors Sharon Farrell (https://www.youtube.com/user/sharonmakeupartist), Rachel Anderson (Rachellea, https://www.youtube.com/user/justsugarandspice), and Wendy Huang (Wengie, https://www.youtube.com/user/WWWengie); how-to vloggers Jason Pinder (SimpleCookingChannel, https://www.youtube.com/user/SimpleCookingChannel), Simone Kelly (Charli's Crafty Kitchen, https://www.youtube.com/user/CharlisCraftyKitchen) and Eyasu Church whose channel 3Y45U (https://www.youtube.com/user/3Y45U) provides tutorials for football skills and tricks; musician and vlogger Louna Maroun (https://www.youtube.com/user/Loopylady11); vlogger Sarah Grimstone (https://www.youtube.com/user/sarahgrimstonetv); Prankster/gameplayer/vlogger Kodi Brown (https://www.youtube.com/user/brownheatxman); Derek Muller, whose popular knowledge channel Veritasium (https://www.youtube.com/user/1veritasium) features science and engineering video experiments and discussions; and the electronic music artist and videographer Nick Bertke, who works under the stage name Pogo (https://www.youtube.com/user/Fagottron).

In film, media and cultural studies and neighbouring disciplines, there has been a broadscale and growing critique of overly celebratory accounts of creative labour. Such criticism has focused on ostensibly neoliberal concepts of human capital which inform panglossian endorsements of glamorous and attractive, but volatile and precarious, forms of work (for a review and assessment, see Cunningham, 2014). On the one hand, the quite radical difference offered by the new screen ecology's provision of potential career opportunity, even celebrity status, through amateur hobbyism and personal expression cannot be gainsaid. This category of previously amateur, full-time professionalising content creators reverse the normative route through which media talent is filtered. YouTubers must be seen as a class of content

creators who may be able to exercise a higher level of control over their career prospects than previous models of professionalising talent. The head of the digital division of a leading Hollywood talent agency, interviewed for the larger project, commented: 'A traditional film or television artist – a writer, a director, a performer – has spent a certain amount of their life preparing to be ready for when opportunity knocks … The mentality of a digital creator is the exact opposite. They're not preparing for an opportunity; they're creating it themselves' (Weinstein, 2015). On the other hand, overly celebratory accounts have attracted regular correction, even denunciation, particularly from those actually 'working on YouTube's farm' (Calicanis, 2013; Dunn, 2015; Gutelle, 2015; Ullman, 2015).

Such extreme normative volatility underscores the highly distinctive and disruptive nature of the new screen ecology, with its ultra low budget production practices, intrinsically global consumption markets, and ultra high concept analytics driving monetisation backed by some of the most powerful new digital platforms. Our profile of Australian online creators will steer between the Scylla of celebration and the Charybdis of denunciation.

There is a common career pattern. Unlike other screen industry professionals, the YouTubers who have had success on the platform – they measure success not only in terms of monetisation but also in growing audiences and subscribers, building extensive video catalogues, securing brand deals or leveraging further opportunities off-platform – all started out as hobbyists with little intention of developing any form of income, let alone a sustainable career. All started out simply filming their hobby or passion and uploading to YouTube (like YouTube's very first video, each now sees their first work as a terrible early version of their craft) 'just for fun' or 'to see what happened'. All were surprised to note audience growth and engagement, and, inspired by this initial success, started to steadily increase their output. All tell the story of how, as their channels grew, their workloads grew and – through trial and error – their production quality and professionalisation improved, with incremental expansions to include better quality cameras, microphones, studio lighting, advanced editing programs, more capable computers, and in one instance some professional training, and a work ethic that sees maintaining a community of engagement through various social media as an integral component of their 'job'. Almost all have now quit their pre-YouTube full or part-time work or study commitments, and those that haven't plan to as soon as their channels become sustainable.

For some, the opportunity to work from home and spend more time with their families while still managing to sustain an income is a dream come true. However, there is, for some, a sense of culture shock as they move into a career that sees them work essentially always on, 24 hours a day, within a massive online community, but also essentially alone:

> Our phone numbers are the only personal connection we have to the people that are part of our real lives. Our personal Facebook pages are not really personal, we allow anyone to interact with us. (Rachel Anderson).

> There is not a huge YouTube culture or scene in Australia, and not a lot of YouTubers you can talk to at the level that I am. You want to be networking so you can learn from them and get better, and you don't want YouTubers with 10 subscribers to be your peer circle. It gets very lonely, you don't know who to talk to and no one really

> understands what it is you're doing. All your other friends have regular jobs and regular lives. (Wendy Huang)

With the exception of Derek Muller (Veritasium) and Nick Bertke (Pogomix) – whose careers have extended beyond YouTube into more lucrative mainstream media – all run their YouTube channels in a full-time sole-trader (or with other family members) capacity. Most spend between 50 to 60 hours a week on their channel or channels. Production times for each video will vary depending on set arrangements, and the degree of simplicity or complication involved (especially in cooking and makeup videos) but on average each creator spends between 3-7 hours filming a video. Editing was generally more time consuming, and takes between 5-8 hours per video. Depending on the channel a number of hours are spent researching and trialing new ideas before filming, shopping for necessary associated products and/or ingredients, and managing the business side of it. Most, but not all, are registered businesses with an ABN and rely on professional taxation assistance.

Referencing YouTube analytics is a necessity but a bugbear:

> It's just information overload. When you get analytics that tell you your retention rate is 35%, or your clickable link rate is 65% ... what are the factors that play into that? I go away from analytics going 'I need to improve my retention rate', but what does that mean for YouTube videos? Does that mean I talk about a different topic? Does that mean I change the editing? Do I go shorter or do I go longer? What is it? Ultimately, it is just trial and error. (Sarah Grimstone)

The 'trial and error' approach is prevalent; lots of time is spent 'tweaking' various elements to ensure their content is able to find a place in a crowded market. This means ensuring that their work is contextually relevant, which is in turn dependent on mastering metadata, video tagging, and copywriting for search engine optimisation. As subscription numbers increase, more effort is needed to ensure the work is uploaded and amplified at the right time, and with an average 90% of Australian YouTube produced content consumed outside of Australia, successful YouTubers may find they need to upload content in the middle of the night, and work in seasonal, regional and national references targeting key viewerships in more than a dozen countries, almost all in the northern hemisphere. Amplifying new content selectively through social media platforms for both Australian and international audiences requires an understanding of different cultural nuances and modes of engaging in different social media markets.

