



Submission to the NSW Government Creative Industries Taskforce

17 August 2012

Introduction

The Australian Subscription Television and Radio Association (ASTRA) welcomes the opportunity to provide input to the development of a Creative Industries Action Plan by the NSW Creative Industries Taskforce.

About ASTRA

ASTRA is the peak industry body for subscription television in Australia. ASTRA was formed in September 1997 when industry associations representing subscription television and radio platforms, narrowcasters and program providers came together to represent a new era in competition and consumer choice. ASTRA's membership includes subscription television operators and channel programming providers. A list of ASTRA members is attached.

Overview of the subscription television (STV) sector

The STV industry is the undisputed leader of digital broadcasting giving Australians access to quality, exclusive, live, original and award-winning Australian and international programming across many genres broadcast on the Foxtel platform, and channel packages offered through Telstra T-Box and Xbox360.

Economic contribution of STV

STV services commenced transmission in Australia in 1995. Since that time, there has been a steady growth in subscriptions and, at present, 34% of Australians have access to STV through their homes and over a million more through hotels, clubs and other entertainment and business venues.

The STV sector contributes to the Australian economy and creative output in a variety of ways, both directly (in terms of the value it adds to national GDP and employment) and indirectly through providing greater content choice and product innovation for consumers:

- STV platforms and channels directly employ over 7,400 people
- In 2010, the STV sector invested \$578.4 million into Australian content production, an increase of 7% from \$541.4 million invested in 2009.¹

Deloitte Access Economics has estimated that the direct economic contribution of STV to the Australian economy to be over \$5 billion since its inception, with a direct economic contribution to the Australian economy of \$700 million in 2009-10.² While ASTRA has not undertaken a separate analysis of the economic contribution of STV to NSW, the NSW economy benefits significantly from the STV sector:

- The majority of full-time employment in the sector is in NSW, with the leading STV provider Foxtel headquartered in Sydney. This includes the majority of production and creative staff, and most administration and finance staff, as well as being the base for Foxtel's engineering and technical operations. The sector also generates employment for installation sub-contractors.
- The majority of the local and international channel providers represented by ASTRA have their Australian base in Sydney, including FOX SPORTS, Sky News, Turner, BBC Worldwide, Showtime, Discovery and Viacom.

¹ ASTRA STV Australian Content Production Survey.

² See ASTRA submission to the Federal Government's Convergence Review at: <http://www.astra.org.au/Menu/Policy/Convergence-Review>

Investment in the digital economy

The rise of the digital economy has significantly changed the Australian media and communications landscape in terms of investment, revenue streams and consumer choice and expectations. The STV sector invests strongly in technical innovation, infrastructure and production to keep pace with the growing demands of audiences in the digital media age. With a first to market approach underpinned by ongoing industry development, STV provides new viewer services such as video on-demand, Australia's most comprehensive high definition television offering, 3D television, state of the art integrated personal video recorders, interactive technology, online and mobile television. Recent examples from the Foxtel platform include:

- On 4 July 2012, Foxtel and Samsung Electronics Australia launched Foxtel on Internet TV on compatible Samsung Smart TVs, allowing owners of compatible Samsung Smart TVs to watch up to 30 live streaming channels from Foxtel and its channel partners such as MTV Networks, Nickelodeon, National Geographic, TV1, Discovery, FOX Sports, Sky News and Turner (International);
- On 12 July 2012, Foxtel launched a London 2012 Olympic Games App that enabled viewers to watch Foxtel's eight London channels on either their Apple iPad or compatible Android tablet throughout the duration of the Games.

Creative contribution of STV

As stated above, the STV sector invests over \$500 million annually in original, new Australian content production across a range of genres including drama, documentary/current events, children's, news and current affairs, light entertainment and lifestyle, live local and international sport, music, ethnic language, local weather and pay per view events.

STV internationally has become the standard bearer for high-quality television programming, with most of the great television dramas that are watched around the world (such as *The Sopranos*, *Six Feet Under*, *The Wire*, *Mad Men*, and *Boardwalk Empire*) appearing first on STV.³ This is also increasingly the case in Australia, with quality Australian drama productions such as *Love My Way*, *Spirited*, *Tangle*, *Killing Time* and *Tim Winton's Cloudstreet* premiering on STV in Australia.

