

## FAQ: QUOTAS FOR CHILDREN'S CONTENT ON COMMERCIAL FREE-TO-AIR-TELEVISION

### Why are there quotas for children's content on commercial television?

Prior to the introduction of the quota system, most of what Australian children saw on their screens came from overseas. The goal of the quota system is to ensure that Australian kids have access to content that is made specifically for them and about them on commercial television.

The *Children's Television Standards 2009 (CTS)* is part of the regulatory framework established under the *Broadcasting Services Act 1992 (Cth) (BSA)* which seeks to promote the availability to audiences throughout Australia of a diverse range of television services offering entertainment, education and information.

### Why are children a special case?

Children experience the world differently from adults. So, it is not surprising that they require content that is made specifically for them, that reflects their experiences and captures their imagination.

Child centric viewing has merit. Done well, broadcasting services that focus on kids provide immersive spaces for kids to learn and enjoy screen content. They become **destinations for kids' content**.

### Are the quotas still relevant in the modern media landscape where television is only one of the ways Australian children consume screen content?

Yes. The reasons why quotas were first introduced are more relevant today than ever before. It is important that there is a **diversity of quality content accessible** to all Australian children on these important broadcasting services. However, it is appropriate that the system evolve to reflect children's modern viewing habits.

The United Kingdom (**UK**) is a good illustration of why quotas are still important. The UK abolished children's quotas for its (commercial) broadcasters in 2006. Following that decision, the spend on new children's content dropped from £116m in 2006 to £70m in 2017 (Ofcom, *Media Nation UK: 2018*).

As a result, in 2017 the UK Government gave OfCom (its ACMA equivalent) regulatory oversight of children's content on (commercial) broadcasters (including the power to impose quotas).

### Should commercial free-to-air broadcasters be required to make children's content?

Yes. It is part of the social contract that goes with their use of the broadcasting spectrum in Australia.

The commercial free-to-air broadcasters enjoy special privileges. For example, they are protected from the Government granting additional licences for competing businesses to use the spectrum and have first rights to access valuable sports content through the anti-siphoning list.

As a result of these privileges, Australian commercial free-to-air broadcasters have a special position as **prominent, trusted** institutions with an enormous **reach**. That carries with it a responsibility to the Australian public, including a responsibility to ensure that Australian children have access to quality content that is made for, and about, them

### **Can commercial free-to-air broadcasters make great children's content?**

Australian commercial free-to-air broadcasters have a proud tradition of making iconic children's television. This requires investment in program development and production as well as marketing and promotion of services and programming to audiences.

In recent years, commercial free-to-air broadcasters have had increasing competition for audiences across the board. This has made them reluctant to invest in kids' programming (and the marketing of those programs) because it is harder to generate commercial returns (through advertising) from kids' content.

As a result, audiences for children's content have declined faster than for other content on the commercial free-to-air broadcast schedules.

It is clear that modern viewing habits need to be considered when programming and marketing children's content, which is increasingly through the commercial free-to-air broadcasters' video on demand services.

As OfCom has stated:

*To reach today's children and future generations, broadcasters need to exploit the opportunities presented by the internet to ensure young audiences have access to high-quality and original programmes, but in ways that suit and reflect their viewing habits. (OfCom, Children's Content Review: Our response to broadcaster plans, July 2019, p. 4).*

### **How much children's content is being made and broadcast in Australia?**

Commercial free-to-air broadcasters must screen a combined total of at least 260 hours of C programs (for children other than pre-schoolers) and at least 130 hours of P programs (for preschool children) per year from any source, with a combined total of at least 390 hours.

Within this, there is a requirement for at least 96 hours of first-release Australian C drama over a three-year period and at least 25 hours per year. They must also screen at least eight hours of repeat Australian C drama per year.

This must be seen in the context of overall programming. For example, in 2018 commercial free-to-air broadcasters showed 393 hours of first run Australian children's programming. This is out of a total 52,560 hours\* of programming. In other words, it is 0.74% - a fraction of the total broadcast hours.

*\*This calculation is based 12 hours a day per channel times the number of free-to-air broadcasters.  $17,520 \times 3 = 52,560$  total (or 105,120 for 24 hours a day).*

In 2018/19, 15 children's TV dramas entered production, including two Official Co-productions. Of the 15, seven were for the ABC, one for NITV, six for the commercial free-to-air broadcasters and one for Foxtel (Screen Australia, *Drama Report 2018/19*).

**Is the money involved significant?**

No. The spend on children's content has traditionally been around 1.6% of total programming expenditure for commercial free-to-air broadcasters (ACMA, Broadcasting financial results).

**Is it appropriate that commercial broadcasters are the only ones subject to the quota system?**

From an industry perspective, it is vital that there is a **mix** of purchasers for kids' content for the market to work effectively. It also is important also for audiences, including children, to have different options for viewing content.

Extending the quota system to other sectors of the media would be one way to help ensure that, while also levelling the playing field. This is something that is currently being considered in the context of the *ACCC Digital Platforms Inquiry Final Report*.

**For enquiries, please contact:**

Fiona Phillips

Policy Consultant

Screen Producers Australia

[fiona.phillips@screenproducers.org.au](mailto:fiona.phillips@screenproducers.org.au) | 0419 240 105

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**About Screen Producers Australia:**

Screen Producers Australia was formed by the screen industry to represent large and small enterprises across a diverse production slate of feature film, television and interactive content. Our members employ hundreds of producers, thousands of related practitioners and drive more than \$1.7 billion worth of annual production activity from the independent sector.

On behalf of these businesses we are focused on delivering a healthy commercial environment through ongoing engagement with elements of the labour force, including directors, writers, actors and crew, as well as with broadcasters, distributors and government in all its various forms. This coordinated dialogue ensures that our industry is successful, employment levels are strong and the community's expectations of access to high quality Australian content have been met.