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Graeme Mason
CEO
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Dear Graeme

SBS Submission - Screen Australia Draft Guidelines for Comment: Documentary Programs: Stories that Matter

SBS welcomes the opportunity to comment on Screen Australia's Draft Guidelines, Documentary Programs: Stories that Matter.

SBS acknowledges that it is essential for any administrator of public funds to review its policies and procedures at regular intervals to ensure that they are effectively and efficiently delivering on their objectives.

As one of the three major investors in Australian documentary programs, along with Screen Australia and the ABC, SBS is a critical voice in any review of the funding framework for documentaries.

In a converged media environment undergoing rapid change, an assessment of the current funding framework is appropriate and warranted. Nevertheless, amendments should not prematurely abandon the successful features of the current funding regime as much of it remains appropriate and relevant. This submission expands on our position in relation to the draft guidelines.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'TI', with a long, sweeping horizontal line extending to the right.

Tony Iffland
Director of Television

A story still growing: We thought six billion was a lot of stories to tell... until the world population officially clocked seven billion, and we re-set our sights on a brand new number. Seven billion stories (and counting) might seem like a big ask, but if anyone's up to the task, it's SBS, the world's most multicultural broadcaster, attuned to the diverse needs of a growing nation.

Seven Billion Stories and counting...

Introduction & recommendations

SBS appreciates being given this opportunity to respond to Screen Australia's Draft Guidelines. We can understand Screen Australia's proposals to take greater responsibility for funding decisions.

While there is no doubt that some changes will occur in the way audiences seek to engage with documentary content, broadcast television is still the dominant form of interaction, as recognised by the discussion paper, Documentary Funding: Stories that Matter.

It seems premature to suddenly move from a proven funding model that has delivered years of high quality factual programming without considering all the risks, or conducting a more thorough assessment of potential negative and unintended impacts on the industry. This submission outlines some of these impacts.

SBS has proposed recommendations to ensure Screen Australia has the ability to effect positive commercial growth in the industry in a way that is consistent with its slate management principles.

SBS's recommendations also seek to retain some current proven arrangements, such as notional allocations, so that as an industry we are taking more informed and measured steps towards the anticipated future environment.

Recommendation 1: Vision and Voice Program:

Limit the funding for Vision and Voice to \$2million and allocate the potential additional \$2million from this fund to the Premium fund.

Recommendation 2: Meaning and Market:

(a) Raise the cap for series to \$750,000; and

(b) Provide a 40% notional allocation for SBS.

(c) Allow foreign formats to be eligible.

Recommendation 3: Premium fund:

(a) Lower the threshold from \$1million per hour to \$500,000 - \$600,000 per hour;

(b) Increase the locked allocation of funds to \$7million by taking \$2million from Vision and Voice and confirming it for Premium;

(c) Set a Licence Fee of no more than \$150,000 - \$160,000 per hour;

(d) Provide a 40% notional allocation for SBS; and

(e) Allow foreign formats to be eligible.

Recommendation 3: Increase the cut-off for eligible series from 12 broadcast hours to 24.

Recommendation 4: Delete the proposal for philanthropic, interest group and film festival finance to qualify as marketplace attachment.

General Comments

Screen Australia states that it will seek to achieve a balance between “funding content for the favoured platforms of today’s audiences and content that reaches out for new audiences.”

This is an important consideration which SBS supports. However, we remain concerned that negative unintended consequences may result from the guidelines as currently proposed.

While it is appropriate to consider tomorrow’s audiences, the proposals anticipate this shift will occur quickly. SBS does not believe this will be the case. Indeed Screen Australia acknowledges that TV broadcasting remains the dominant form of audience engagement for documentary content and that broadcaster presale is the dominant form of market attachment.

There appears to be a gap between the ambition of the draft guidelines to prepare for changed audience consumption patterns, and the recognition of broadcasting as the favoured and proven platform for documentary content.

1. Notional Allocation

Screen Australia has committed to its slate management principles, which SBS supports. However, the removal of notional allocation in these draft guidelines does not seem consistent with the “recognition of broadcaster expertise in connecting with audiences as part of the broadcaster commissioning process”.

Without the certainty of notional allocations, broadcasters will be incentivised to offer as many tentative presales as possible to increase the chance that a producer with an SBS presale will gain Screen Australia funding. This creates unnecessary work for the production sector which some smaller independent companies may find unsustainable.