Australian-produced programs currently screening on STV include: *Tony Robinson's London Games Unearthed* (History Channel); *Songbook Stories with Deborah Hutton* (BIO); *Conspiracy 365* (FMC); *Grand Designs Australia* and *Location, Location, Location Australia* (The LifeStyle Channel); *The Australian Ballet's Infinity*, *I Am Eora* and *Creative Minds* (STUDIO); *Ningla A-Na* (as part of NAIDOC Week 1-8 July), *The Great Australian Doorstep*, *Uncut*, *World of Coffee*, *All About Animals*, *Jukebox Saturday Night*, *Gallery Watch* and *Hook, Line and Sinker* (Aurora Community Channel); *Aussie Firework Kings* (National Geographic Channel); *Python Hunters Australia* and *Koala's of Kangaroo Island* (Nat Geo Wild); *Camp Orange: Girls V Boys* (Nickelodeon).

Recent STV programs produced in NSW include: *The People Speak, Lost and Found* (State Library Special) (History Channel); *Helpmann Awards* (STUDIO); *Kings Cross ER* (Ci); *Australia's Next Top Model* (FOX8); *Balls of Steel*, *Off Their Rockers* (Comedy Channel); *Spirited* (W); *Who We Are, An Audience with the Cast of Annie* (BIO); *Location Location Australia*, *Grand Designs Australia*, *Selling Houses Australia*, *Ask the Butcher*, *Planet Cake*, *Donna Hay Fast & Fresh* (Lifestyle); *Park Street*, *David Jones Runway Special*, *Wag Nation* (Arena); *New Year's Eve Concert (Glebe Island) Live* (Main Event); *Wife Swap* (Lifestyle YOU).

STV platforms and channels stage or participate in a range of live events in NSW including the final of *Australia's Next Top Model*, to be held at Luna Park in September 2012 (FOX8); *Lifestyle EXPO*, *Grand Designs Live*, *I Love Food Awards*, and a presence at the *Good Food*

³ "Breaking the box" *The Economist*, 20 August 2011.

and Wine Show (Lifestyle); and *Walking with Dinosaurs* (2011, BBC Worldwide). Nickelodeon will be presenting *Slimefest* over two nights at the Hordern Pavilion during September 2012, while BBC Worldwide will host *BBC Earth - Planet Earth & Blue Planet in Concert* at the Sydney Opera House (October 2012).

Excellence and recognition

ASTRA Conference

The annual ASTRA Conference held in Sydney brings STV production and broadcast industry executives together to hear from international and local experts about the rapidly evolving and competitive media environment. The 2012 conference program highlighted opinion from leaders across industry through keynote addresses and fostered discussion and debate through a combination of panel discussions, break-out sessions and networking during breakfast, lunch and cocktail functions.

The ASTRA Women in Television breakfast is an annual sell-out offering the only event of its kind for the broadcasting industry.

In recent years the Conference has been held at the Sydney Convention and Exhibition Centre, drawing over 600 people from NSW, Australia and overseas.

ASTRA Awards

The annual ASTRA Awards held in Sydney recognise the wealth of talent that drives the Australian subscription TV industry and highlights the creativity, commitment and investment in production and broadcasting.

The ASTRA Awards began in 2003 with nine awards acknowledging local productions and promotional campaigns. Now, ten years on, there are 21 categories encompassing production and talent awards across all genres.

Staged over the years in some of Australia's most popular venues including Wharf 8, Hordern Pavilion, and the historic State Theatre, in 2011 the Awards moved to Sydney Theatre at Walsh Bay. Renowned as one of Australia's premier arts venues, the 800-capacity venue is a fitting backdrop for an industry that fosters creativity and support of the arts.

Winners at the 2012 ASTRA Awards held in June included: *Tim Winton's Cloudstreet* (showtime) for Most Outstanding Drama, David Wenham (*Killing Time* – TV1) for Most Outstanding Most Outstanding Performance by an Actor – Male; Kerry Fox (*Tim Winton's Cloudstreet* – showtime) for Most Outstanding Performance by an Actor – Female; *Kalgoorlie Cops* (Crime & Investigation Network) for Most Outstanding Reality Program; and *Australia's Great Flood* (National Geographic Channel) for Most Outstanding Documentary.

ASTRA Industry Excellence Awards

Since 2010, the annual ASTRA Industry Excellence Awards have recognised individuals, channels and agencies creating ground breaking and innovative marketing campaigns within the Australian STV industry. These awards are presented at the ASTRA annual conference.

ASTRA graduate program

ASTRA supports and fosters emerging talent within STV channels, platforms and associated organisations. A component of this is providing opportunities for the most creative, skilled and motivated students of broadcast and film to be exposed to, and offered training in, the STV environment.

