

AUSTRALIAN CHILDREN'S TELEVISION FOUNDATION

SUBMISSION

THE PRODUCTIVITY COMMISSION INQUIRY INTO THE BROADCASTING SERVICES ACT 1992 (BSA) INCLUDING AMENDMENTS AND ASSOCIATED REGULATIONS

INTRODUCTION

The scope of this inquiry is extremely broad. The Productivity Commission is interested in all aspects of broadcasting services in Australia, including regulation for content, ownership and control, operating standards, technology and convergence.

However, the Australian Children's Television Foundation is primarily concerned with the aspects of the legislation which relate to the regulation of content, and accordingly, this submission will only deal with this aspect of the regulatory framework.

The Foundation's submission will primarily address the Inquiry's terms of reference in the context of Section 122 of the BSA, which requires the Australian Broadcasting Authority to determine program standards to be observed by commercial broadcasting licensees which relate to children's programs, and the Australian content of programs.

The Foundation strongly believes that the existing legislation, providing for minimum levels of Australian content and children's programs, performs a crucial role in delivering important content to the audience, which would not otherwise exist. Any proposals to dilute, relax or dismantle these regulations would have serious ramifications for the audience, and make the achievement of important objects of the Act impossible.

WHY CONTENT IS REGULATED

Commercial television is not a business like any other. Whereas there are no official limits on how many manufacturing companies can establish themselves in Australia, there are considerable limitations on how many television broadcast licensees can exist in each broadcast area of Australia.

The commercial television broadcasters maintain that this legislative restriction is the foundation of a strong commercial television sector and they wish to maintain restrictions on the number of entrants into the market. In 1998, a framework was established for the introduction of digital television in Australia. Under these arrangements, the five existing free-to-air television networks (being the three commercial networks, and the ABC and SBS) will be given, free of charge, the spectrum to provide High Definition Television (HDTV). They are required to simulcast digital transmission with their existing analogue transmissions for six years,

after which time they will no longer be able to use the analogue spectrum. However, no new commercial networks will be granted licences during the simulcast period.

The commercial broadcasters also wish to maintain anti-syphoning provisions to ensure that they have access to all major sporting events for free-to-air television.

These restrictions confer an enormous privilege upon the holders of terrestrial broadcast licences. It is a privilege which gives them unlimited access to virtually the entire Australian population. Commercial television in Australia has an extraordinary and pervasive influence. Over 98% of Australian households now have at least one television set and only 12% of those households subscribe to pay television. 1997 AC Nielson figures indicated that those people living in mainland capital cities in Australia watch over 3 hours of television each day and that the commercial broadcasters combined attract 83% of the viewers in the major metropolitan markets. The vast majority of Australians are watching free-to-air commercial television every day of the year.

The privilege of holding a broadcast licence and the enormous influence that television exerts in the community is the rationale for the regulation of broadcasting content. The objects of the BSA, set out in Section 3 of the Act, outline the outcomes and objectives that Parliament intended that broadcasting regulation should achieve.

These objects reflect the fact that the maintenance and development of certain social and cultural values have been recognised as important responsibilities of government.

The objects of particular note require the legislation:

- to promote the availability to audiences throughout Australia of a diverse range of radio and television services offering entertainment, education and information;
- to provide a regulatory environment that will facilitate the development of a broadcasting industry that is efficient, competitive, and responsive to audience needs;
- to promote the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity; and
- to promote the provision of high quality and innovative programming by providers of broadcasting services.

The regulation of children's television and Australian content incorporate the responsibility that Parliament and the community require broadcasters to accept, in the interests of the Australian audience, in exchange for their privileged position as holders of a restricted licence.

THE REGULATION OF CHILDREN'S TELEVISION

Section 122 of the BSA requires the ABA to determine program standards relating to children's programs to be observed by commercial broadcasting licensees, in

recognition of the fact that children are a special audience with special needs and that these needs will be overlooked if the television programming environment is simply left to market forces.

This aspect of the legislation seeks to address the following issues and concerns.

(a) Children are an audience with special needs and have a right to programs made especially for them.

Children's television is regulated in the interests of consumers – the audience – not producers or industry. Australia's 3,393,574 children under 12 years old represent 18% of our population.

For the past two decades, Australia has had a history of Governments who are vitally interested in what children watch on television.

The Australian Prime Minister, the Hon John Howard, sent the following message to the delegates of the Second World Summit on Television for Children, held in London in March 1995.

"It is with great pleasure that I commend to you the Second World Summit on Television for Children.