Without the clear signal of broadcasters’ view of best quality documentary, Screen Australia will be taking on greater responsibility for ensuring good investment decisions in content that will best attract audiences.

There does not seem to be a commitment to further resourcing Screen Australia to meet these increased responsibilities (to Audiences and the Screen Industry) to make successful investment decisions.

Possible negative unintended consequences:

- Production companies may need to respond to a wider diversity of potential documentary commissions, many of which will not attract funding.
- This increased activity, without a corresponding increase in successful commissions could prove too costly for smaller producers.
- The loss of smaller producers will ultimately lead to a reduction in the diversity of production creativity.
- Without a degree of certainty to underpin programming strategies, SBS may be incentivised to prioritise acquisitions or focus on other genres, both outcomes that would result in less commissions for the documentary/factual sector overall.

2. Market Attachment and Pathways to Audience

The draft guidelines do not adequately describe the metrics that Screen Australia will use to determine the value of different categories of market attachment where a comparison will be required.

For example:

- The proposal does not outline how Screen Australia will compare the overwhelming advantage of a broadcaster presale to any online distribution.
- Film festival presales do not carry the same weight or legitimacy as broadcaster presales as indicative of a successful investment decision.
- The proposal appears to rate an international audience as worth the same or more than an Australian Audience.

SBS believes it is incumbent on Screen Australia to require a clear pathway to **Australian** audiences. A potential second run appearance on Australian television following an international broadcast, for example, or an arrangement with an international online aggregator, are not clear pathways. The Australian audience must be the first priority for all funding decisions and Screen Australia must establish clear guidelines for assessment.

Funding from foundations/philanthropic institutions, which could come in the form of crowd funding, should not be an indication of a genuine marketplace attachment as foundation money is not audience driven but agenda driven. Foundations and institutions are unlikely to offer content in the national interest as they exist to push a particular agenda and would invariably constitute a form of brand or sponsored funding which arguably is not an appropriate way for Screen Australia to be directing its precious cultural dollars.

Where a project requires a presale, the presale should be sufficient evidence of the market demand and it is entirely appropriate that this should receive the support of Screen Australia without the duplication of the assessment process. This approach will deliver improved efficiencies for both agency and broadcaster.

Unintended consequence

Without appropriate metrics to evaluate market place attachment, Australian audiences may find priority access to Australian content increasingly difficult. This is particularly a risk if funding is able to be directed to projects with unproven pathways to audience via the revised definition for marketplace attachment.

Subjective assessments of what satisfies the pathway to audience requirement will only result in increased uncertainty around the funding priorities of Screen Australia, creating confusion and inefficiencies for the production sector.

3. Foreign Formats

The draft guidelines suggest that foreign formats will no longer be eligible for Screen Australia funding in some funding categories.

Foreign formats are part of the modern documentary industry and are a key factor in building and sustaining commercial success - not just for the production company, but for production personnel.

They also provide valuable training for filmmakers in new modern program-making skills.

Given commercially focused screen production businesses are encouraged under the slate management principles of Screen Australia, the exclusion of foreign formats seems counter intuitive.

SBS therefore does not support the exclusion of foreign formats from Screen Australia funding.

Unintended consequence

Opportunities for the production sector to produce content with higher level of certainty for success and resonance with audiences will be excluded, diminishing opportunities for building and sustaining commercial success.

4. Broadcast hours

Screen Australia's position on not funding more than 12 broadcast hours of any one project seems to punish rather than reward success.

As with the proposal regarding foreign formats, this restriction seems to contradict the overriding investment and slate management principle which emphasises "... promoting the development of commercially focused screen production businesses."

Unintended consequence

Opportunities to build on success and resonance with audiences will be excluded, diminishing opportunities for building and sustaining commercial success.

Comments on specific funding programs

Vision and Voice

Although a traditional marketplace attachment is not required, projects will need to demonstrate a highly developed understanding of how to reach and engage their target market and audience, whether for festival audiences, online or multiplatform distribution.

Screen Australia acknowledges that domestic broadcaster presales remain the dominant form of marketplace attachment however the Vision and Voice fund for which \$2 million to \$4 million of the funds are allocated, are projects which do not require a marketplace attachment.

This is one example of the uncertainty that will be created by the proposed funding model, with the broadcaster presale (evidence of real marketplace attachment and audience engagement) being replaced by a subjective pathway to audience test.