The business is a radical hybrid of entertainment, and community development and maintenance - it is 'communitainment'. Subscriber and fan engagement is critical; managing YouTube comments and other social media accounts takes up the largest portion of the working week. For a mother, Simone Kelly, overseeing the careers of her children in Charli's Crafty Kitchen, managing comments on YouTube is a complicated and involved process to quarantine trolls amidst the hundreds of daily comments, maintain a professional look ('You do not want a brand looking at your channel and seeing inappropriate comments or anything like that' - Simone Kelly) but also allow the children to answer some questions.

Managing interaction across several social media accounts –vital for maintaining authenticity and maximising promotion – significantly extends their workload:

> Having your followers and being on social media is something that is still there for the majority of every single day. I would say that there is probably 2 to 3 hours a day, apart from sleeping, when we are not actually on social media. And that's a good day (Rachel Anderson).

> Facebook is one of the hardest medium to respond to. I have about 200 Facebook messages sitting unanswered because every time I look at it I get overwhelmed. But often if I don't respond people get angry at me. The thing with Facebook, compared to Twitter, is because of the unlimited word count you get people that write really long essays about their life and you feel like you need to respond with a lengthy reply as well. You can't reply to a follower spilling their heart with a quick one sentence. You want to sit down, read through it, reflect and respond. Times that by 50-100 a day and it becomes an overwhelming task. Now I just ask people to tweet at me – 140 characters, short and sharp, I can keep on top of that (Wendy Huang).

Success has encouraged some to branch out into different verticals. Louna Maroun manages three independent channels that focus on musicianship, make-up tutorials, and vlogging, and views the work involved in managing three channels as comparable to managing one, while her additional channels allow her to focus on different aspects of her online personae. Managing a break from the routine means developing an inventory:

> I have eight or nine things up my sleeve at any given time so that that I can have some time off if I am unable to work or have a holiday. When we were expecting a new baby I knew I was going to take a month off, but I had a library of about 40 videos ready to upload (Jason Pinder).

But the YouTube algorithm punishes any creator who slackens the pace of uploading. This is at a time when the AdSense CPMs have collapsed (Google's programmatic advertising, expressed in the standard terminology of clicks per thousand – the 'M' is the French 'mille') through the massive explosion of content seeking remuneration. Any creator looking to grow their business must seek out brand deals, licensing and merchandising tie-ins, go on the road with live appearances, or look for cross-media opportunities.

> AdSense is kind of like your bread and butter, is pretty consistent and it doesn't change that much unless you have massive growth or massive drop in viewers for some reason. That is your reliable source of income, everything on top of that is a bonus. If you can get the branded deals they are worth an awful lot more (Jason Pinder).

YouTube's IP control software Content ID has been effective in making the platform less cluttered with infringing content and therefore more welcoming to brands and advertisers. But it has also produced overkill for creators: the collapse of AdSense revenue has been doubly impacted by the Content ID algorithm sending all revenue from flagged content back to the rights holder. An aspiring musician covers a popular song in the hope that it would lead viewers to their own original content. However, in one case, over a period of 28 days, one such creator received 815,000 views, which equated to only $13 through AdSense. Her top 5

videos – being cover versions of copyrighted material – earned $0, with only her 8th most watched video, which gained 13,000 views paying $1/10,000 views.

Certain YouTube spaces can be overwhelmingly crowded:

> If you're a gaming YouTuber, you're competing for a share of voice with every other single gaming YouTuber. And the more popular the game, the more people you compete with. There are a lot of people who have made it big on YouTube in gaming, and the majority of them are Minecrafters. And those that have made it big are now very influential. So to start a YouTube channel on Minecraft now is really hard, unless you have something ridiculously different or new to show (Sasha Kouvchinov, manager at MCN Boom).

Competition does not only come from other YouTubers, with a growing range of professionalising amateurs gaining significant followers on platforms like Instagram and Periscope that, while they may not offer producers AdSense revenue, have gained the attention of brands seeking to reach target audiences. And YouTubers are increasingly competing with the brands themselves, who are able to significantly outspend them in terms of promotion on social media. For example, one YouTuber interviewed uses Facebook to connect with her 35,000 followers in hope of driving them to her YouTube channel. On viewing her analytics she found that only 2200 of her followers had seen her post, with only 154 actively responding. She then used Facebook's 'Boost Post' paid promotion feature, paying around $2000 for her post to appear prominently on 81,000 (fan base plus 'friends of friends') people's pages. (This carries no guarantee against AdBlocking software). But, she argues, she is competing with brand producers who regularly spend upwards of $50,000 on a single Facebook status post on a promotion that may run for more than a week.

Creator working conditions, as we have seen, are challenging and in some respects may be worsening, but none were looking for an exit strategy and all emphasised its creative rewards:

> I work constantly, whether it is filming, editing, emails or social media. It is a lot of work and I spend the majority of my time dedicated to it. Sometimes I don't feel like I'm actually working when I'm working, and that makes it difficult to keep track of how much work I am putting in. I love it so much that I don't even have a regular schedule. I just want to be able to access it whenever I feel inspired (Louna Maroun).

**Australian Multichannel Networks (MCNs)**

An MCN is a YouTube-approved intermediary aggregating, affiliated with, and/or managing YouTube channels by 'offering their assistance in diverse areas, ranging from production to monetisation, in exchange for a percentage of the ad revenue' (VAST Media, 2014). Core business is channel aggregation and facilitation, seeking to stabilise the runaway growth in online content and respond to 'glocal' dynamics, while also justifying their additional stake in the revenue stream by providing a mix of talent agency, big data analytics, public relations and marketing. There are hundreds of MCNs in the new screen ecology globally (Cunningham et al, 2016). Australia is the base for three prominent MCNs, Valleyarm, Totem and Boom, with each having a broader, regional focus. We draw on interviews with

senior figures in each: Boom manager Sasha Kouvchinov, Totem CEO and founder Steve Crombie and Valleyarm community manager Lucy Tulett.

*Boom*

Boom is the 'veteran' Australian MCN, having developed as a digital content distribution company in YouTube's early years. Boom built an extensive network of bloggers, creators and other online influencers, and learned how to amplify their content in order to drive viewers to a brand or a piece of branded content. YouTube's explosive growth in the last 5-7 years saw it facilitating intermediaries to handle the content tsunami, in Australia first approaching Boom. It now represents a stable of Australian creators and other online influencers, numbering around 1600 in early 2015.