This Summit follows on from the success of the First World Summit on Television and Children which was held in Melbourne in March 1995 and was hosted by the Australian Children's Television Foundation ...

Television programming made especially for children is produced in recognition that children have different tastes, cognitive development and educational needs that are not addressed by television produced for adult audiences. My government is pleased to support Australia's critically acclaimed children's television industry and the Australian Children's Television Foundation."

The Prime Minister's sentiments are universally accepted.

One of the major principles of the United Nations Convention on the Rights of the Child, which has been ratified by 188 countries including Australia, is that children have the right to participate in the media. Article 17 of the Convention specifically calls upon governments to respect the child's cultural background and to encourage the mass media to disseminate information and material of social and cultural benefit to children.

The World Summits on Television and Children were initiated in response to a worldwide concern that children's particular needs and interests in television are not met or are frequently overlooked by the media interests dominating global broadcasting. The Children's Television Charter, which was drafted by delegates at the First Summit, declares, in part, that:

Children should have programs of high quality which are made specifically for them, and which do not exploit them ... Children should hear, see and express themselves,

their culture, their languages and their life experiences through television programs which affirm their sense of self, community and place.

The Convention on the Rights of the Child and the Children's Television Charter are aspirational documents. Australia is unique in having a system in place, which supports the aspirations expressed in these treaties. The First World Summit on Children and Television was held in Australia, in recognition of Australia's position as a leader in the provision of a diverse range of quality programs for children which reflect our own culture, as well as other cultures. This leading position has been achieved as the result of Australia's regulation and support mechanisms for children's television.

The children's television regulations came about in response to community concern. Television programming made especially for children barely existed in Australia in the early 1970s. Television after school consisted of endless repeats of American sitcoms and Saturday mornings were filled with American cartoons. The Children's Program Committee (the CPC) was established by the Australian Broadcasting Tribunal in 1979 in response to community demands that a regulatory framework for children's television be established. In 1977 the Australian Broadcasting Tribunal conducted an inquiry into the Self-Regulation of Broadcasting. The Inquiry, chaired by Bruce Gyngell, received 539 written submissions from interested parties who were dissatisfied with the lack of attention paid by commercial networks to children's television.

The regulatory framework that was established by the CPC required the commercial broadcasters to screen a minimum of 7.5 hours per week of programs for school age and pre-school children.

Broadcasters are encouraged to show a diverse range of programs for children. Programs for school age children (C Programs) may include magazine style programs and imported programs. In 1984 the CPC introduced the requirement that broadcasters should show 8 hours per year of first release Australian children's drama as part of (not in addition to) its C Program requirement. The C Drama requirement has since been extended to the current requirement of 32 hours per network per year. The C Drama requirement was introduced to improve the diversity and quality of programs shown for children. Without the C Drama requirement children's television primarily consists of cheaply produced magazine programs, imported animation and game shows. It lacks substance, depth and range. Prior to the introduction of the C Drama requirement barely any children's drama was produced in Australia.

(b) Children's television would not exist in its current form without the current regulation.

The children's television regulations in Australia are hardly onerous. The requirement that the networks screen a total of 390 hours per year of children's P and C programs amounts to 4% of the total transmission hours per year for each commercial network. (The C Drama component is well under 1% of the total transmission hours.)

The “expensive” component of the Children’s Program Standard is children’s drama. Whilst drama programs are certainly expensive to produce, the networks themselves do not have to pay the full cost of production of these programs. In recent years most children’s drama produced in Australia has been subsidised with investment from the Australian Film Finance Corporation (the FFC) and is financed via pre-sales to international as well as local broadcasters. The networks currently pay licence fees for pre-sales of between \$45,000 (the minimum fee the ABA regulations allow for drama) and \$55,000 (the benchmark set by the FFC for FFC funded programs) per half-hour for C Drama product. To fill the requirement of 32 hours the commercial networks therefore need to spend between \$2.88 million and \$3.52 million on children’s drama each year. All other C and P Programs are very low cost programs. Figures provided by the Federation of Australian Commercial Television Stations (FACTS) credit commercial television with spending more than \$850 million on Australian content each year. If that is the case, the C Drama requirement accounts for 1 – 2% of their expenditure on Australian programs. The networks’ expenditure on children’s programming is therefore tiny, within the context of their overall program budgets and revenue earnings.