SBS recommends that Vision and Voice be limited to \$2 million and the potential addition allocation of \$2 million be earmarked for the Premium fund. While SBS agrees with the objective to support emerging talent, there has to be a high end, sustainable industry for them to “emerge” into.

In the context of the significantly reduced funding for cross-platform/online projects, SBS would also like to see shorter form (less than 30 minutes) content eligible for the Vision and Voice fund. These short form documentaries tend to be relatively inexpensive and promote a diversity of new and emerging voices in the sector for little cost.

Meaning and Market

SBS strongly recommends keeping notional allocations to reduce the duplication and inefficiencies that result from dual qualitative assessments. At a time of diminishing resources, we should be finding ways to streamline production investment rather than creating additional demands on already stretched resources.

SBS is concerned about the \$600K cap unnecessarily restricting ambition. If, for example, the cap on this fund applied to the SBS NDP projects of the last three years, these projects would likely not have been made. Screen Australia’s intention cannot be to thwart programs that deliver maximum cultural value.

SBS recommends the cap for Meaning and Market be raised to \$750K to allow the flexibility to invest in exceptional projects possessing significant cultural merit.

It is not clear what Screen Australia means by banning extensions to film or TV programs from the eligibility criteria such as whether this includes spin-offs or further programs – this needs clarification.

Limiting submission attempts to two is unreasonable in the context of the draft guidelines, should they encourage a large number of tentative presales to be offered by broadcasters.

This “open season” approach to funding will undoubtedly see large volumes of projects coming in for each round. An unavoidable consequence of this will be high quality documentary projects missing out on funding simply for having the misfortune of applying in an especially competitive round.

If there is continued support in the form of a broadcaster presale, there is no reasonable justification for Screen Australia to deem the project ineligible for funding.

Premium Documentary

The proposed threshold entry of \$1 million in the premium documentary fund is not feasible for television which is the preeminent platform for documentary in Australia.

Not a single historical SBS NDP project- the most important cultural projects SBS commissions- would have qualified for this fund.

Given this fund will unlikely be used for television under the draft guidelines, Screen Australia must believe there is significant audience demand for feature documentaries in Australia – however Screen Australia has not presented any evidence to support this conclusion.

The high entry threshold will force production companies to artificially inflate their budgets to unsustainable levels or change their entire business models if they wish to access this fund.

SBS is also concerned about setting licence fees at a very high \$200,000. With licence fees at that level, broadcasters will have no room to negotiate with production companies in order to achieve best outcomes. SBS, for example, offers higher licence fees on its Outreach projects in order to place a value on the additional grant of rights, with licence fees at \$200,000 SBS would be unable to offer such incentives, thereby placing important public service activities such as Outreach at risk.

The higher budgets coupled with reduced funding can only mean fewer companies making fewer projects overall which does not align with Screen Australia’s stated aim of promoting greater diversity of voices.

The threshold for this program needs to be reduced to between \$500,000 - \$600,000 to support premium documentary content on Australian televisions where the largest number of Australians can access it.

SBS recommends that the lowering of the threshold be complemented by increasing the locked allocation of funds to \$7million (by taking \$2million from Vision and Voice) and implementing notional allocations in this fund.

The role of SBS

SBS is Australia's multicultural, multilingual and Indigenous national broadcaster and holds a unique place in the Australian media landscape. As mandated by the *SBS Charter*, the principal function of SBS is to provide multilingual and multicultural media services that inform, educate and entertain all Australians and in doing so, reflect Australia's multicultural society.

SBS performs its functions through an ever-increasing number of distribution platforms, including: three free-to-air national television channels – SBS ONE, SBS 2 and the National Indigenous Television Service (NITV); eight analogue and digital radio channels; SBS ON DEMAND – online catch up television and on demand video; and, mobile device applications. The range of SBS services enables SBS to implement a cross-platform strategy for key content.

In meeting its role as a national public broadcasting service, SBS delivers public goods which the market alone will not support or provide, including:

- Australian content: strengthening Australian identity through the provision of programming that reflects and explores Australia's multicultural society, and promotes diversity and understanding of other cultures, with local employment impacts.
- Comprehensive and diverse programming: ensuring Australian audiences have access to a comprehensive range of content that caters for and is relevant to diverse interests and groups within society, building community and cultural awareness through multilingual and multicultural programming.
- Education: enhancing the intellectual and creative capacity of Australian society and supporting the development of Australia's human capital.
- Innovation and quality: providing informative and thought-provoking content that enriches society, and encouraging creative endeavour and the development of new talent.¹

¹ Department of Broadband, Communications and the Digital Economy, *Strengthening Our National Broadcasters*, May 2009.

