



Australian Government



CHILD'S PLAY
ISSUES IN
AUSTRALIAN
CHILDREN'S
TELEVISION 2013

FOCUS ON THE PRODUCERS

- **Financing and production of children's drama:** Analysis of production and financial data from Screen Australia's production databases.
- **Children's content producers:** Interviews with children's content producers about their experiences of producing content for children and the opportunities and challenges facing the sector.

This paper is part of a series produced to inform discussion around children's television in Australia. The other papers and the summary report *Child's Play: Issues in Australian children's television 2013* can be accessed at www.screenaustralia.gov.au/childsplay

Child's Play draws from a number of sources. Screen Australia has undertaken all reasonable measures to ensure its accuracy and therefore cannot accept responsibility for inaccuracies and omissions.

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FINANCING AND PRODUCTION OF CHILDREN'S CONTENT

Screen Australia analysed production and financial data from its databases to help explore the unique characteristics of children's content production as well as recent trends and changes.

Key findings

- Peak years for production of children's drama were 2007/08 and 2008/09. Levels have been declining since then, although preliminary data for 2012/13 is indicating a recovery.
- Compared to drama for adults, children's drama is more commonly made as a co-production.
- Animated programs have been accounting for an increasing proportion of total children's drama production, in terms of both hours and total budgets.
- Producers cite raising production finance as the most significant challenge facing the sector, with sources drying up both in Australia and internationally, making it increasingly difficult to get projects off the ground.
- Children's drama relies more heavily on foreign finance than drama for adults, with a lower proportion of overall finance provided by the broadcasters.
- German sources have accounted for the largest share of foreign finance to domestic programs (ie excluding co-productions) in recent years. France is a major market for subsequent sales.
- The majority of children's drama production over the last five years has occurred in Victoria, followed by NSW and Western Australia.

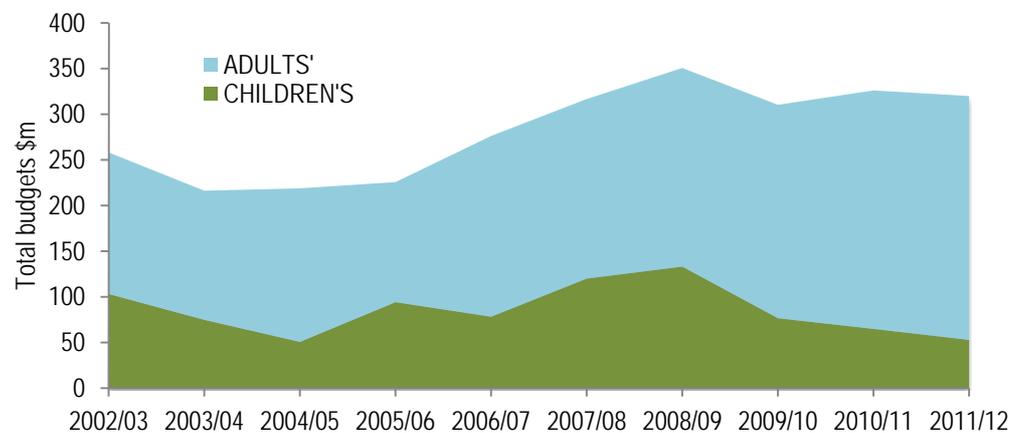
Production activity

10-year profile

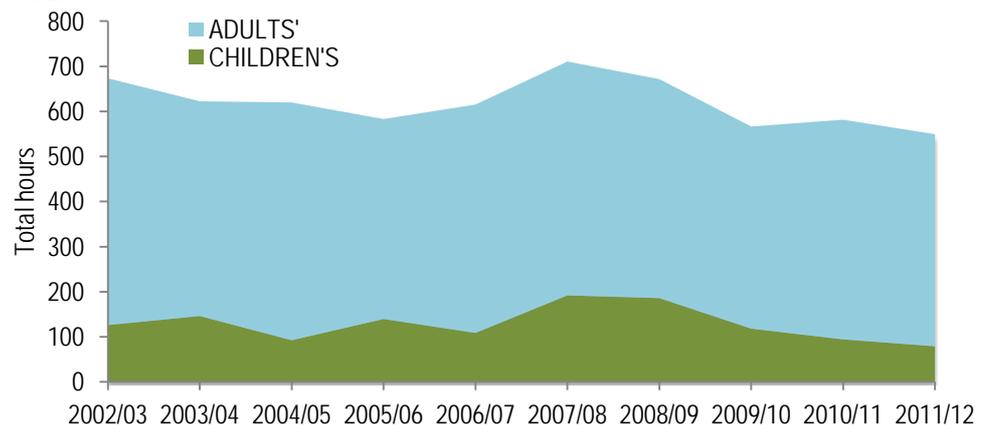
Around 130 hours of Australian children's drama is produced annually, with total value of around \$85 million. Children's drama has accounted for 30 per cent of total TV drama budgets over the last 10 years, and 21 per cent of total drama hours.