Yet from the outset, the commercial networks have resisted regulations in respect of children’s programs and especially C Drama programs. This is hardly surprising. Selling commercial airtime and delivering the largest possible audiences to advertisers is what commercial broadcasting is all about. Commercial imperatives dominate. Within this environment children’s television is vulnerable.

In the sixteen years since the C Drama requirement was established, every commercial broadcaster has stuck rigidly to whatever the current requirement for children’s drama has been, clearly indicating that they would not screen these programs in the absence of the requirement to do so.

Commercial broadcasters argue that children do not watch or appreciate the Australian children’s drama made for them. Yet quality children’s drama actually performs very well for the time periods in which it is scheduled. The Ten Network is currently screening a C Drama program, *Thunderstone*, at 4.00pm on Friday afternoons and it is winning this timeslot nationwide. Australian children have set up hundreds of pages on the World Wide Web devoted to their favourite Australian children’s drama series. A good example of such a site can be found at www.noreo.com/OceanGirl/wwwboard.html. This site was set up by a young fan to discuss *Ocean Girl*, but the “chat” of the children who are accessing the site has spilled over into discussion about other Australian children’s dramas such as *Round The Twist*. It demonstrates that children’s drama does have a strong following amongst the age group.

The Commercial broadcasters currently argue that child viewers are deserting them for the “unregulated” environment of pay television, because they do not like the children’s programming provided for them by the commercial networks. In fact, the child viewers that have access to pay television are watching pay television because children’s programming is available to them on those services at all times. The commercial networks have a history of erratic scheduling and lack of promotion of children’s drama. Meanwhile, every Australian children’s drama series that is available (not subject to pay television hold back clauses in the free-to-air television

licence agreements) appears to have been bought by the Australian pay television children's channels. So the argument that children are deserting the free-to-air broadcasters because they don't like to watch these programs, does not stand up to the analysis. The Disney Channel Australia, for example has acquired 239 hours of Australian children's drama since its launch in 1996.

This experience of ongoing and relentless resistance to children's television regulation on the part of commercial broadcasters is not unique to Australia. Commercial broadcasters around the world have provided ample demonstration of what happens when children's television is left to the mercy of commercial networks.

The United Kingdom

Commercial broadcasters in the United Kingdom are also mandated to show children's programs. In November 1997 the Broadcasting Standards Commission in the United Kingdom released a report analysing what broadcasters had been screening for children in the United Kingdom in the previous few years. That report quoted executives from within the commercial ITV system as saying that:

“Without legislation, and specific mandating of quotas for particular genres and time-slots, there is intense pressure on children's commissioners and production heads to let their original, home-grown, locally-specific programming, such as short-run drama, factual and entertainment, be whittled away, by the easier option of acquiring cheaper product from elsewhere. Without protectionist regulations, minority schedules like children's, cannot easily be preserved from encroachment on their budgets and resources from other areas of broadcasting, with better ratings prospects.”

The United States of America

The television landscape for children in the United States in the 1970s was just as dismal as the one that existed in Australia at that time. This problem was recognised as early as 1974 by the Federal Communications Commission (FCC), but broadcasters were initially successful in resisting suggestions that they should be subject to children's content regulation. Community opinion finally led to the United States Congress enacting The Children's Television Act in 1990. This Act required the Federal Communications Commission (FCC) to consider the extent to which the holders of broadcasting licences served the educational and informational needs of children through their overall programming, including some programming produced specifically for them, at licence renewal time. Determining what programming met this definition was left to the broadcasters themselves. The result of that legislation is now infamous. Broadcasters argued that *The Flintstones* was educational, as it dealt with “history” and that *The Jetsons* was educational as it dealt with “science and technology”. This demonstrated that a voluntary code of practice would not work and that commercial broadcasters would not make a serious effort to serve children's educational and informational needs without regulation specifically requiring them to do so.

From September 1997 the FCC has required all commercial broadcasters in the United States to show a minimum of three hours per week of programming for

children which the FCC is satisfied meets children's educational and informational needs. This regulation is the FCC's answer to the lack of diversity and substance which otherwise exists in the commercial broadcasters' schedules for children.

THE REGULATION OF AUSTRALIAN CONTENT

Section 122 of the BSA requires the ABA to determine program standards relating to Australian content to be observed by commercial broadcasting licensees.

In 1995 the ABA conducted an extensive inquiry into the Australian Content Standard. In its Final Report it recognised that:

“Commercial television has a special role to play in the promotion of Australian culture by virtue of the influence it continues to exercise over the attitudes and cultural life of the community. Commercial television is at the heart of our popular culture because it reaches into the lives of the majority of Australians. It entertains and informs Australians and has the power to shape our understanding of ourselves, our community and the world.

