



**Submission to Screen Australia Discussion Paper – *Documentary Funding:
Stories That Matter***

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4 April 2014

1. Introduction

The Australian Subscription Television and Radio Association (ASTRA) welcomes the opportunity to comment on the Screen Australia Discussion Paper *Documentary Funding: Stories That Matter* ("the Discussion Paper").

2. About ASTRA

ASTRA is the peak industry body for subscription television (STV) in Australia. ASTRA was formed in September 1997 when industry associations representing subscription (multichannel) television and radio platforms, narrowcasters and program providers came together to represent the new era in competition and consumer choice. ASTRA's membership includes the major STV operators, as well as over 20 independently owned and operated entities that provide programming to these platforms, including Australian-based representatives of international media companies, small domestic channel groups and community-based organisations. In 2012-13, STV invested around \$700 million in Australian content production, employing 6600 Australians and adding \$1.6 billion to the Australian economy.

3. Overview of ASTRA position

With a full suite of factual channels, STV is a natural destination for documentary lovers. Sometimes referred to as the 'diverse and discerning' segment these viewers are looking to be engaged by a range of documentaries (as well as genres such as news and quality drama). On STV they are looking for programming that is intelligent and provocative, but is also accessible and can be entertaining. In this regard STV aims to commission contemporary and well-paced documentaries.

Unlike commercial or national television broadcasters, the wide variety of documentary and lifestyle channels on STV means that STV broadcasters are able to showcase more documentaries from the small to medium end of the market to satisfy a range of niche and specialised tastes and interests, which can be delivered across a number of platforms (including broadcast television, on-demand and online).

For example, on the Foxtel broadcast platform there are:

- **7 channels** that broadcast entirely documentary programming (History, Nat Geo, BBC Knowledge, Animal Planet, Nat Geo Wild, Turbo/Max, Discovery Science); and
- **6 channels** that broadcast a mix of reality and documentary programs (the Crime & Investigation Network, Bio, Nat Geo People, Discovery, Discovery Home, TLC); and
- a number of lifestyle and other channels on which documentary programming can appear.

ASTRA and its members acknowledge the strong working relationship with Screen Australia in relation to documentary production, with Screen Australia providing support for a number of quality documentary features and series broadcast on STV. However, as we have raised previously, we have long considered the funding guidelines for Screen Australia's documentary programs to be skewed against the ability of STV to gain fair and equitable access to Screen Australia funding, particularly in relation to funding contestability and Screen Australia's minimum licence fee requirements (an issue not addressed in the Discussion Paper).

In common with much television programming, not all documentaries are made equal. A number of factors impact the final product like production quality and scale, producer experience, and the subject matter itself. Screen Australia's current policy reflects an unnecessarily rigid position that all television documentaries have an equal value and assumes that they are better suited to the audiences of the national broadcasters. This policy is unlikely

to properly meet Screen Australia's objectives for broader development of, and wider access to, Australian documentaries.

We register our concern that, in ASTRA's view, the Discussion Paper continues to evidence an unbalanced approach to documentary funding that does not sufficiently acknowledge the fast changing media and communications environment and the increasingly different ways in which audiences (including audiences for factual content) access and use content.

Audience 'reach'

While audience 'reach' may be a relevant consideration, ASTRA considers that it should not be the dominant consideration for Screen Australia investment decisions. Screen Australia should instead be focused on the fundamental principles of quality, innovation and diversity – in short, the merits of the proposed program itself should be paramount.

To the extent that audience 'reach' is considered, Screen Australia should avoid simplistic, analog-era audience measures and acknowledge the specialised, niche nature of many factual programs (and their audiences) and the increasingly varied ways in which audiences access and view audiovisual content.

Where audience reach is considered in the STV context, Screen Australia should have regard to the full 'life-cycle' of a program across the complete range of STV distribution platforms, and not just focus on the size of the overnight audience, or audience for the program in the first week after its premiere.

Attachment A sets out a full picture of the audiences for a range of STV documentary programs. The table sets out:

- traditional measures, such as:
 - the overnight broadcast audience for the premiere of a program (including audiences for multiple screenings of the program on the night of premiere); and
 - its total broadcast audience in the first week after premiere (taking into account encore screenings and time-shifted viewing); as well as
- its 'lifetime reach' on the Foxtel broadcast platform – which also includes audiences for encore screenings beyond the first week after premiere.

Importantly, the table also sets out:

- catch-up viewing where a program has been downloaded via an IP connection to the set top box;
- live and catch-up viewing on the Foxtel Go companion App; and
- live and catch-up viewing on the internet TV service Foxtel Play.