However, production levels fluctuate on an annual basis. Peak years for children's drama were 2007/08 and 2008/09. Co-productions were particularly strong in 2007/08, with titles including *Pearlie*, *Zeke's Pad*, *Dex Hamilton: Alien Entomologist*, *Time Trackers* and the final series of *Saddle Club*. In 2008/09, domestic production increased, with programs such as *My Place, a gURLs wURLd*, *Sumo Mouse* and returning seasons of *Lockie Leonard*, *H2O: Just Add Water*, *Dive, Olly, Dive!* and *Dogstar*. Levels have been declining since then, but preliminary data indicates that the 2012/13 children's drama slate will show an increase.

Total budgets



Total hours

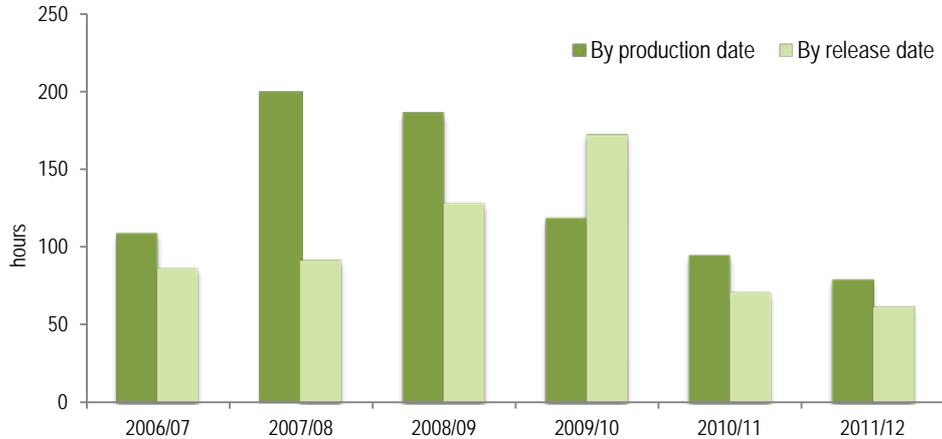


Production cycles

Children's drama production tends to be cyclical, partly due to the long production schedules of some titles. The *Children's Television Standards* requires the commercial free-to-air broadcasters to schedule a minimum of 25 hours of first-release C drama annually, and a minimum of 96 hours of a three-year cycle. Both of these factors can contribute to peaks and troughs in production activity on an annual basis, which are generally balanced out over the three-year cycle. To help contextualise some of these peaks and troughs, hours produced are

presented below based on release date (year of first broadcast) as well as production date (year principal photography commenced).

Hours of children's drama - production date vs release date

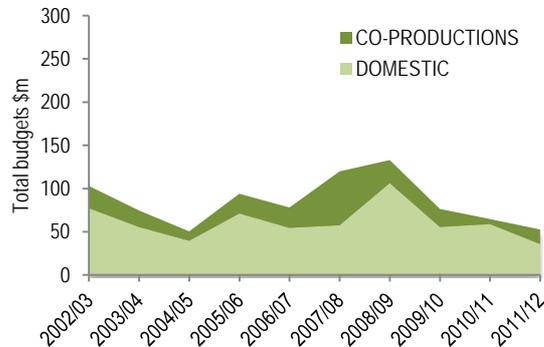


Co-production activity

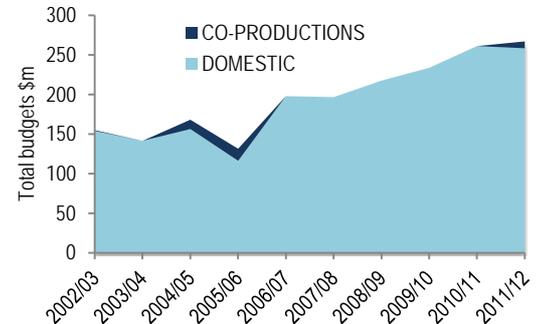
Compared to drama for adults, children's drama is more commonly made as a co-production.

Over the last 10 years, co-productions have comprised 26 per cent of total hours and 28 per cent of total budgets for children's drama, compared to only 1 per cent of hours and 2 per cent of budgets for adults' drama.