Boom's major success story is Troy Sivan who started out as a hobbyist YouTuber and now has his own record label and has transitioned into a mainstream celebrity. Sivan now does award nights and TV appearances; he co-hosted a 2014 New Year's Eve event for Telstra with global online celebrity Tyler Oakley. Other successful Boom YouTubers include Louna Maroon who runs three YouTube channels – a comedy channel, a beauty channel and a vlogging channel – and who worked on the popular and innovative Neighbours vs. Zombies webseries which we will meet in the next section of the chapter.

But an MCN's provenance is tested by success. As we have seen, in order to leverage their popularity and therefore their business sustainability, particularly in the face of the collapse of AdSense CPMs, successful creators seek brand engagement, merchandising tie-ins, live appearances, licensing deals, television crossovers (Veritasium), and/or need to relocate to Los Angeles to maximise the network effects in the ecology, as so many creators (such as Australian stunt group, the Janoskian) do. Successful creators must seek out talent agents, key creator collaborations beyond what a single MCN can provide, and sometimes multiple MCNs to maximise multiple market opportunity. On the other hand, a single Australian MCN may be entirely appropriate for low to mid range YouTubers to be assisted to make a living. Boom employs a number of 'community managers' to give guidance and advice to the smaller YouTubers on what to do, how to do it, what analytics they need to look at, what content works best, consult on what's trending, advise on how to craft, produce, shoot and edit content and how to produce the best thumbnails, copy and tags.

An MCN like Boom can also add value by making data analytics work beyond the standard YouTube suite: for example, by data mining clients' views, overall subscriber numbers, other engagement metrics like competitive dislike ratios. Sasha Kouvchinov says 'The one metric we really boast about, particularly to advertisers and brands, is that whether our YouTubers are including branded content or not they still get a 99% like rate. Their audience, whether they are being advertised to or not, still appreciate the content that they are producing'. The provenance of advertising can almost be seen as not only a bottom-line matter but also a positive ethic:

> When you think about a tech blogger, a game blogger, or a beauty blogger they need to talk about brands in their videos. If they're discouraged to do so it can be detrimental to their own individual brand. If they aren't first to market, someone else will be. And if you're not first to market you don't get the views. If you don't get the

> views, you don't get the ads in front of your videos and AdSense revenue. They miss out on monetisation opportunities (Sasha Kouvchinov).

Boom believes that opportunities for YouTube monetisation must increasingly be found outside of Australia:

> There is no such thing as an Australian only influencer. Australian YouTube celebrities are global YouTube celebrities, and if you are going to use YouTube celebrities in a branded campaign it is increasingly more important for the global office to use global YouTubers in order to get the most out of them, and not to segregate them to a specific region. For example, if 20% of a YouTuber's audience is in Australia and 50% is in the US, and an advertiser only uses them for an Australia-based campaign, they are cutting themselves out of 80% of viewer engagement and potential sales. But if you are representing a brand globally through an Australian YouTuber you will be engaging all of their subscribers (Sasha Kouvchinov).

*Totem*

In contrast to the other two, Totem is a purpose built MCN. CEO and founder Steve Crombie studied IT and graphic design, completed a Masters in business focusing on international marketing and change management before working in finance in online equities trading. During a period of extensive travel, Crombie developed a blog that drew a couple of million hits a year. He became interested in storytelling, and developed some video content for Lonely Planet. One of his shows, Natural Born Traveller, sold in 60 countries and he evolved Totem to advise Lonely Planet, with larger contracts and larger media clients following. The inclusion of leading production company Cordell Jigsaw Zapruder amongst Totem's clients led to YouTube approaching Totem to build a second Australian MCN. Crombie emphasises the role diversity of Totem in the ecology: 'Some need their rights to be managed as they integrate their content on YouTube, some need to identify where revenue streams come from and how best to grow those. Some use YouTube for marketing, some focus on reach, some focused on building their own platforms and networks while others focus on leveraging the platforms and networks of others. Their needs are all different'. Totem's client list includes not only native YouTube channels but also leading production companies Cordell Jigsaw Zapruder and Matchbox Pictures, along with TEDxSydney, GetUp! Australia and Tropfest. Crombie claims a lot of people come to Totem to support their screen funding applications both to improve them and to provide a hedge against the hit and miss nature of production subsidy.

*Valleyarm*

In comparison to the other MCNs, Valleyarm is a music industry company that specialises in digital distribution, publishing and online marketing of music and video content. Most of ValleyArm's work with YouTube globally relates to Content ID and fingerprinting of licenced music. Its Asia focus extends their business beyond the small Australian market. In addition to licencing, Valleyarm works with producers across markets and languages to optimise content by, for example, tagging using localised spelling, colloquialisms, and trending phrases. Valleyarm claims to operate around 20,000 stand-alone accounts in total – across both music distribution and licenced video content. Valleyarm offers its clients two different licencing systems: a DIY system where producers are charged a one-off fee and

retain 100% of their profits, and a percentage-based model. The first option, according to Lucy Tulett, is 'fairly automated set-and-forget' accounts, while the second involves more marketing management. About 80% of Valleyarm's accounts are from the Asia-Pacific region, with Valleyarm also handling big content catalogues from Europe and the US that sell into Asia. Valleyarm uses staff based in Berlin, New York and London to licence deals that push Asian content back out into those markets. Headquartered in Melbourne, Valleyarm has offices in Beijing, Mumbai, Jakarta, Tokyo, Seoul, Melaka, Manila, Singapore, Bangkok, New York, Berlin, Suva, London, and Johannesburg, while the bulk of its staff based in Australia are sponsored from local Thai, Indonesian, Korean and Japanese markets. Valleyarm has also recognised the opportunity YouTube provides for reaching niche audiences, and now manage a number of YouTube channels of archived Australian television, many of which have well established fan-bases. ValleyArm helps producers manage digitisation, uploading and tagging of the original content. Included here are celebrity chef Ian Hewitson and the popular Australian children's science show Curiosity Show.