Taking as an example *The Bombing of Darwin: An Awkward Truth*, a program referred to in the Discussion Paper, the full life-cycle view reveals that the program has been seen by more than 800,000 viewers since its premiere in 2012 – across both broadcast and IP platforms. This audience is more than three times the cumulative audience for the program mentioned in the Discussion Paper (253,000).

In many cases these life-cycle numbers compare favourably to the audience reach achieved by the national broadcasters.

ASTRA acknowledges and agrees with the observation in the Discussion Paper that:

[o]ver time...a more platform-neutral approach may replace funding programs directed at specific distribution platforms...as the most effective way for Screen Australia to support documentary projects.¹

In our view such a time is fast approaching, and there would be value in Screen Australia recalibrating its funding model now to accommodate growth in platforms other than free-to-air (FTA) broadcasting, and having greater regard to the different ways in which different sectors reach their audiences.

Funding contestability

Direct investment of taxpayer funds into Australian content production should be fully contestable. In particular, organisations that already receive substantial Government support should not receive preferential treatment in what should be an open contest for content funding based on the merits of the proposed program. There is nothing inherent in Screen Australia's obligations to necessitate a pre-determined broadcaster-based funding split favouring the national broadcasters, and the national broadcasters should not have an expectation that Screen Australia will routinely supplement their annual production budgets. This discriminates against commercial and subscription television broadcasters and anyone else (for example digital platforms) seeking to fund documentaries. If the national broadcasters believe they have a case for guaranteed additional documentary funding they should make it through the usual budgetary processes.

Qualifying threshold

The minimum fee threshold levels set by Screen Australia are increasingly out of date and inflexible given how markets operate. Documentary productions have many variables influencing their value. Initially, this will be based on the quality of the production, the value of comparable documentaries, and the expected audience and available commercial exploitation. Further value from sales will be determined based on the success and audience appeal of the documentary. It is unclear why minimum licence fees for programs (\$150,000 per broadcast hour for the National Documentary Program (NDP) and \$135,000 per broadcast hour for the General Documentary Program (GDP)) are required other than to put an artificial floor on documentaries, when such floors are not required.

A documentary with a budget of \$1 million would usually deserve a higher licence fee than a documentary with a budget of \$250,000. Similarly a broadcaster may be more inclined to spend additional monies investing in a \$1 million production if it had flexibility to incentivise producers as well as recoup its investment in the production itself (for example, other media exploitation). In addition, it may be more willing to purchase and broadcast an increased number of productions if the fees were more realistic and aligned with similar overseas documentaries. Therefore, ASTRA believes the set licence fees should be abolished to allow the market to be determinative of the value of documentaries and be more creative with its funding of documentaries.

In addition, the funding levels do not provide ASTRA members with any real room to grow the number of Screen Australia funded documentaries on STV. The minimum licence fee requirements for the two domestic documentary programs are often not economically feasible for the STV business model, making it extremely difficult for STV to access funding from these programs. While ASTRA acknowledges the International Documentary Program is fully contestable, the minimum licence fee of \$120,000 is again excessively prohibitive for investment by some STV channels.

¹ Screen Australia, Discussion Paper, *Documentary Funding: Stories that Matter*, April 2014 ('SA Discussion Paper'), p.11.

Complexity of Screen Australia funding programs

The range and complexity of Screen Australia's documentary funding programs could be reduced over time, and application procedures streamlined to be more efficient, to the benefit of both Screen Australia and applicants. The process is lengthy, and the paperwork onerous, which increases costs for producers, including the cost of legal review. The more streamlined grant process provides a model of a simpler scheme.

Longer term issues

While ASTRA recognises that this consultation is focused on Screen Australia's direct funding programs, we take this opportunity to reiterate broader policy positions of relevance to funding assistance for documentary production, specifically in relation to funding for documentaries under the Producer Offset scheme, and the definition of 'documentary' for the purposes of Screen Australia's funding decisions:

Producer Offset

ASTRA restates its position that the funding disparity in favour of film over television under the Producer Offset scheme is becoming increasingly difficult to justify given the increasing prominence of television (and other platforms) as vehicles for distribution of quality audiovisual content. Increasing the offset rate to 40%, to align with film, would encourage greater investment and production on the platforms where documentaries are more likely to be seen by Australian audiences.