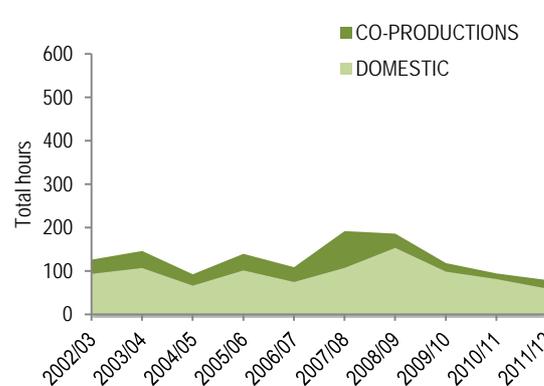
TOTAL BUDGETS ... Children's



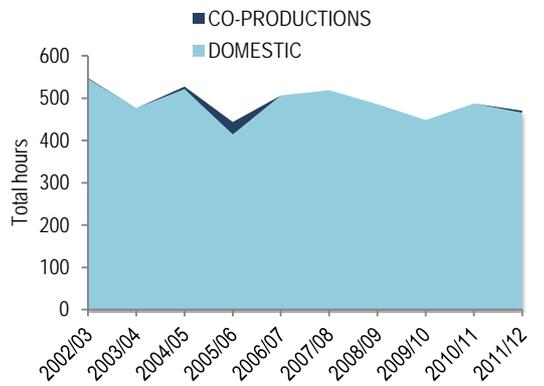
... Adults'



TOTAL HOURS ... Children's



... Adults'



The majority of children's drama co-productions have been animated, and made with Canada: 23 of the 28 made over the last 10 years were animated and 15 were made with Canada (including one three-way co-production with Singapore).

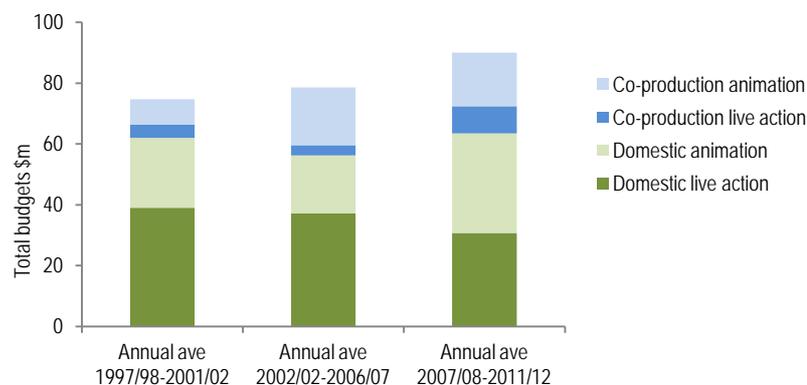
Partner country	Number of co-productions made 2002/03 to 2012/13		
	<i>Animation</i>	<i>Live action</i>	<i>Total</i>
Canada	12	2	14
France	6	-	6
UK	2	1	3
New Zealand	1	1	2
Ireland	-	1	1
Singapore	1	-	1
Canada/Singapore	1	-	1
Total	23	5	28

Projects made through Australia's International Co-Production Program

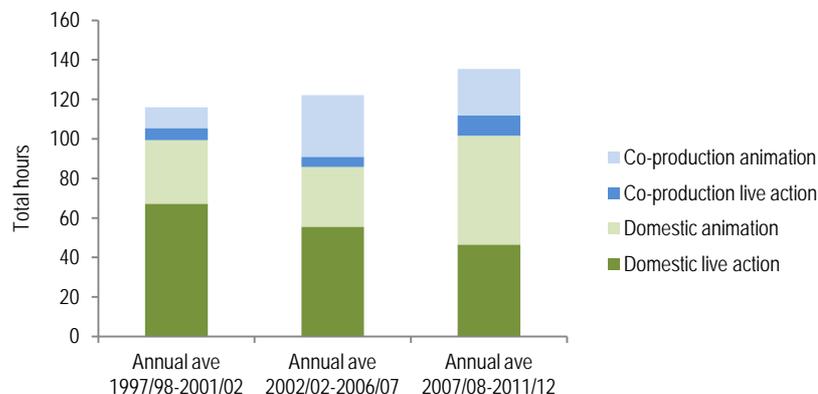
Live action vs animation

Animated programs (both domestic and co-production) have been accounting for an increasing proportion of total children's drama production, in terms of both hours and total budgets.