**Skip Ahead: where YouTube culture meets Australian screen culture**

At this nascent stage of development, the point at which YouTube culture meets Australian screen culture most directly is Skip Ahead. In November 2013, Google and Screen Australia together launched the first round of the Skip Ahead program; a program that aimed to provide local talent with the resources necessary to develop episodic scripted content for distribution via YouTube, by providing funding and production resources. Screen Australia selected creators for the program, and those selected received a share of jointly contributed seed funding – initially, for round one, AU$400,000, growing to $500,000 for round two – along with access to local production resources, and an opportunity to visit the YouTube Space in Los Angeles. Australian creators who were actively engaged in creating new original content on YouTube and had built a substantial following (for round one a minimum subscriber base of 100,000 or a combined subscriber base of 120,000 for collaborative projects) were eligible to apply for funding. Screen Australia promoted the program as one that aimed to cultivate original Australian narrative-based content made specifically for global online audiences:

In March 2014, the five successful applicants for round one were announced: Axis all areas (Axis of Awesome), a musical comedy about a rock band; Across Australia (Mighty Car Mods), a documentary about journeying across Australia in a budget modified car; Neighbours – Zombie Edition (Neighbours Official and Louna Maroun collaboration), a dramatic web series that saw the soap opera inundated with zombified ex-characters; Fernando's Legitimate Business Enterprise (Sexual Lobster), an animated story about a singer and his shifty business partner; and, Reinventing Education (Veritasium), a documentary exploring the future of education. In September 2015, funding for the second round of Skip Ahead was announced, with five successful applicants: The Tale Teller (Draw with Jazza), a documentary animation about animated storytelling; Traffic Jam – The Musical (SketchShe), a musical comedy about road rage; 1999 (Aunty Donna), a comedy about the dreaded Y2K bug; The Sweetest Thing (How to Cook That), a documentary about extreme desserts and family; and The Australiana Hostel (Frenchy SungaAttack and The Roundabout Crew), a comedy about a rundown Sydney hostel.

We have commented already on Google's provocations to the established mindset. But the 'established mindset' is certainly not static and is evolving with responsive intent. The policy journey toward a more dynamic balance between cultural, industry and innovation policy for the creative sector in this country has run 'hot and cold' since the days of Creative Nation 20 years ago (Cunningham 2015b). Contemporary cultural policy can no longer rely only on market failure as a justification for action, but must also focus on policies to support emerging new practices and markets. Skip Ahead is a good example of a small experiment in meeting these challenges. We draw, in this section, on interviews with Mike Cowap, Screen Australia Development Manager for Skip Ahead and with some recipients of Skip Ahead support.

Mike Cowap backgrounds the program:

> We were talking to Google for probably for two years prior to Skip Ahead happening about doing a joint initiative. Our approach was 'you have global ubiquitous platform, we have talented content creators.' The interest for us is how can we offer an opportunity for our filmmakers to make the best of the platform for finding an audience, monetising an audience, and building a loyal fan base. And that fitted with what YouTube has endeavoured to do also. They wanted to show that YouTube is about more than funny cat videos, and that there is quality content available, and also to show that they do support Australian content creators.

Cowap emphasises Australia has had content creators who have been a success for their target audience for much longer than the broader film and TV industry generally gives them credit for. Cowap argues that Screen Australia has long recognised two camps of online content creators. On the one hand, there are people from a traditional media background who have acted to engage with the new platforms, while on the other hand there is a range of different talent that has been creating content as professionalising amateurs for many years without any kind of support or understanding of the industry, or of industry financing, or of the role of screen industry associations, nor with any particular or pressing need to do so.

Cowap suggests that the greater change is that people in the wider film and TV industry are now coming to realise something that YouTubers have known for years – that YouTube is not a springboard for a post-YouTube film or television career, but a viable platform for monetisation and professionalisation itself, and that any new YouTube talent that is successfully courted will not disappear from YouTube and migrate exclusively to film or TV. Rather, they will aim to be successful across the platforms, with the most savvy using the logics of traditional screen outlets while continuing to build their own monetisation opportunities online. The aim of the Skip Ahead program, he suggests, is to actively engage with new content creators in order to show them that there are organisations able to provide funding and support that do not only deal with old media.

The outcomes from the first round – taking creators who already had a level of success on YouTube, and funding them to create more ambitious content, challenge themselves and their audiences and build their subscriber base – show that the strategy was, Cowap claims, by and large achieved. Axis of Awesome, for example, have been able to secure further funding through the Screen Australia Multiplatform Drama Slate for a new online comedy sketch show, while Mighty Car Mods have been able to quit their day jobs and move into proper studio premises. This confidence was underlined in late 2015 when Google and Screen

Australia took the highly unusual move of placing a series of splash advertisements for select recipients of second round funding in the national press:

‘1999 was looking for funding. So we helped give it a future.’
‘They needed funding for The Australiana Hostel. We couldn’t help but accommodate’.
‘Traffic Jam – The Musical needed funding. We helped get it moving.’

Viewing Skip Ahead as a professional development exercise, equal parts business model improvement and content innovation, justifies Screen Australia in making qualitative distinctions amongst what they will and won’t support:

> One of the values that we were judging Skip Ahead on was ‘what difference is this going to make to you as a content creator, what does this allow you to do that you’re not already doing’. I would say, for example, if an unboxing [a popular online genre that features the unwrapping of toys for very young viewers] creator came in and wanted to do more unboxing videos, I think that whilst it would be eligible, I’m not sure it would be making that much of a difference to what they‘re already doing, we wouldn’t want to see them doing more of the same. It may give them the capacity to be even more popular, but we want to see an improvement in craft as well. (Mike Cowap)

Cowap argues that through programs like Skip Ahead, Screen Australia has developed a very strong understanding of YouTube and social media ecosystems:

> The broader industry has to understand where audiences are consuming content now. We can’t keep our heads in the sand and keep pumping things out on the normal channels, even though they are still viable platforms. And even where colleagues assume they don’t know much, they generally know a lot more than they think they do. All of them these days are active and literate in social media, they just assume that there is more to it than there actually is. Most of us have become hard wired with an understanding of how online behaviour and communities work. A lot of people at Screen Australia also come from a script editing or screen development background, and understand the building blocks necessary to tell an engaging story or pull an audience in. These skills are as valuable for creating online content as they are for traditional film or TV. Even in the most simple and seemingly innocuous or superficial videos an understanding of basic beginning, middle and end is still valuable.

When pressed about how far the cultural remit of the national screen agency needs to be stretched to accommodate cooking shows, car modification, and low-end Flash animation, Cowap argued that Screen Australia is prepared to defend what it sees as an important development for cultural products:

> One thing that Screen Australia really liked is that there are whole new genres of programming on YouTube … and while some of these new genres would be easy for a film of television professional to sneer at – production values are low, generally no narrative – they are captivating. And if you’re prepared to measure the worth of a show on the volume and appreciation of its audience, that stuff is brilliant.