Definition of documentary

While ASTRA recognises that tax legislation was recently amended to incorporate a definition of documentary, ASTRA maintains that this definition has been framed too narrowly, particularly for the purposes of the Producer Offset scheme. The styles and formats of factual programming have evolved significantly over the past two decades, while audience expectations regarding the form, style and substance of factual programming are also evolving, meaning producers and broadcasters are constantly exploring new and innovative ways of delivering factual programming that is engaging and entertaining, and in formats that are relevant and accessible to changing audience demands. ASTRA is concerned that the underlying rationale for the current definition is that the more a factual program is produced with an eye to its 'entertainment' potential, the less likely it would be regarded as a documentary.

4. Responses to questions for discussion

Are specific targeted programs such as the current suite of documentary programs efficient and effective?

As noted above, ASTRA members have reported the Screen Australia application process is very time and resource-intensive. A more streamlined approach, particularly in relation to the amount of documentation required, could enable a more efficient and effective application process, to the benefit of both the applicant and Screen Australia.

How can Screen Australia best support low-budget documentary making?

As noted above, Screen Australia's minimum licence fee requirements are a strong disincentive for greater investment in documentary programming by the STV sector. A more flexible approach to licence fees, which take into account the longer term scale return on investment that may apply under the STV model, would help to ensure more Australian documentaries are produced and broadcast by STV.

How can high-end documentaries reach the broadest possible audience?

In ASTRA's view, the primary focus of Screen Australia's funding programs should be supporting and promoting the development of high quality documentaries that audiences want. The important long-term objective should be that high quality, innovative Australian documentaries – that are culturally important while being attractive to both domestic and international audiences – continue to be made by a diverse range of industry participants.²

To the extent that reaching a broad audience is an objective of Screen Australia funding decisions, we consider it would be more effective to have the objective of ensuring documentaries reach those audiences interested in viewing them, across a range of distribution platforms, rather than a simplistic, analog-era initial-broadcast view of 'audience reach'.

ASTRA notes that the objective of reaching a 'broad audience' is not necessarily one reflected in the functions of Screen Australia under the *Screen Australia Act 2008* (Cth). The objectives of supporting or engaging in "the development, production, promotion and distribution of Australian programs" and "the provision of access to Australian programs"³ should surely encompass equitable support for Australian content production and distribution across a variety of industry sectors and platforms. Further, greater contestability in Screen Australia documentary funding would be consistent with Screen Australia's requirement to "support and promote the development of a highly creative, innovative and commercially sustainable Australian screen production industry"⁴, and would in fact make a significant contribution towards Screen Australia achieving its statutory objectives.

Nor is the objective of reaching a 'broad audience' necessarily reflected in Screen Australia's current documentary funding guidelines. For NDP and GDP funding, for example, one of the criteria for Screen Australia's investment decision-making is listed as "the project's potential to connect with its *target* audience"⁵ (emphasis added). ASTRA suggests that an approach that recognises the niche or specialised nature of many documentary topics (and documentary audiences) – as indeed appears to be reflected in the current guidelines – is far more appropriate, to the extent that audience 'reach' is a consideration.

ASTRA notes various references in the discussion paper to FTA television (particularly the national broadcasters) as the preferred vehicle for documentary distribution, which would appear to place STV and other platforms at an immediate comparative disadvantage to the ABC and SBS, even before the quality and substance of a particular proposal is examined.

By stating a preference for a subset of FTA television as the best way to distribute documentary content Screen Australia is reducing its ability to support new platforms that are likely to grow and bring in new sources of funding for documentary and other content.

ASTRA notes the comments of Screen Australia that TV schedules tend to have more 'lighter factual' and repeats than 'intensively researched or authorial documentary forms'.⁶ While this may be true of the top-rating commercial FTA documentary programs listed in the Discussion Paper, ASTRA notes that the factual channels on STV (while also broadcasting 'lighter factual' material) are home to significant range of 'high-end' local and international documentary programming, reflecting the demand for such content by STV subscribers. In addition, given the breadth of channel choice on STV, it is also important to note that greater opportunities to view encore screenings across the schedule, let alone to watch on-demand, are provided to meet subscriber expectations. As the 'Lifetime reach' statistics at **Attachment A** demonstrate, the

² STV documentary and factual programs that have been sold in international markets includes *Kalgoorlie Cops*, *Territory Cops*, *River Cottage Australia*, *Coast Australia* and *Kings Cross ER*.

³ *Screen Australia Act 2008* (Cth), s 6(1)(b)

⁴ *Screen Australia Act 2008* (Cth), s 6(1)(a)

⁵ Screen Australia, *Program Guidelines – Documentary Programs* (version released 8 November 2013), pp. 9, 11.

⁶ SA Discussion Paper, p.3.

launch and first week broadcast audiences for a documentary on STV are significantly multiplied thanks to encore screenings.