Total budgets

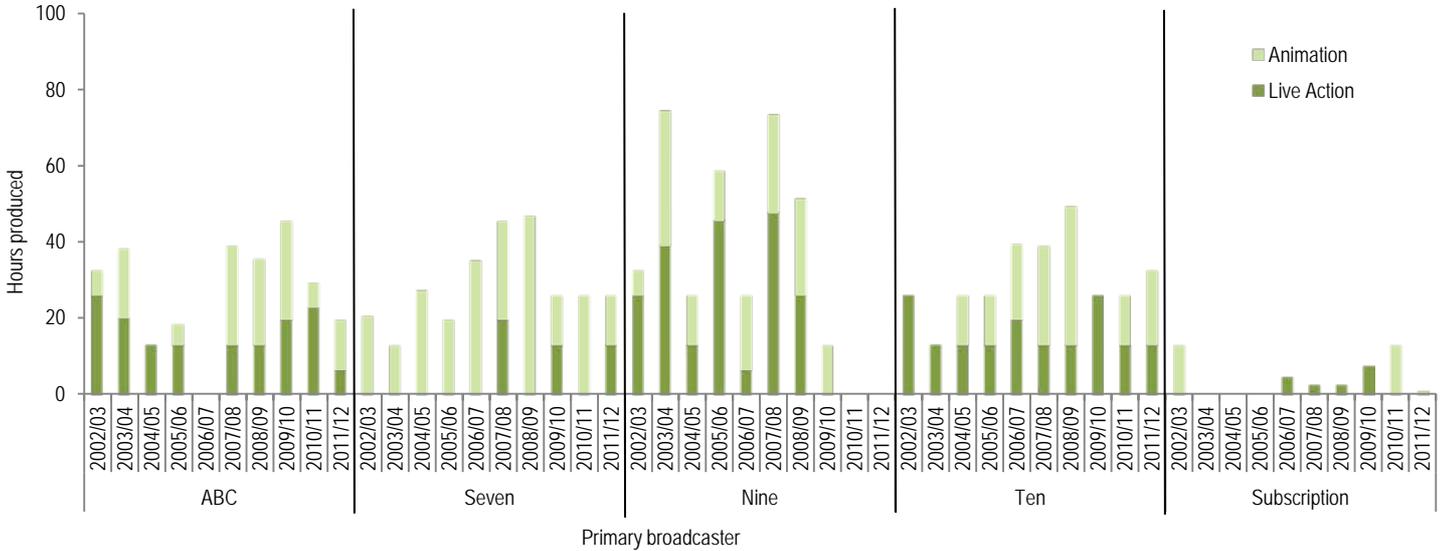


Total hours



Hours of live action and animation produced, by primary broadcaster

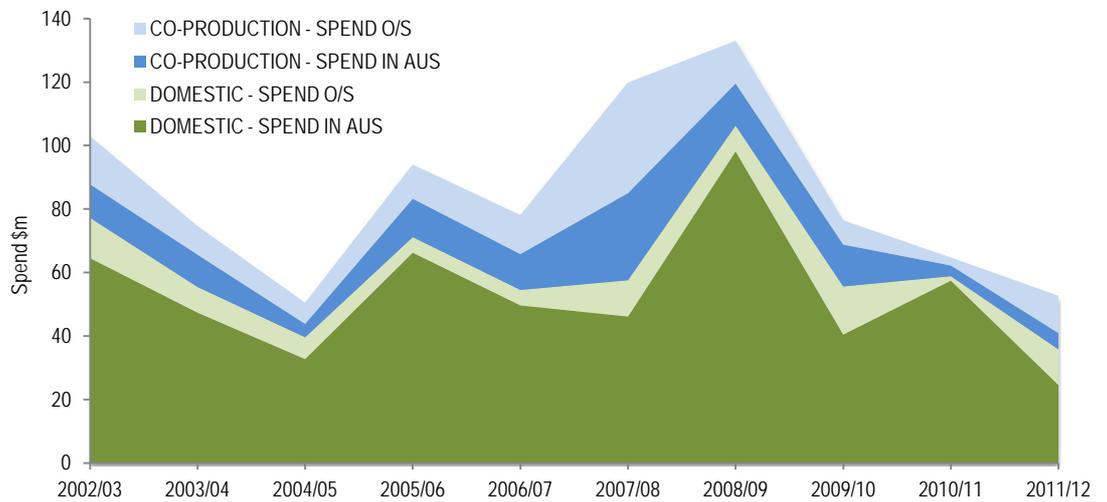
All the broadcasters have invested in a mix of live-action and animated children's programs over the last decade. The Seven Network has had a particular focus on animation.



Spend in Australia

While the nature of co-productions dictates that around half of their budgets are spent in the partner country, the vast majority of budgets for domestic children's drama programs have been spent in Australia.