For content makers opportunities provided through programs like Skip Ahead are invaluable in that they provide not only the funding necessary to produce otherwise unattainable content goals in the only environment that such content could exist, but also in that they open doors to new contacts and networks that ultimately significantly reduce production costs. And, given that the Skip Ahead content producers – like the agencies that support them – are operating in an environment in which release strategies change almost every day, the extra-monetary support provided is equally invaluable:

> The steep learning curve that we all experience as content creators is also being experienced by the funding agencies. Yet funding agencies like Screen Australia have become very supportive of the new screen ecology. If they don't 100% understand something about the changing environment, they become very trusting of what we as creators do. If we create good content they trust us to do it again. If what we have created now works in the current iteration, then our ideas for the next iteration are – as is the case with us – more likely to be supported in the future. And it is important that screen agencies keep supporting web content; not just as a one-off funding arrangement that supposedly leads to self-sufficiency, but in funding second rounds to help us as creators continue to rise to the challenge (Lee Naimo, Axis of Awesome).

The content selected for first round funding by Screen Australia is indicative of the main YouTube verticals, with the inclusion of sketch comedy, 'how-to' science and car modification videos, animation for a hipster audience, and a prominent Melbourne vlogger., while also being in strong continuity with recognisable television formats and themes in Australian culture. Screen Australia was looking to further professionalisation and generic legibility: rather than support already successful YouTubers to produce more of the same, Screen Australia promoted the program as an initiative to cultivate native Australian 'storytelling' online. Content supported through the Skip Ahead program could be factual or have factual elements, but it also had to carry a substantial narrative capable of selling Australian culture in a way that was appealing and accessible to a particular global audience no longer defined by the limitations of cinema and television.

So, for example, rather than producing more videos that perform and discuss DIY car modifications with fellow car-enthusiasts, Mighty Car Mod-ers Marty (Martin Mulholland) and Moog (Blair Joscelyne) journey from Sydney to Alice Springs on an epic road trip, borrowing an impressive range of cars from enthusiasts, willing locals and their YouTube channel fans. The result is 6 x 20 minute films that invoke key elements of Australiana, including John Heyer's *The Back of Beyond* (1954), Mike and Mal Leyland's *Ask the Leyland Brothers* (1976-1984), and David Batty's *Bush Mechanics* (2001).

The initiative literally seeks to have YouTube culture meet Australian screen culture. Prominent Melbourne vlogger and YouTube personality Louna Maroun takes her craft 'to another level' by collaborating with an established Australian media company (Freemantle) to deliver a fresh take on an iconic Australian TV show. The resulting *Neighbours – Zombie Edition* exposes Louna Maroun to *Neighbours* fans even as it brings *Neighbours* to Louna's large global audience – notably the US and Brazil – and the wider YouTube community. For someone completely outside the industry environment who, inspired by other YouTubers, 'began recording performances to share with family, friends and peers' without 'really realising that it was a way to access an audience' to find herself collaborating with and

directing ‘people I have watched on TV since I was a kid’ was, undoubtedly, a huge experience’.

## Conclusion

Australia sits on the (close) periphery of major transformations in the political economy and modes of production and consumption of media content. *Screen Distribution and the New King Kongs of the Online World* (Cunningham & Silver 2013) was one of the first book-length attempts to trace what is at stake as the major digital platforms converge strategically on content production as integral to their radical shifts in the logic of distribution. Since then, the challenges have increasingly crystallised in and for this country, with outgoing ABC Managing Director Mark Scott warning that ‘the era of profitable Australian media companies was over and the power now lay with digital players like Google, Facebook, Amazon and Apple’ (Meade 2015). Google Australia’s policy objectives are clear enough. YouTube, along with other major ‘communitainment’ as well as streaming platforms, offer global, emerging market, opportunities unparalleled in media history. However, legacy regulatory and support frameworks are not technology neutral, and have not geared sufficiently to support the new waves of online production, while legacy licensing by territory inhibits internationalised streaming. Policy makers, and film, television, streaming and ISP industries impacted by such change, will be unable to avoid the increasing impetus of these issues, especially as the consumption preferences of young online viewers meets increasingly effective digital marketing. It is highly likely that demographic and consumption trends in Australia will reflect US data that indicates children, adolescents and young adults coalesce around interest in online personalities almost to the complete exclusion of ‘mainstream’ celebrities populating the ‘main’ media. As we have seen throughout the chapter, the new screen ecology represents a qualitatively different level and type of globalised media, with every content creator and every aggregator, of whatever scale and level of success, involved in multiple markets and communities.

The Australian YouTube space is a space to watch.

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**Annex 3**

**Guy Healy and Stuart Cunningham 2017, Australia's parallel universe of online content creation, *Metro* Issue 193, August, 114-121.**

**[intro]**

**Guy Healy** and **Stuart Cunningham** speak to six talented video makers about their prolific creative work, their participation in Screen Australia's Skip Ahead program, and whether they believe YouTube offers a viable career path for up-and-coming screen content producers.

**[breakout]**

**What industry members think**

Building a career on YouTube alone is challenging, but is 'more powerful' and likely to lead to a viable career than the short-film festival circuit, according to Screen Australia multi-platform drama spokesman Mike Cowap. In recognition of the continuing disruption caused by social media business, which is becoming more mainstream, Cowap says that broadcasters have found the combination of talent and a 'ready-made' online audience 'very seductive'. He continues:

*I wouldn't jump in and say it's easy to make YouTube viable in itself. But it's certainly a fantastic opportunity for filmmakers to demonstrate their capabilities and come to the attention of the industry. There are a number who can make it financially viable.*

Moreover, he advises that aspiring YouTube filmmakers require talent and aptitude, and need to see it as a full-time job.

Similarly, Griffith Film School senior lecturer and LiveLab creative director Richard Fabb point out that, today, student filmmakers have more options with which to build their careers than someone coming into the industry ten or twenty years ago. ‘In the old days, you were reliant on a small number of people (studio heads, commissioning editors) to get your project off the ground, and it was basically broadcast or theatrical release.’ YouTube has been one of the main drivers of that change – perhaps the biggest – and there has been a democratisation of the process; however, he clarifies that

*to succeed on that platform, you have to find and build an audience out of nowhere, whereas studio heads and commissioning editors were the gatekeepers to ready-made audiences. And finding that audience can be very, very hard.*

To achieve this, Valleyarm managing director Victor Gugger suggests that aspiring YouTubers make one video per week for a year, connect with their fans, link all their social media to their YouTube channel, and make a video with an established YouTuber. ‘You don’t know it’s going to work,’ he says. ‘You don’t know when it’s going to pop. You just have to commit yourself to it, and be prepared to suck it in.’