If Screen Australia is still minded to prioritise 'audience reach' as an objective, ASTRA notes that, when Lifetime reach audiences for a given documentary program are taken into account, actual audience numbers for documentaries broadcast on STV are often comparable to Screen Australia-funded documentary programs broadcast on the ABC or SBS.

Should Screen Australia continue to offer separate theatrical funding for documentaries or should it create one funding program for 'premium' documentaries, regardless of platform?

ASTRA submits that funding for theatrical releases should be folded into one or more of Screen Australia's other existing funding programs. Funding decisions should primarily be based on the principles of quality, diversity and innovation – if it is to be considered at all, the platform for distribution should be of secondary consideration (particularly given that any documentary program is likely, in any event, to have multi-platform distribution e.g. broadcast, catch-up, VOD, DVD etc).

ASTRA considers that the STV platform, in particular, provides a natural home for 'premium' documentaries. We note comments in the Discussion Paper that documentaries funded by Screen Australia for theatrical release are often shown on fewer than 20 screens.⁷ In comparison, STV is available in around 2.5 million Australian homes, for whom the availability of a range of specialist factual programming channels is a significant drawback.

Could a requirement for marketplace commitment be met in ways other than a broadcaster presale?

Nil comment.

If so, what sort of indicators of audience reach and engagement could Screen Australia reasonably expect filmmakers to provide for their projects?

While we have no comment in relation to alternatives to a broadcaster presale as the requirement for marketplace commitment, we reiterate our view that Screen Australia should avoid simplistic, overnight ratings measures of audience reach, and focus on the proposed program's target audience and the ability of a range of platforms to reach that audience over a longer period.

What are the impacts (positive and negative) on the industry of the notional broadcaster funding allocations which currently apply to the NDP and GDP? Should these be revised?

The existing notional broadcasting funding allocations obviously place STV broadcasters at a disadvantage in accessing Screen Australia funding compared to the national broadcasters. Combined with terms of trade that do not reflect the STV business model, further discouraging investment by the STV sector in documentary programming via Screen Australia's funding programs, the funding allocations severely limit the capacity for the private sector generally, and STV in particular, to develop and invest in 'high-end' documentary programs.

As stated above, ASTRA strongly contends that Government funds should be fully contestable with all potential recipients treated equally, and proposals considered on their own merits. In particular, entities that already receive Government funding, such as the national broadcasters, should not have preferred access to NDP or GDP funding. ASTRA contends that there is nothing inherent in Screen Australia's obligations to necessitate a pre-determined broadcaster-based funding split, and the national broadcasters should not have an expectation that Screen

⁷ SA Discussion Paper, p.7

Australia will routinely supplement their annual production budget. If the Government of the day is of the view that documentary production should be a priority for the national broadcasters, the Government itself can fund them accordingly.

ASTRA notes Screen Australia's view that:

"...the allocation assists the public broadcasters and to some extent industry by providing greater funding certainty, but it reduces contestability. Whilst the public broadcasters still provide the most effective path to an audience in the current environment, we are already seeing producers explore other ways to reach audiences. Achieving this balance between funding content for today's audiences' favoured platforms and content that reaches out for new audiences is something that Screen Australia continues to focus on".⁸

In our view, maintaining the existing broadcaster funding split would not achieve this balance, but would instead continue to perpetuate an analog-era view of the media and communications that is fast losing relevance and currency. A fully contestable funding process would give greater opportunities for STV (and commercial FTA) broadcasters to receive Screen Australia funding based purely on the merits of the proposed program.

Full contestability, along with terms of trade more aligned with the STV business model, could also encourage further foreign investment in Australian documentary production. A number of major international broadcasting and production entities are represented on STV in Australia, including Discovery, FOX International and BBC Worldwide.

In making decisions about whether to invest in projects, what considerations should be prioritised (eg cultural, innovation, audience reach)?

ASTRA submits that Screen Australia investment decisions should be primarily based on the fundamental principles listed by Screen Australia: quality, diversity and innovation. In other words, investment decisions should focus strongly on the merits of the proposed program. Quality programming will always find an audience. Screen Australia's direct investment decisions should be about encouraging excellence and innovation in telling Australian stories in ways that are compelling and attractive to audiences.

What are the advantages and disadvantages of Screen Australia accepting applications in rounds versus at any time?

The advantage of accepting applications in rounds is that having set dates for submission and decisions adds certainty to planning.