The importance of commercial television in the promotion of Australian culture is the foundation of the ABA's regulation for minimal levels of Australian content.”

The reach and influence of American popular culture is enormous. And the ever-improving technical capacity of communications networks means that geographical isolation is not the draw back that it used to be. However, the huge reach of American popular culture combined with the pressures of converged communications and streamlined information gathering and delivery, raise significant questions about the maintenance of diverse national perspectives and cultures in the future.

These questions are beginning to be addressed by a broad spectrum of organisations. Last year the Getty Information Institute in California hosted the “Communicating Culture” conference, which brought together leaders from the computing, entertainment, government and economic forecasting industries. At that conference Ismail Serageldin, Vice-President for Special Programs at the World Bank, outlined the Bank's “do no harm” aid and loan policy. The World Bank pursues its development initiatives within a clear cultural preservation framework, recognising that the expressions of local culture today will be the heritage of tomorrow for developing countries. The World Bank believes that preserving local culture is integral to a healthy, sustainable, development program.

Regulation for local content on television exists in culturally diverse countries all over the world including Canada, South Korea, Malaysia, Mexico and many European countries. These countries have all recognised that indigenous television, regardless of the fact that viewers need and enjoy it, will not survive the American domination of the world trade in television programs.

The FACTS submission to The Productivity Commission's Inquiry demonstrates just how vulnerable Australian content would be if Australian content regulations were

diminished. Referring to the demise of the Commercial Television Production Fund the FACTS submission states that:

The demonstrated audience appeal of most of the Fund-supported productions was not enough in itself to change the harsh economics of production for a commercial free-to-air market. By any measure, the commercial industry's ability to continue to deliver the range of local programming that both the Government and the community expect remains finely balanced in current financial and industry conditions."

Commercial broadcasters agree that the community wants to see Australian programs. Regardless of what the community wants, however, regulation is required to create the market for these programs.

The Secondary Market Phenomenon for Television Programs

Foreign programming continues to dominate Australian television schedules (notwithstanding the local content requirements currently in place), because it is sold to commercial television stations at a fraction of the cost of production.

The nature of television markets around the world and the manner in which television production is financed dictates that programs will cost more to broadcasters in the country where the program is produced, than they will to foreign broadcasters. This has nothing to do with the efficiency of a local production industry. It is entirely the result of the secondary market phenomenon governing the way television programs are bought and sold on the international market.

Programs produced in the United States usually recover the full cost of production in their home market. These programs are then distributed all over the world for licence fees which are a fraction of the cost of production. Similarly, programs produced in any other country recover the full cost of production or the greater proportion of production, in their home markets. In Australia, the licence fee paid by local broadcasters for quality drama only represents a proportion (in the case of children's programs around 20%) of the cost of production. The balance is provided through investment, distribution advances and international pre-sales. However the licence fee paid by Australian broadcasters for Australian programs is still the largest single licence fee that a program will receive. Australian drama programs cannot be made without pre-sales to Australian networks. Once completed, all television programs produced anywhere must compete internationally with the low licence fees being paid for American programs in foreign markets.

By way of example, quality children's television drama in Australia costs between \$300,000 and \$400,000 per half hour to produce (and the increasing attractiveness of Australia for foreign producers is partly due to the fact that production costs in this country are relatively low). Local broadcasters pay a licence fee for use of the program of between \$45,000 and \$55,000 per half-hour. At the same time, programs produced for children in the United States (or anywhere else) are available to the Australian networks for between \$2,000 - \$6,000 per half-hour. In these circumstances, what the audience wants to watch becomes irrelevant, particularly during non-prime time viewing hours.

While the above figures are for children's drama programs, this secondary market phenomenon applies equally to all locally produced programs. It is this phenomenon which forms one of the fundamental rationales for the maintenance of local content requirements, as local programming, if it is made at all, is particularly vulnerable to being replaced by cheap foreign programming unless effective minimum local content requirements are in place.

The respected economist and forecaster, Dr. Peter Brain, has recently pointed out that there is a difference between crude protectionism masquerading as industry-assistance policies and genuine assistance policies that aim to provide equal opportunities for nations to share in world growth. He believes that Australia should argue for the latter in the context of WTO negotiations, and seek to define acceptable and reasonable forms of industry assistance, in order to help engineer the process of convergence, and create a level playing field. This is exactly what the current Australian content regulations do, in light of the secondary market phenomenon.