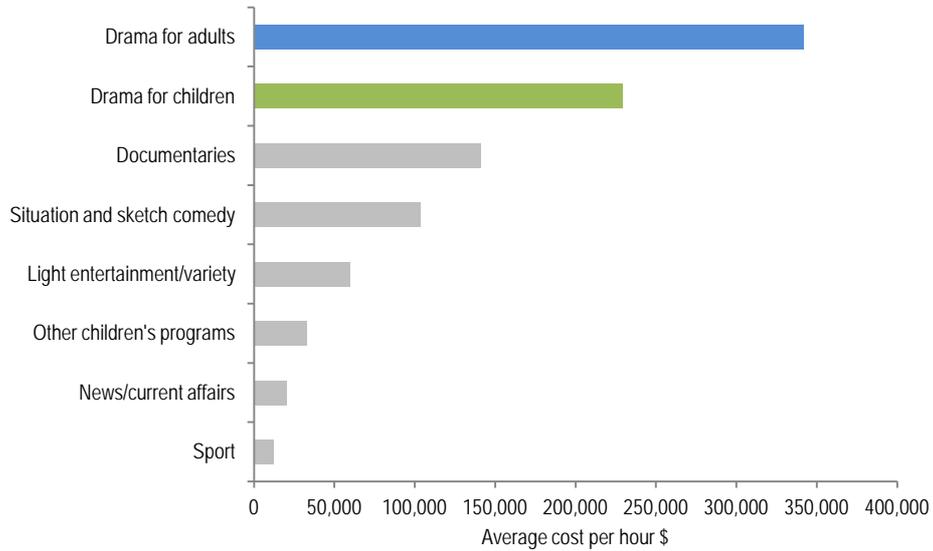
Expenditure in Australia and overseas by domestic and co-production children's drama, 2002/03-2011/12



Cost of production

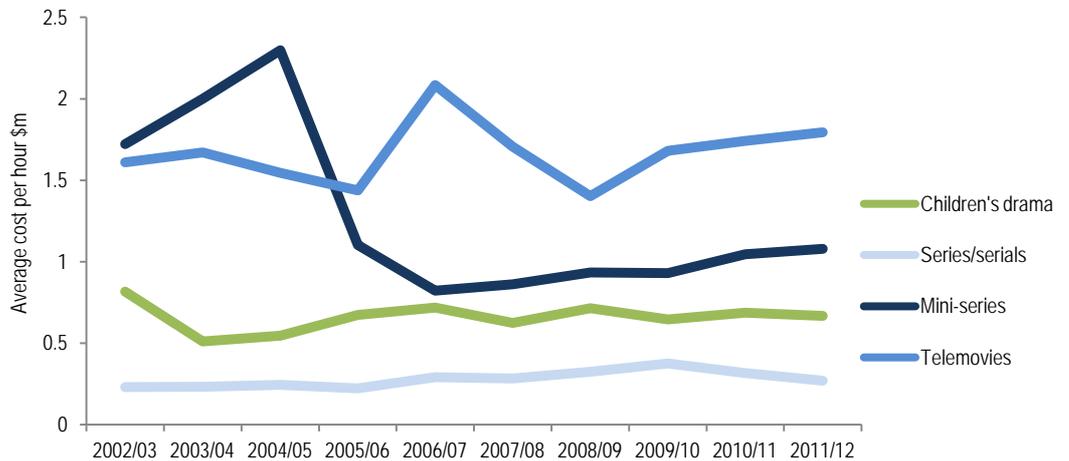
Children's drama is expensive to produce. The most recent comparative data from the Australian Bureau of Statistics (2006/07) showed that children's television drama was the second most expensive television program type to produce, following adult drama. Other types of children's program, such as game shows, were amongst the least expensive program types.

Australian programs, average cost per hour, 2006/07



More recent data from Screen Australia's annual Drama Report indicates an even higher cost per hour for children's drama, averaging \$661,000 over the last 10 years, compared to \$279,000 for series/serials, \$1.28 million for mini-series and \$1.67 million for telemovies.

Australian drama and children's drama, average cost per hour, 2002/03-2011/12



Sources of finance

Children's drama relies more heavily on foreign finance and direct government sources than drama for adults. Over the last five years, the largest proportion of finance for the children's drama slate has come from foreign sources (an average of 35 per cent). The reliance on foreign finance is not just a factor of the higher incidence of international co-productions – foreign sources contributed 25 per cent of finance to the domestic children's slate over the last 5 years, compared to 7 per cent of the adult TV drama slate.