Accepting applications at any time would give producers and broadcasters maximum flexibility to develop projects and make applications at the time that most suited their circumstances, and to plan production and broadcast/distribution as most commercially appropriate. However, where there are no set rounds, applicants may ultimately be disadvantaged if the set pool of funds for the year had already been allocated to other applicants by the time of their application.

⁸ SA Discussion Paper, p.12

ATTACHMENT A: AUDIENCES FOR DOCUMENTARY PROGRAMS ON THE FOXTEL PLATFORM

Program	SA funding?	Cable & satellite broadcast platform			IP-delivered
		Launch audience ⁹	Cumulative average ¹⁰	Lifetime reach ¹¹	Foxtel iQ, Go and Play (defined periods) ¹²
Series					
Tony Robinson Explores Australia <ul style="list-style-type: none">6 x 1 hour on The History ChannelA revealing and unique perspective on Australian society and historyPremiered 3 May 2011	No	152,000	303,000	1,708,000	3,228
Kings Cross ER (first season) <ul style="list-style-type: none">10 x 30 mins on the Crime & Investigation NetworkFilmed in a busy Sydney hospitalPremiered 2 February 2012	No	213,000	281,000	1,367,000	49,674
Tony Robinson's Time Walks (first season) <ul style="list-style-type: none">10 x 30 minutes on The History ChannelUncovering the history behind, below and above the places we walk every dayPremiered 10 September 2012	No	174,000	220,000	1,138,000	8,554
Coast Australia <ul style="list-style-type: none">8 x 1 hour on the History ChannelHistorians and other experts examine the people, archaeology, geography and marine life of the Australian coastPremiered 2 December 2013	No	234,000	262,000	1,360,000	23,517

⁹ Combined audience for episode one on the premiere night – being the sum of the audiences for all screenings that occurred on premiere night, including timeshifted viewing. Source: OzTAM. Nat STV. Total People. Consolidated Audience.

¹⁰ Cumulative average audience (consolidated – weekly screening) – the average of the weekly sums across the season. Source: OzTAM. Nat STV. Total People. Consolidated Audience.

¹¹ The total number of unique viewers for that series across all screenings broadcast to date. OzTAM. Nat STV. Total People. Consolidated Reach (based on 1 minute).

¹² Includes:

- Foxtel iQ downloads** (1/2/13–18/3/14): Downloads to Foxtel's iQ set top box. 'Download' equates to one full episode sent to STB planner. Source: Telstra CDN downloads (1 Feb 2013–18 Mar 2014).
- Foxtel Go views** (5/11/13–23/3/14): Views on Foxtel's Go app, which is available to existing subscribers using iPads, iPhones, Macs, PCs and selected Samsung GALAXY devices. Note: data includes both live and catch-up views for devices other than PC and Mac. Views = 5 seconds or more. Consolidated figures subject to polling. Source: Omniture Site Catalyst (5 Nov 2012–23 Mar 2014).
- Foxtel Play views** (1/1/14–23/3/14): Views on Foxtel Play, which is Foxtel's internet TV service for PC, Mac, selected Samsung and LG connected TVs and selected Samsung Blu-Ray home theatre systems. Data includes both live and catch-up views. Comprehensive data for PC and Mac views not included. Views = 5 seconds or more. Source: Omniture Site Catalyst (1 Jan–23 Mar 2014). Consolidated figures subject to polling.

Outback Coroner <ul style="list-style-type: none"> 8 x 1 hour on the Crime & Investigation Network Following various coroners examining deaths in outback and rural Australia Premiered 9 December 2013 	Yes	110,000	235,000	1,083,000	8,646
Single episode programs					
The Battle of Long Tan <ul style="list-style-type: none"> 104 minutes on The History Channel The story of Australian and NZ soldiers in the 1966 Battle of Long Tan in Vietnam Premiered 16 August 2006; run 3–4 times per year since 	No	150,000	267,000	1,486,000	1,084
The Bombing of Darwin: An Awkward Truth <ul style="list-style-type: none"> 1 hour on The History Channel Examining the events of the Darwin bombing of 1942 Premiered 19 February 2012 	Yes	186,000	253,000	807,000	2,846
Gallipoli from Above <ul style="list-style-type: none"> 1 hour on The History Channel How Australian officers used aerial intelligence, emerging technology and innovative tactics to plan the landing at Anzac Cove Premiered 25 April 2012 	Yes	73,000	134,000	541,000	1,829
The Train Disaster: The Granville Rail Disaster <ul style="list-style-type: none"> 1 hour on The History Channel The story of the survivors and rescuers of the 1977 Granville Train Disaster Premiered 18 January 2013 	No	173,000	213,000	536,000	52