However, Steve Crombie, CEO and founder of Totem Advisory & Studio, warns that, while YouTube is now the fastest way for a filmmaker to migrate to TV or Netflix, people need genuine passion. The majority of creators who were successful in the early days of YouTube were actually not entrepreneurial, but were vulnerable and introverted individuals who used the platform to communicate with a wider audience. ‘By being honest and considerate and welcoming and participatory with their community,’ he explains, ‘and being open and willing to share their story and identity with other like-minded people, and genuinely caring, that was a big driver [for] their success.’

According to NZ On Air head of innovation Brenda Leeuwenberg, it's still too early to tell whether YouTube embodies a viable career platform, describing it as more of a 'stepping stone':

*You can do a web series, which shows you have [a] story, the ability to engage an audience, an idea for something bigger. Not that it's necessarily going to be something on TV, but you've shown your potential.*

**[body]**

For a screen creative considering online as a viable career pathway, social media giant YouTube is a double-edged sword: it is arguably both a radically empowering technology and a precarious Darwinian environment in which only the fit survive – and perhaps thrive.

This conclusion is what we've come away with after conducting a series of in-depth interviews with six high-ranking Australian YouTubers, who were generous with their time and insights. Collectively, these six account for decades of YouTube video-making experience, 9 million YouTube subscribers and over 1.1 billion YouTube views worldwide. They are some of the most famous Australian artists you may never have heard of: Danny Philippou of *RackaRacka*,[i] Ann Reardon of *How to Cook That*,[ii] Jos Brooks of *Draw with Jazza*,[iii] Shae-Lee Shackleford of *SketchShe*,[iv] Chris Voigt of *SexuaLobster*[v] and Tom Armstrong of *The Roundabout Crew*.[vi]

These artists have all been recognised with industry plaudits, and represent at least one from each of the three rounds of Screen Australia's groundbreaking Skip Ahead program.[vii] In collaboration with Google, the scheme has offered up to A$250,000 per project since 2014, and is aimed at ensuring Australian voices and careers have traction in the expanding universe of online content. Like their counterparts on Social Blade's Top 100 YouTubers in

Australia list, these creators each use YouTube to help make a living for themselves (and, in many cases, their young families) in the volatile online industry – an industry that leading American YouTuber Hank Green, of *vlogbrothers* fame, describes as 'the new mainstream'.[viii]

**Creative entrepreneurs**

The fans of Brooks – who teaches digital painting – recently pledged A$130,000 over a month to upgrade his dangerous, flood-prone garage studio in country Victoria to handle immersive virtual-reality painting and ultra-HD (4K) video. He sums up the challenge of making a living on YouTube as follows:

*This is a monumental time in our channel's history. There seems to be a necessary trial-by-fire to get the validation and production quality over an extended period of time. So, by the time you are a professional outfit, and have pretty videos and good equipment, you have already proven to people, who are watching you already, that you are worth that.*

As anyone who's tried it knows, YouTube by itself isn't a viable career pathway if creators rely on Google AdSense income alone. Creators can receive small sums per 1000 views from Google's automated or programmatic advertising – the ads that 'pre-roll' ahead of their videos – provided views are 'monetised'. Beyond this, creators must harness free-flowing creativity, hard work and entrepreneurial business acumen to build up diversified income streams and make a decent living. Some have had to endure horror (non-YouTube) management contracts before they were savvy enough to secure trustworthy contracts and managers. The creators could then exploit opportunities for more lucrative product-placement deals, music sales, merchandising and crowdfunding via their own YouTube channels, linked

social media accounts, and funding platforms such as Patreon.

'We actually make very little money off our YouTube channel itself,' explains Shackleford, 'because our biggest videos have commercial music elements to them. Those bigger videos have matched YouTube's Content ID copyright system, but they have been allowed to stay up.' Under Content ID, copyright holders can either have rights-infringing content on YouTube taken down or receive reimbursement from that content.[ix]

Online content creators in Australia are part of what big-picture analysts such as Manuel Castells,[x] Greig de Peuter[xi] and Richard Florida[xii] have identified as the global trend of rising numbers of self-employed creatives and knowledge workers who have more control over the means of (knowledge) production, and display significant entrepreneurship and innovation. They are John Howkins' 'creative entrepreneurs', essential to creative industries and the process of creativity itself in its contemporary digital guise.[xiii]

For these Australian video makers, one of the greatest appeals of YouTube is that it is a training ground for almost-limitless creative experimentation. YouTube provides a free HD-video-hosting platform, analytics feedback, access to global advertising and potential mass audiences.[xiv] Creators can hone their skills in response to the direct feedback of millions of fans on their personal channels in an effective 'total quality management' loop. One trajectory – the 'calling card' option – is to cite this hard-won learning at the coalface when pitching to majors such as Netflix, HBO and Hollywood studios, or to Stan, the ABC and the funding agencies here. Creators can also collaborate with like-minded YouTubers to leverage and share their own audiences in an essentially regulation-free, Wild West–like environment. Video makers enjoy creative autonomy restricted only by YouTube's community guidelines and arrangements under voluntary product-placement deals. Depending on the genre, some YouTubers upload irreverent, racy and often downright-weird content that can push and break the bounds of conventional taste. But this content – unavailable on TV – proves wildly

popular with their Gen Z and millennial fans, most of whom are in the Northern Hemisphere and Europe. Around 80 to 90 per cent of all Australian YouTube video content is consumed outside this country.[xv]

**Skipping ahead**

The six Australian YouTubers credit Skip Ahead with four important benefits to their artistic and professional development.

First, the program afforded them a rare period of artistic satisfaction and creative autonomy off the YouTube 'speeding treadmill' – the site's algorithm demands regular, preferably daily, video uploads. Brooks' wife and business manager, Kate Taylor-Marsden, recounts that Brooks' Skip Ahead animated film, *The Tale Teller*, 'fed his soul'.

Second, it allowed the creation of high-production-value, long-form products to act as 'calling cards' for pitches to Netflix, HBO and Hollywood, and potentially tilts the power balance in favour of high-ranked YouTubers who already have their own 'ready-made' mass audiences. Discussing *SketchShe*'s musical comedy *Traffic Jam*, Shackleford says:

*It will be interesting to let our audience know, 'Hey, I have now made this new TV project,' and will they come over and watch it on Netflix or HBO? That remains to be seen, as we haven't done that yet.*

Indeed, *RackaRacka* recently collaborated with Netflix to promote one of its new shows.