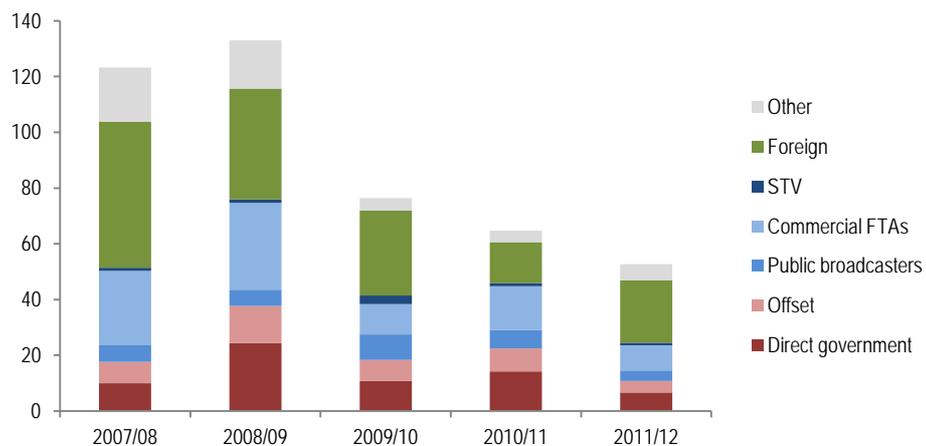
Conversely, the Australian broadcasters contributed 67 per cent of finance for the adult TV drama slate, compared to 34 per cent for the domestic children's slate, and 29 per cent to the combined children's slate.

Sources of finance as a proportion of total finance, five-year averages, 2007/08–2011/12

	Government	Foreign	Film/TV industry (incl. broadcasters)
Domestic children's	18%	25%	46% (34%)
Domestic and co-production children's	15%	35%	41% (29%)
Adults'	9%	7%	71% (67%)

Source: Screen Australia analysis of production data

Sources of finance (\$million), 2007/08–2011/12

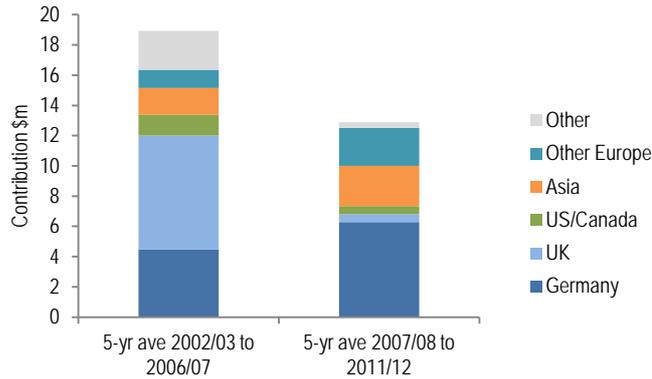


Sources of foreign finance – domestic slate

Foreign finance for domestic titles generally takes the form of presales or distribution guarantees from foreign broadcasters or distributors. Over the last five years, German sources have contributed the highest proportion of foreign finance to production budgets for domestic Australian children's dramas. Much of this has come from the German public broadcaster ZDF, which has been a consistent contributor over the last decade. ZDF also acts as a sales agent for many of the Australian titles in which it invests, and has been responsible for securing many subsequent foreign sales for Australian programs (see 'Overseas sales' below).

The previous five years saw a high proportion of foreign finance coming from the UK, predominantly the BBC. By contrast, recent years have seen an increase in finance from Asia and European countries other than the UK or Germany.

Annual foreign contributions to domestic Australian children's drama production



Overseas sales

While many children's dramas rely on foreign presales to help raise their production budgets, (as outlined above), they may also achieve overseas sales after completion, for broadcast, DVD or VOD distribution in other territories.

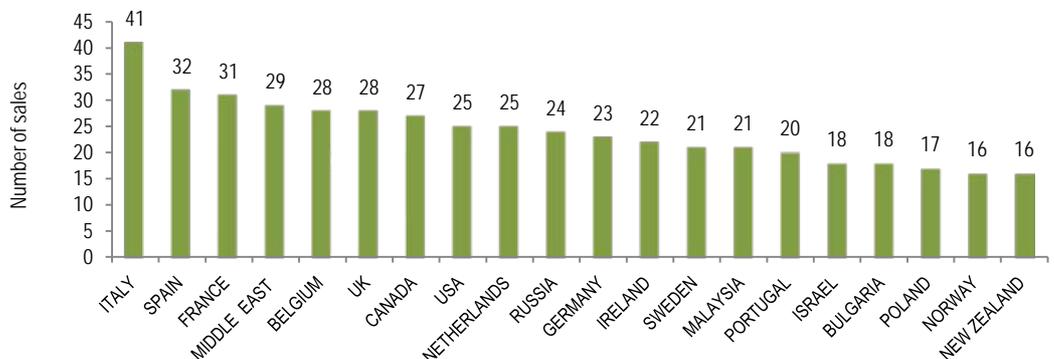
France is a major market for Australian children's drama, in terms of the number of titles sold over the last ten years, total sales (with some titles achieving multiple sales within the same territory), and the total value of sales. Titles such as *H2O: Just Add Water*, *Wicked Science* and *Lockie Leonard* have sold to multiple buyers for various platforms in France.