WHAT THE REGULATIONS HAVE ACHIEVED

Regulation has created the local market for children's programs and Australian content

The regulations in favour of children's television programs and Australian content have had a remarkable impact on the Australian television landscape.

The children's television regulations ensure that there is a market for programs that are made especially for children. It is one thing to protect children from harmful television and to ensure that programs screened at times when they are watching are suitable for children to watch. The Australian regulations go further than this. They recognise the rights of children as citizens to enjoy and participate in a wide range of media and programs that are made especially to entertain them and which recognise their special needs. That is why our regulations are so admired around the world.

Since the introduction of the C Drama requirement in 1984, children's drama production has taken off in Australia. From virtually no production of children's drama before 1984 (when the ABC was not producing children's drama either) Australia is now producing 96 hours of children's drama for commercial networks each year. We have an international reputation for this product, which is generally innovative, and of a very high standard.

The trade benefits of a strong audio visual sector

Exports of the rights in film, television and video have increased significantly in recent years. From export earnings of \$82 million in 1993/94, these products earned \$146 million in export markets in 1996/97. Recent Australian Bureau of Statistics figures show that television program rights earn considerably more export revenue than sales of theatrical rights and video rights combined. Exports of television program rights have nearly doubled over the last three years, rising from \$59 million in 1993/94 to \$117 million in 1996/97. This indicates that the Australian television

industry is maturing, and now has more consistent output and well-developed relationships with overseas buyers.

The export of this cultural product also gives Australia an international profile that far exceeds what 18 million people could expect to achieve based on relative population alone and our geographical isolation.

The international reputation of Australian children's programming for quality and innovation means that these programs are particularly good exports for Australia. Australian children's drama programs are now exported to over 100 countries. They are among the most financially successful programs supported by the FFC.

The Foundation, which won the Austrade 1999 Exporter of the Year Award in the Arts & Entertainment category, has extensive experience in exporting children's television drama around the world. We reject the assertions of the commercial networks that a relaxation of the regulations for children's television or Australian content would improve the export potential of Australian programs. Indeed, we believe the opposite would be the case. We are convinced that the high standard of production and strong stories that the children's regulations require of children's drama are the key to the international success of Australian children's drama. In selling programs to Europe or Asia it is not a disadvantage that programs are "Australian". The Foundation believes that any attempt to relax the requirements for "Australian" programs or the standards for children's programs would not only sell our own children short, but would also be detrimental to the export value of those programs. Broadcasters around the world are not interested in buying cheaply produced programs – they have those programs in abundance. The most successful Australian children's program exports are those for which the Australian broadcasters paid the full \$55,000 per episode FFC benchmark licence fee. Cheaper programs do not succeed nearly as well.

COULD THE OBJECTS OF THE BSA BE ACHIEVED ANY OTHER WAY

The strength of a regulatory model which combines complementary mechanisms

Federal, state and territory Governments have all recognised the national importance of assisting Australia's audiovisual industries, and have done so through various mechanisms, which operate in an integrated way.

The major support mechanisms for this sector are administered through the following federal Government measures:

- Australian content rules;
- Direct funding arrangements;
- Taxation concessions;
- The introduction of a pilot Film Licensed Investment Scheme;
- International co-production arrangements;
- Temporary employment visas;
- National public broadcasters; and
- Foreign ownership restrictions.

Taken together, all of these measures form a sophisticated package of inter-related mechanisms. They could not be as effective as isolated initiatives. Maintaining all these measures demonstrates that a holistic approach is being taken to the development of the audiovisual sector.

Most particularly, the important relationship between content regulation and direct funding arrangements needs to be appreciated.

Government funding initiatives for film and television provide limited but crucial subsidy, providing vital top-up to funds provided by various sources of private investment. In recent years, production costs and budgets have risen while licence fees have remained static. The commercial broadcast networks will simply not meet the full cost of production, and distribution advances from distributors are invariably now having to be cashflowed into a production budget, in order to raise those funds.

However, providing production funds alone will not create or develop a market for the product. This is the role of content regulation.

The New Zealand experience of subsidy without local content regulation

New Zealand does not have any local content requirements. It has a system of substantial government subsidy, but this alone has not developed a market for the programming produced. First run New Zealand programs account for only 16% of the broadcast hours in New Zealand. This is the lowest level of local content programming in any developed country in the world.