Third, Screen Australia's multi-platform programs – of which Skip Ahead is one – has enabled a surprising level of cross-collaboration with established screen producers. With his twin brother, Michael, Philippou does stunt comedy-horror that messes with the heads of viewers – as, for example, in *Ronald McDonald Chicken Store Massacre*. Their Skip Ahead

piece, the forty-minute live-action narrowcast *RackaRacka Live*, is to be released on YouTube in late July at the earliest; of the process, Philippou recalls:

*We hung out with the director of* Mad Max *[1979–2015], George Miller […] he was cool. That was part of the program Google ran about long-form. He was talking about how not to sacrifice your creative vision, and how he didn't bend to the rules. Stand your ground.*

YouTubers seem imbued with a creative vision that is influenced by, and divergent from, traditional film and TV making. Philippou says *RackaRacka*'s creative vision stems from mid 1990s cult-fantasy TV hit *Xena: Warrior Princess*:

*The weird thing is, we loved* Xena *growing up. The fight scenes were so ridiculous. Everyone had bloodlust. Xena [Lucy Lawless] was always throwing ridiculous faces, and enjoying cutting people up. There were really over-the-top punch sound effects. They are just so much fun.*

Moreover, Brooks and Reardon independently credit New York activist, filmmaker and later YouTube vlogger Casey Neistat as a creative influence. 'I like people who are creative with their filming,' says Reardon. 'Casey makes it look effortless, but if you stop and look at all the different shots, there is so much work behind all of his films. The workload of daily vlogs must be terrible for work–life balance.'

Fourth, Skip Ahead appears to have been part of a process of artistic awareness-raising. Shackleford and Brooks found that high production values – while essential for long-form practice – do not necessarily guarantee success on YouTube itself, a platform that

originally celebrated grainy authenticity. 'Some of our most successful videos have been shot on my iPhone,' recounts Shackleford,

*and we find it looks more impromptu. It's not as planned out. It's gone better than stuff that's highly produced. For example,* Bohemian Carsody*,* Mime Through Time*,* Guys vs Girls Car Moments – *I shot those entirely on […] iMovie on my phone.*

In fact, *Mime* was one of the most viral videos up to that time, being seen over 200 million times on Facebook.[xvi] Similarly, Taylor-Marsden argues that, from her experience of running *Draw with Jazza*, people don't yet go to YouTube for long-form narrative:

*We loved what we made from [Skip Ahead], but it has not been as successful as a video we took three hours to film [more recently], which was about cheap pencils versus expensive pencils. That video got 2 million views in less than a week. Our Skip Ahead project got 500,000 views after a year and took ten months of almost full-time work to make.*

Armstrong has abandoned the traditional film-festival route in favour of finding his own audience online. He studied film and started on the well-worn path of entering festivals, but his outlook changed following the success of his first viral videos, the two-part *Shit Nobody Says in Canberra*. Featuring comedian Frenchy, these videos paved the way for the three-part web series *The Australiana Hostel*. Now KIIS FM's senior video producer for *Kyle & Jackie O*, Armstrong credits Skip Ahead for winning his day job:

*We shot* Canberra *in an afternoon, and I edited it on my way back to Sydney. I released it just to Facebook friends, and it got 200,000 views in a day. So I put more stuff online rather than*

*[at] short film festivals, where you can get a decent crowd but it's nothing compared to online.*

**A viable career path?**

The above case studies are the good news. But here's the bad news: while these Australian YouTube creators say they love what they do and value the affordances of the 'amazing' platform, making a living off YouTube can be fraught.

Australian YouTubers – like their overseas counterparts – have to make personal sacrifices as a result of the 'always-on' intensity of their digital labour. There is the spectre of creative burnout, and the perennial dilemma of generating quality, cut-through content instead of the YouTube equivalent of fast food. The six interviewees also acknowledge that their creativity and business models can be challenged by frequent but opaque changes in YouTube's algorithm: quality content can get lost on a platform that is so vast, the volume of content is regarded as 'incalculable'.

Brooks says he and his wife call each other out when working too hard. Taylor-Marsden shares that Brooks is often up in the middle of the night dealing with business relating to Australian YouTubers' main market of North America. When asked about the average length of their working week, the pair laugh and say, 'About a week – we were up till 2am yesterday.'

Similarly, Philippou mentions that he and his brother work every day to their own clock, and have decided not to have partners for now: 'I work best creatively at night. I sleep when I am tired. We are very career-driven right now.'

The demands of fans on the *SketchShe* team's time is such that the trio take weekly turns managing the channel's social media. 'People in the social media business have to know when to shut off,' Shackleford advises.

*Otherwise you can be up at midnight writing comments back to people. That's when my fiancé says, 'I am going to kill you, haha. I am so sick of you looking at that phone, so sick of the dings.' I have had to learn a healthy balance.*

Meanwhile, Reardon – who produced the series *The Sweetest Thing* for her Skip Ahead grant – says she has spoken to YouTube about the impact of the algorithm on creators' businesses, especially the way it favours collation and copying over creativity. Changes to the YouTube algorithm appear to be driving video-makers to make 'fast-food' type YouTube videos, based upon collations of their own old videos, or topical, trending videos rather than original works that other fans love, she said. According to her, this is 'a huge problem':

*If someone does something and it gets views, everyone copies it. If you search, you'll see thousands of '10 life hacks', 'Red Hot Knife' or 'Gummy soda bottle' videos. The algorithm shows these videos to people because suddenly it's a trending topic, and that's why people copy.*

Voigt admits that he aspires to make a median wage some day through an entrepreneurial mix of Google's AdSense on the pre-roll ads on his adult cartoons as well as crowdfunding, music sales and merchandising. His animations are so labour-intensive that he can spend up to a month making a minute of finished video, especially if it's a music video. Pointing to the high volume of labour required by some YouTube genres such as animation, narrative over vlogging, and *Let's Play* gaming, he backs the view of leading American YouTubers *The Game Theorists*, who contend that, in a networked algorithmic environment, creativity gets killed.[xvii] 'My biggest problem is coming up with enough material, concepts

and content to generate enough income doing creative work,' says Voigt.

*My second one is trying to succeed on YouTube while making stuff I want to make. Not topical bullshit and videos and movie parodies and shit like that. I know how to succeed, but I don't want to.*

**A source of support**

For its part, YouTube has acknowledged the particular importance of a healthy work–life balance for top creators, going so far as to run a 'wellbeing' workshop at a pop-up YouTube Space in Sydney recently.[xviii] Daniel Stephenson, YouTube's content partnerships manager for Australia and New Zealand, explains that the company 'provide[s] support, guidance and resources to help [creators] juggle the things that go into running a popular YouTube channel. Much of this support is on a one-to-one basis.'