Launched in 2010 in collaboration with AFTRS (Australia Film, Television and Radio School), the ASTRA Graduate Program provides graduate students of the AFTRS Foundation Diploma with a rare experience working with STV organisations under short-term work contracts. 19 AFTRS students have so far completed the ASTRA Graduate Program.

Incentives for content production by STV in NSW

ASTRA believes that the NSW Government, including through Screen NSW, has an opportunity to assist in the development of great Australian content through partnership with the STV sector. ASTRA would welcome any opportunity to foster this relationship in order to encourage production of Australian content for the STV sector in NSW and enhance NSW's reputation as a hub for creative audiovisual content production.

At the national level, ASTRA has argued for a number of incentive-based initiatives that would encourage further investment in the production of local television content in NSW, including increasing the tax offset for television production to be the equivalent of that for film, and for reform the Australian content rules for free to air and subscription television to encourage co-productions between the two sectors.

Further, as noted above, ASTRA and the STV sector is involved in producing a number of significant live events in NSW, and we would be keen to investigate the potential for greater cooperation and collaboration with the NSW Government in relation to these events.

Encouraging growth of creative industries in NSW

The process of convergence is seeing the emergence of new business models for the creation and distribution of content. Consumers are engaging with media in new and exciting ways through multiple devices across multiple platforms anytime, everywhere. The STV sector has been a leader in developing new consumer-focused services and delivering compelling content in response to strong and increasing competition from multi-channel commercial and national broadcasters, IPTV and various online content services. A successful and growing STV sector will lead to greater investment in content production and investment in other innovative and creative events in NSW.

Reducing unnecessary regulation and barriers to competition

In this evolving media and communications environment, a regulatory and policy framework that promotes competition will encourage the development of a more diverse range of new content and innovative services for consumers. While many of the policy and regulatory settings that impact on the creative industries, including STV, are determined at the Federal level, ASTRA believes the NSW Government can have a significant role to play in shaping the long-term regulatory framework for industries such as STV with a significant presence in NSW. Promoting the case for reducing regulatory compliance costs and removing barriers to competition within the media and communications sector will help ensure the continued growth of the industry sectors that drive creativity. ASTRA suggests that, given the strong presence of the STV industry in NSW, an Action Plan intended to encourage development of creative industries in this State should include a role for the NSW Government to engage at the Federal level regarding current regulatory barriers to competition in the broadcasting sector.

The broadcasting sector in Australia is one of the most heavily regulated in the world and there are a number of burdens faced by the STV sector in particular. It is imperative that the regulatory framework for media and communications achieves a balance between promoting the introduction of new and innovative technologies and the equitable delivery of content across different infrastructure. Competition through balanced regulation encourages the development of new and diverse content and innovative services for consumers.

Addressing the infringement of intellectual property rights

Technological change driving convergence has the potential to create synergies across once separate industries to spur innovation in the communications environment, however this potential cannot be realised if content producers and distributors are not able to effectively monetise the content they produce or acquire. The ability for content producers and distributors to extract fair monetary returns for their investment in developing or acquiring content is essential for the ongoing sustainability of media and communications enterprises and for the continued investment in Australian content production. Practical ways must be found to address copyright infringement to ensure sustainable creative industries in Australia, in particular the production of Australian audiovisual content. Industry is less likely to invest in new content production when copyright infringement threatens returns on that investment.

Conclusion

ASTRA commends the NSW Government for commencing an open and transparent dialogue with stakeholders in order to articulate a vision for the creative industries in NSW. ASTRA and its members would be happy to continue a dialogue with the Taskforce in order to develop ideas for the STV sector to assist the Government achieve its goals.

Please contact myself or Simon Curtis, Policy and Regulatory Affairs Manager, on (02) 9776 2684 if you wish to discuss further anything in the above.

Yours sincerely



Petra Buchanan
CEO

APPENDIX: ASTRA MEMBERS

Subscription Television Platforms

Foxtel
Telstra

Program Channel Providers

Aurora
Australian Christian Channel
Australian News Channel
BBC Worldwide Channels Australasia
Discovery Networks
E! Entertainment
ESPN
Eurosport
Expo Networks
FOX Sports
KidsCo
Movie Network
MTV Networks
National Geographic
NBC Universal
Nickelodeon
SBS Subscription TV
Premium Movie Partnership (Showtime)
Setanta Sports Australia
Sky Racing
Turner International (Australia)
TV1
TVN
TVSN
Walt Disney Company (Australia) Pty Ltd

Communications Companies and Other Associate Members

Ai Media
Ignite Media
Multi Channel Network
The Playroom Sydney/Omnilab