The New Zealand Government's broadcasting funding arm, NZ On Air, was established in 1989 to collect the Public Broadcasting Fee from New Zealand households (NZ\$110 per household). NZ On Air uses the aggregate of these fees to fund a range of broadcasting services, which would otherwise be very unlikely to be provided on a commercial basis.

NZ On Air's Annual Report for 1996/97 shows that in that period alone, NZ On Air funded 410 hours of children's programming, subsidising 78% of the production costs of those programs. This level of government subsidy as a proportion of the total production budget is far greater than the government subsidy levels available to Australian producers.

However, as producers in New Zealand have discovered, without local content requirements kick-starting the market for these programs, there is still little incentive for broadcasters to purchase and screen these programs. It is primarily for this reason that New Zealand producers sought access to our market for local programs in the *Blue Sky v ABA* case that they won in the High Court last year.

HAVE THE REGULATIONS RESTRICTED COMPETITION

It is clear that it is in the interests of licence holders to argue that any regulations which restrict their own activities restrict competition, but that any regulations which protect their privileged position as licence holders do not.

Competition between commercial free-to-air broadcasters in Australia is fierce. The regulations concerning content do not create a barrier to entry to new players in the free-to-air market. The restrictions on the number of licence holders and the limited size of the Australian market limit new entrants into the market. The regulations concerning content have not restricted any of the free-to-air networks from targeting particular demographic groups in prime-time or specialising in the provision of particular kinds of programs.

The commercial free-to-air broadcasters have been very critical of the different regulation which applies to pay television. Under section 102 of the BSA pay television operators that transmit predominantly drama programs, are required to expend 10% of their programming budget on Australian content. Commercial free-to-air broadcasters have argued that the fact that they are more stringently regulated amounts to unfair competition and that they are losing audiences to pay television. At the same time, pay television operators have argued that they should not be subjected to regulation at all, given the expensive start up costs associated with pay television and the fact that people have to pay to subscribe to their services.

The Foundation maintains that the regulation of children's television and Australian content are there for the Australian audience as a whole, not just those who have access to pay television. Furthermore, pay television broadcasters cannot pay licence fees for content anywhere near the level of free-to-air broadcasters, so the production of children's programs and Australian content would not be sustained if commercial broadcasters were relieved of their responsibility to screen this programming. Quality Australian content exists as the result of a combination of regulation and subsidy. If it is subsidised, the majority of this material should also be accessible to all Australians, via the free-to-air television broadcasters.

WHAT PRICE AUSTRALIAN CULTURE IN A DE-REGULATED FUTURE?

Ultimately, whether the existing restrictions on the right to hold a broadcasting licence are lifted or not, the future of Australian children's television and Australian content in general is in doubt. The secondary market phenomenon means that Australian content cannot compete with imported programs. In an environment which was de-regulated, many of the programs that the community expects to see, would disappear. If the number of commercial broadcasters increased, this process would happen even more quickly. Expenditure on programming would decrease dramatically, and we would lose quality programs and diversity. The Australian consumer will be the loser.

Recently there has been an increasing emphasis by state governments in Australia on attracting offshore productions to this country. It is argued that these productions create opportunities for Australia, particularly employment opportunities. The reality is that these opportunities are here for as long as offshore productions find it attractive

to produce programs outside their own countries. The current “Keep Hollywood In Hollywood” campaign by film and television industry workers in California seems likely to stem the tide of offshore production, as they appear to be succeeding in persuading local and state governments in the United States to offer matching incentives to keep production there. Opportunities that may exist here for a few years could just as easily disappear in the future. A film and television industry is only sustainable if there is plenty of local work in production.

Successive federal governments have recognised that the maintenance of children’s television and Australian content are enshrined in the BSA for social and cultural reasons, not to protect the television industry from competition. This is in the interests of all sections of the audience throughout Australia.

The Senate Environment, Communications, Information Technology and the Arts Legislation Committee conducted a wide-ranging inquiry into the Australian Content Standard for Television and Paragraph 160(d) of the Broadcasting Services Act 1992, in late 1998.

This bi-partisan Committee recognised the vital importance of effective local content regulation, specifically noting that a number of factors conspire to create the need for regulation for local content. It also acknowledged that there is continuing and widespread support for the current level of local programming, and even moderate support for an increase in these levels.

In delivering the federal government’s response to the Senate Committee’s Report, Minister Alston confirmed the federal government’s “absolute” commitment to the film and television industry, and gave assurances that the government would continue to regulate as required to achieve its cultural objectives. This demonstrates a continuing appreciation of the role which regulation needs to play in the media sector.