Even so, there is no getting around the fact that a YouTube career is hard work. Importantly, however, the six interviews reveal that the social nature of the platform – especially its participatory and sharing culture – may mitigate the relentless daily pressures experienced by creators. For them, their legions of subscribers are an important source of moral, financial and even creative support. For instance, Brooks remembers that, just five years ago, all he had was a webcam and a house falling down around him:

*I lived on brown rice and tuna for two years, and I was ill – circumstances that we weren't anywhere near lucky enough to be in now. But the people who have supported us have seen that every step of the way.*

In tandem with a video for its *Traffic Jam* musical, *SketchShe* ran a Kickstarter

campaign for which fans stumped up over A$40,000. Moreover, when the trio travelled to Oktoberfest for *SketchShe*'s *Things People Never Say at Oktoberfest* video and asked for house red, friends and fans were asked for lines: 'We were making stuff up on the ground as we went on, so that was cool,' says Shackleford. Similarly, Voigt – who confesses he is not a songwriter – uses his Facebook page and small pool of 6000 fans to help co-write lyrics:

*I first ask for a line of lyrics and then produce some music to go with it […] by that time, you have a verse structure. So I ask for more lines of similar shape and rhythm to the first. Then the same process with the chorus. It worked two times out of three.*

For Reardon, audience feedback is key to content development and channel longevity. 'Reading the comments is one of the main advantages with YouTube,' she says. 'You get immediate feedback from the audience. You can learn how to make it more entertaining and evolve the content as you go.'

Another striking aspect of how YouTubers relate to one another and their viewers is friendly and strategic collaboration, which accommodates fun and helps grow their audiences. An example is *RackaRacka*'s *Proof Ouija Boards Work!!!* video on KSI's channel, as Philippou explains:

*KSI is a good friend of ours. He's made like the ultimate channel and career for himself. We've filmed with him, and he's cool. He's made an empire for himself and is a multimillionaire and its really cool.*

*

The intense labour. The long, antisocial hours. The sometimes brutally honest feedback from fans and – especially for female creators – the incessant trolling. Why do these content creators put themselves through it?

As Taylor-Marsden puts it, 'Jos is a YouTuber. That's his job.'

*He's 100 per cent engaged with his audience […] He wishes he could engage one on one more, but that comes back to time. There's a kid in Poland with an autoimmune disease. He flew from Poland to our London community artist event, so Jos did a private meeting. Also, we had an email from a guy in Yemen. He said, 'I draw and do art and watch your YouTube videos because it keeps me sane as I hear the bombs dropping. It keeps me going.'*

For Shackleford, who recently won a Screen Australia Gender Matters grant and is currently writing a series for TV, it's about growing as an artist:

*I want to affect and change the world in a positive way through the stories I tell. Through comedy, through spreading joy. To me, there's enough negativity and trolling that exists. My role is to make things that uplift people's spirits, to help them to grow, to help them discover who they are.*

*The beauty of online is you have access to an audience you never had access to before. The gatekeepers and producers and studios – they are the ones who say, 'We decide what will be told to the world,' and that was it. But, now, we are taking the power back because we can make our own stories and find an audience for them.*

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Endnotes

[i]At the time of publication, 3.8 million subscribers and Social Blade Australia rank 7; see <https://www.youtube.com/user/Therackaracka>. Social Blade ranking information obtained from <https://socialblade.com/youtube/top/country/au/mostsubscribed>. Both accessed 31 May 2017.

[ii]3.2 million subscribers and Social Blade Australia rank 10; see <https://www.youtube.com/user/howtocookthat>, accessed 31 May 2017.

[iii]1.5 million subscribers and Social Blade Australia rank 30; see <https://www.youtube.com/user/DrawWithJazza>, accessed 31 May 2017.

[iv]894,000 subscribers and Social Blade Australia rank 69; see <https://www.youtube.com/channel/UC4FVKG3QEgghwbnPDtfC1-Q>, accessed 31 May 2017.

[v]327,000 subscribers; see <https://www.youtube.com/user/SexuaLobster>, accessed 31 May 2017.

[vi]85,000 subscribers; see <https://www.youtube.com/user/TheRoundaboutCrew>, accessed 31 May 2017.

[vii]See 'Skip Ahead', Screen Australia website, <https://www.screenaustralia.gov.au/funding-and-support/television-and-online/production/skip-ahead>, accessed 31 May 2017.

[viii]See Hank Green, 'The $1,000 CPM', *Medium*, 5 April 2015, <https://medium.com/@hankgreen/the-1-000-cpm-f92717506a4b>, accessed 31 May 2017.

[ix]Leron Solomon, 'Fair Users or Content Abusers? The Automatic Flagging of Non-infringing Videos by Content ID on YouTube', *Hofstra Law Review*, vol. 44, no. 1, 2015, p. 237.

[x]Manuel Castells, *The Rise of the Network Society: The Information Age: Economy, Society, and Culture*, vol. 1, 2nd edn, Wiley-Blackwell, Chichester, 2010.

[xi]Grieg de Peuter, 'Creative Economy and Labor Precarity: A Contested Convergence', *Journal of Communication Inquiry*, vol. 35, no. 4, 2011, pp. 417–25.

[xii]Richard Florida, *The Rise of the Creative Class, Revisited*, rev. & expanded edn, Basic Books, New York, 2014.

[xiii]John Howkins, *The Creative Economy: How People Make Money from Ideas*, Penguin, London, 2002, pp. 124, 132.

[xiv]Jason Calacanis, 'I Ain't Gonna Work on YouTube's Farm No More', *Launch*, 2 June 2013, <http://www.launch.co/blog/i-aint-gonna-work-on-youtubes-farm-no-more.html>, accessed 31 May 2017.

[xv] Belza, J., Forth, P., Purnell, J., & Zwillenberg, P. (2012). Culture Boom: How Digital Media are Invigorating Australia. *Report. Boston: Boston Consulting Group*. P 19

[xvi]Greg Jarboe, 'Why Micro Moments Matter for Facebook, YouTube, and Twitter Video', *Tubular Insights*, 12 October 2015, <http://tubularinsights.com/micro-moments-facebook-youtube-twitter/>, accessed 31 May 2017.

[xvii]'Game Theory: Is YouTube Killing Pewdiepie [sic] and H3H3 … and Everyone?', YouTube, 10 December 2016, <https://www.youtube.com/watch?v=tyHaMVRgBV0>, accessed 31 May 2017.

[xviii]See 'YouTube Announces Pop-up Space for Creators in Sydney', *B&T Magazine*, 3 November 2016, <http://www.bandt.com.au/media/youtube-pop-up-space-sydney-aftrs>, accessed 31 May 2017.