SBS and documentary programming

The ability of SBS to deliver its Government mandated, charter-focused documentary content to all Australians depends in large part on its collaboration with Screen Australia.

SBS commissions the best projects from the best teams that are relevant to its Charter and funding objectives. In determining the best projects and best teams, SBS actively engages with industry to ensure that industry can respond with Charter-mandated content, which informs the right project for the SBS slate.

Bold, innovative and distinctive documentaries have always been the cornerstone of SBS programming.

No other content provider invests in documentary content to the extent of challenging and transforming social and cultural views and perspectives about Australian life. No other platform invests in content initiatives that enable documentaries to endure well beyond initial screen broadcast.

SBS documentaries are inspired by its Charter and explore complex historical, social and political issues relating to multicultural and Indigenous Australia. Through SBS documentaries, audiences are given access to a range of unique viewpoints.

SBS is responsive to the diverse ways in which audiences choose to engage with content in the constantly evolving media landscape. SBS's documentaries are as diverse as its audiences and SBS's multiple channel and screen platforms provide an opportunity for SBS to commission a breadth of documentary programs appealing to a wide range of audiences:

- SBS ONE and SBS 2 deliver a unique range of documentaries that push the boundaries of Australian television to provoke debate, as well as surprising and delighting viewers;
- NITV focuses on Indigenous documentaries, which empower Indigenous voices and safeguard Indigenous culture; and
- SBS Online commissions stand-alone interactive online documentaries, as well as developing major cross-platform sites to accompany SBS's documentary programs.

SBS's use of documentary content has been consistently innovative in the range and diversity of its sources, as well as in the way in which documentaries are used to experiment with new styles of television.²

SBS invests a significant proportion of its commissioning budget in documentary programs, making SBS, together with Screen Australia and the ABC, one of the major investors in the independent documentary production sector.

SBS documentaries resonate with audiences and are illustrative of how informative and educational documentary programs can also be entertaining and have mass appeal. For example, *Go Back to Where You Came From 2*, a series in which six prominent Australians experienced a refugee journey to Australia, was watched by 3.08 million viewers nationally. In addition, 130,000 people watched

² Ian Ang, Hawkins and Dabboussy, *The SBS Story*, UNSW Press, 2008.

the series on SBS's catch up service, SBS ON DEMAND, and 68,000 people watched repeats on SBS 2.³

Not only was *Go Back to Where You Came From* popular with audiences but it stimulated debate on the issue of asylum seekers and refugees. The program website received 124,000 unique browser views, and, within a week of the broadcast there were over 52,000 Twitter mentions about the series.⁴

Beyond commissioning and broadcasting documentary programs, SBS is also the only Australian broadcaster to deepen audience engagement with its programs through its Content Outreach initiatives around key documentary content. Established in 2010, SBS Content Outreach creates innovative partnerships with organisations that have an affinity with the SBS Charter in order to maximise the public value of its key commissioned programs. Content Outreach enables SBS to provide a more ambitious and engaging offer to its audience, further transforming screen content into a culturally valuable resource, as well as enhancing the educative value of SBS documentaries beyond transmission. The education packs for all Australian primary schools based on *Go back to where you came from* is a prime example.

SBS documentaries are consistently recognised the world over for their high-quality, diversity and innovation, and have been nominated and received numerous awards, including the 2012 Golden Rose and Rose D'Or for series 1 of *Go Back To Where You Came From*; an International Emmy and AACTA Award for series 2 of *Go Back To Where You Came From*; an Australian Teachers of Media award for *Jabbed*; a 2011 Walkley Award for *The Tall Man*; and, *First Australians* receiving the 2009 Prime Minister's Prize for Australian History. In the field of documentary, SBS has a tradition of exploring subjects that are not a focus of other broadcasters in the Australian free to air environment and is therefore a vital contributor to both the production of documentary in Australia and to the overall health of the domestic documentary sector.

³ OzTAM & RegTAM; SiteCensus; MPX; YouTube; Radian 6.

⁴ OzTAM & RegTAM; SiteCensus; MPX; YouTube; Radian 6.