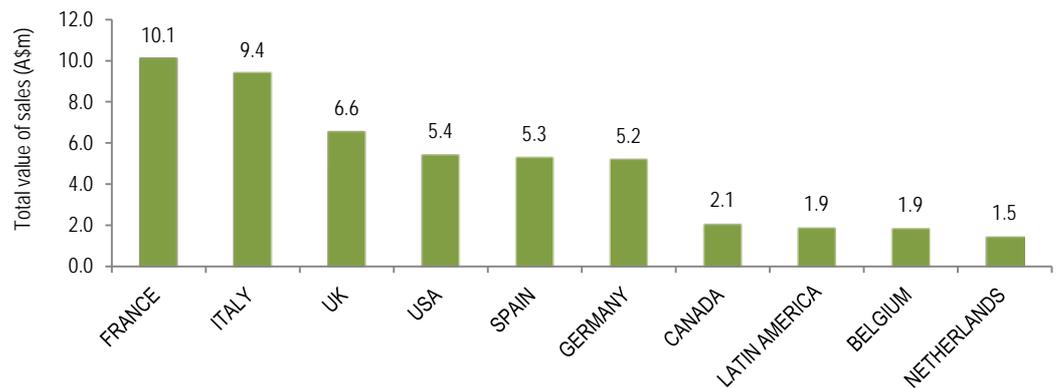
Top territories for sales of Screen Australia financed children's dramas contracted between 2000/01 and 2010/11

Top 20 territories – number of titles sold



Top 20 territories – number of sales made

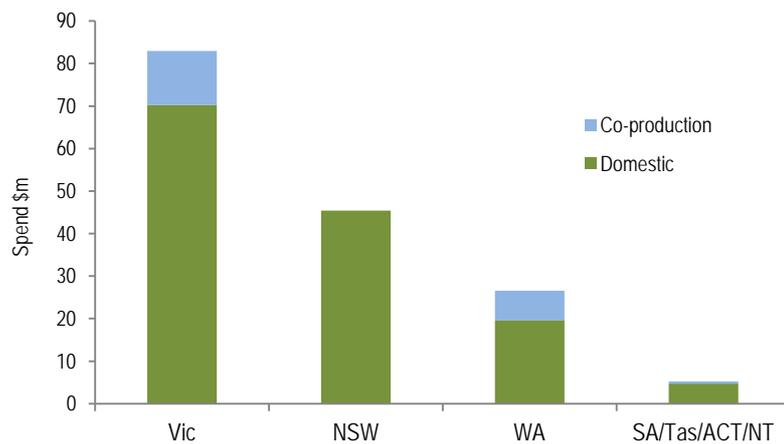


Top 10 territories – value of sales (A\$m) of children's drama programs

Source: Screen Australia sales and recoupment databases

Location of production

The majority of children's drama production over the last five years has occurred in Victoria, followed by NSW and Western Australia.

Children's drama production expenditure by location - 2007/08 to 2011/12**Notes:**

'Australian' refers to productions under Australian creative control, including domestic productions, official co-productions and other productions involving shared creative control, i.e. with a mix of Australians in key creative positions.

Hours refers to commercial broadcast hours rather than actual running time.

All figures are in Australian dollars.

CHALLENGES AND OPPORTUNITIES FOR PRODUCERS

Screen Australia interviewed 10 children's content producers about their experiences of producing content for children and the opportunities and challenges facing the sector.

Key findings

The survey found that producers:

- acknowledged the increasingly limited availability of funds both in Australia and internationally and the impact that this is having on the industry
- supported the way in which regulation is handled across the ACMA, public broadcasters and child specific subscription channels
- were confident that children engaged with child-specific content but felt that inconsistent scheduling of this content did not maximise the potential audience base.

Finance

Producers consistently cited raising production finance as the most significant challenge facing the sector. Sources of finance are drying up both in Australia and internationally, making it increasingly difficult to get projects off the ground. Broadcasters are the largest single investor and the level of licence fees paid for children's drama is an ongoing issue. Some producers felt that the broadcasters' reluctance to pay higher licences fees reflects a general lack of support for children's content.

Regulation

In general, producers supported the way in which regulation is handled across the ACMA, public broadcasters and child specific subscription channels. Since the ACMA commenced a full review of the *Children's Television Standards* in 2007 a noticeable shift has been felt by producers in the way the ACMA deals with the elements needed to satisfy the requirements for classification, as the regulator has become increasingly familiar with the range and types of shows that producers are making.

As such, producers believed that the *Children's Television Standards* have had a positive impact on the children's production sector, contending that it ensured quality of storytelling, that contributes to Australia's international reputation for children's television. A common sentiment shared by producers was that content should challenge the audience and regulation ensures that this is done in a safe way.

A small number of producers felt that the CTS guidelines could be overly restrictive in terms of the themes and characters they could represent in children's drama series. These producers believed the guidelines placed creative constraints on projects and prevented them from better reflecting the lives and concerns of children today.

In a similar vein, some producers expressed the view that the criteria for determining a C program didn't allow for what they called 'aspirational viewing', where children watch content with characters older than themselves. The ACMA's *Criteria for a Children's Program* states that the main actors portrayed must be within the age range or, if the main actors (characters) are outside that age range, the issues and themes need to be dealt with in a way appropriate for the age group.¹ Some producers felt this provided little room for them to offer the 'aspirational' viewing experience to older children, and forced a piece of content to hang on to the child audience rather than allow for the audience to grow.

Gaps in the market, such as family viewing, were identified as a result of having to adhere to the CTS guidelines. Producers asked: is it better that children watch 'riskier' child specific content, such as *Dance Academy*, which may fall outside the ACMA regulation, or older-skewed drama such as *Home & Away*?

Targeted children's content

Producers were confident that children are engaging in the content created specifically for them. However, they did note that children lead busy lives where the few hours of downtime they may have to watch television do not necessarily coincide with the programming schedule of children's content. Despite the ability to time shift programs, 93 per cent of all viewing² is during the live broadcast, which underlines the critical importance of scheduling to a program's ability to connect with its audience.

Producers argued that commercial networks tend to bury children's content by broadcasting it at times when children cannot feasibly watch it. Further, inconsistent scheduling prevents programs from building audience awareness and loyalty. By comparison, producers considered that dedicated children's subscription channels and the ABC worked harder to promote children's programs and build a 'brand' around them.

There was a general awareness among producers of the role played by the parent in selecting the type of content viewed, but this did not impact on the development of children's content, as producers still aimed to create content for their target audience rather than specifically seeking parental approval. However it raised the issue of standardised children's block programming, highlighting both the advantages and disadvantages of having a safe parentally approved destination. Those producers in support saw the value of appointment viewing where reliable scheduling can increase the audience base and highlight the viability of children's content to broadcasters. On the other side, there were concerns that the scheduling of this content would not be at appropriate times to maximise the child audience.

It was noted, however, that producers do aspire to add a level of complexity to programs in order to engage an older audience. The belief was that this could attract a larger viewership as programs that embrace the concept of 'co-viewing' are considered more successful.

Preschool content

While not all the producers surveyed had experience in creating preschool content, they all appreciated the complexities involved in getting this type of production off the ground. Some reported no hesitation from broadcasters in commissioning preschool content, seeing the networks as desperate for it to satisfy their quota. Others, however, believed it was considerably harder to get this content commissioned as the opportunities are very limited both in Australia and internationally.

¹ ACMA "Criteria for a Children's Program, January 2012"

² All people, Q4 (Oct-Dec) 2012. OzTAM press release, 28 February 2013

Most producers felt that preschool content was not treated seriously as the free-to-air networks could not offer advertising within it at all. Among other things, this meant that producers have to make longer episodes to fill the full 30-minute time slot, directly impacting international sales as the longer duration does not sell well.

Multi-platform content

Producers were aware that multi-platform extensions of television content can encourage audience retention and growth, and can also offer child audiences deeper engagement with characters and narratives. The main impediment to creating such content is finding appropriate financial resources. Producers agreed that raising the finance for a traditional children's television program is already difficult enough without an added online component to budget for. In theory online content adds value to the project making it more appealing for broadcasters and audience alike, but it is usually the first element to get cut due to budgetary constraints due to the high Australian dollar and the increasingly limited investment pool.

Despite this challenge, producers were enthusiastic about the potential of well executed multi-platform or online extensions to add value to a project and if not already engaged in this area, they consider it a possibility in the future.

Methodology

Commentary was informed by interviews with Australian producers currently involved in children's television productions, conducted August and September 2012.

Screen Australia would like to thank the following people for their assistance: Kate Christiansen, Ewan Burnett, Joanna Werner, Noel Price, Monica O'Brien, Julie Adams, Carmel Travers, Donna Andrews, Julie Eckersley and Suzanne Ryan.