



Australian Content:

Forces Group for Standards Review

When the new Broadcasting Services Act came into operation in October 1992, only two program regulations were carried over from the previous regime: Australian content in programs and ads, and regulation of children's programs where - after considerable public pressure - the Government left existing ABT-developed program standards in place.

But only for two years. The time is fast approaching for a review of these standards by the Australian Broadcasting Authority, and the ABA is expected to issue a timetable for the review soon.

Already there is concern among groups representing the production industry, television viewers, and children's interests, that these hard-fought-for standards may be diluted or dropped. Public statements by ABA chairman Brian Johns about the need to rethink the approach to Australian content, along with the lurking threat that NZ programs may under the CER agreement be classified as Australian for regulatory purposes, have not engendered confidence.

In two areas there is specific evidence giving cause for concern: foreign content in advertising, and Australian programs for young children.

1. Drop in Ad Production: De-regulation a Culprit

It is sad deregulation has happened in Australia. It turns agencies into clearing houses for overseas ads.

Advertising agency executive, quoted in TV and Cinema Advertising Production in Australia and New Zealand, p.42.

An actor who was formerly in constant demand for TV commercial voice-overs recently told *CU* that he had had no work in this field for nearly a year.

In recent times there has been considerable anecdotal evidence of a fall-off in local production of television commercials (TVCs). Now a report commissioned by the AFC appears to confirm the industry's worst fears by suggesting that there has been a steady decline in the value of TVC production since a peak in 1989-90.

The report, *TV and Cinema Advertising Production in Australia and New Zealand*, was prepared for the AFC by Mervyn Smythe and Associates (details in Policy File, p. 15).

The report says that the post-80s recession has clearly played a role, as has the trend to keep commercials in use for longer periods and to make fewer big-budget commercials. However, the report also ascribes the falling off to the

Australian Broadcasting Tribunal's 1991 changes to the local content requirements for television commercials.

These changes allowed up to 20 per cent of advertising time to be occupied by foreign-made commercials. Prior to this, there was virtually a ban on the use of foreign commercials, and it has long been accepted that the existence, since the regulations were introduced in the 1960s, of a strong infrastructure to support commercials production underpinned the revival, and continued operation, of Australian feature film and television drama production.

One producer, commenting on the impact of the regulatory changes, said:

The partial deregulation of the commercial production business has produced a marked downturn in the company's turnover. This has reduced production budgets and caused widespread undercutting tactics from competitors.

Statistics from FACTS' Commercials Acceptance Division since the partial deregulation of TV advertising have tended to suggest that there has been no dropping off in TVC production since the more relaxed regulatory regime was introduced. But as this report points out (p. 36), although the number of commercials cleared by FACTS CAD may show an increase, the real yardstick of activity - total production expenditure - has actually declined.

The Seven Network reported that in 1992/3, the proportion of advertising airtime used for transmitting foreign-made commercials was around 7.5 per cent, and the consultants have assumed that a similar proportion would apply to other networks. They have produced estimates (p.28-29) showing that a percentage loss to Australian production in that year of around 20 per cent of potential production expenditure - somewhere on a scale between \$36m and \$43m in total.

What's In Store

The consultants report (p.41) that there is evidence of a significant increase in the advertising time occupied by foreign-made commercials in the current year. In the eight months July 1993-February 1994, usage on the Seven Network has been on average 3 per cent above the previous year's figure, and if this average holds, the level for the whole financial year will be 10.4 per cent. The report estimates that the loss to Australian production in the 1993/4 year will be between 26 and 31 per cent.

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AdNews (22 April) published figures showing that the Ten network in Sydney reached an average level of 10.8 per cent foreign ads in the first quarter of 1994, and Ten conceded that this could go as high as 15 per cent.

Advertising agency executives interviewed for the Smythe report had mixed views on whether this trend would continue. Some said that local branches of multinational companies were resisting pressure from parent companies to run foreign-made ads, and that when tested, these ads 'just did not work in Australia' (p.42).

Others, however, were less optimistic. One said: 'Some clients will use absolutely anything from overseas'. Another said that the issue of foreign commercials would not go away and would become more prominent 'as more and more companies go into global brands'.

In the advertising industry, there was no confidence that new forms of media such as pay TV and interactive TV would have a significant impact on TVC production. This was, the report says, 'based on a general belief that the new media has a tendency to dilute advertising budgets rather than expanding them'.

CU understands the ABA had not originally intended to review the advertising standard as part of the overall process of Australian content review. John Daniell of the Commercial Film Production Association of Australia told *CU* that, based on the Smythe report and other factors, his organisation would be making an approach to the ABA for a thorough review and a 'winding back' of the 20 per cent level.

While the CFPAA accepted that in the long term the industry would have to face the prospect of total deregulation, the new standard was introduced at the wrong time and was too much too soon, Daniell said. The CFPAA put evidence before the ABT's original inquiry that a 20 per cent foreign ads level would result in a 50 per cent reduction in local production, but the ABT chose not to accept this argument.

'The Smythe Report proves that we were right' Daniell said. 'The loss to the local industry is colossal even on an average foreign content of less than 10 per cent'.

The real figure even now may be considerably higher, since many of the commercials in current use are hybrids cobbled together from overseas and local material. Decisions about what constitutes an 'Australian' ad are made by low level staff in agencies or advertisers who have the task of completing the appropriate form for FACTS CAD. A commercial shot in Australia is not necessarily Australian - it could have an American storyboard and use entirely American actors.

Conversely, it is ironic that many of the ads viewers imagine are American (the Macdonalds 'James Dean' ad for example) are actually Australian. Our commercials are having to look more and more American to be accepted by advertisers and, in particular, by younger viewers accustomed to a diet of American cultural styles and icons.

As John Daniell said to *CU*, the cultural implications of this are cause for significant concern.

2. Children and OZ Content

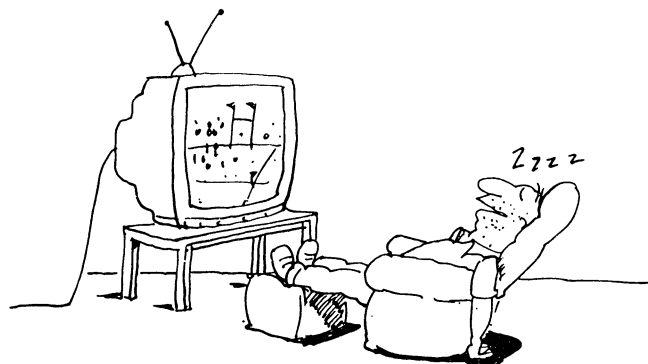
Current children's program standards require 50 per cent of the total C program time (260 hours per year) to be occupied by Australian first release programs. No such requirement applies to preschool (P) programs, a shortcoming which has been the source of some chagrin to children's lobby groups.

To date, however, it has been the practice of television licensees to broadcast predominantly Australian-made P programs. Now, children's lobby groups fear that this may change; they believe there are signs that the networks are moving to replace Australian preschool programs with imported programs.

In an attempt to pre-empt any such move, representatives of 12 interest groups have written to each of the networks asking them what their plans are for this area, and drawing attention to the desirability of continuing to make Australian programs like *Book Place* (Seven), *Mulligrubs* (Ten) and *Here's Humphrey* (Nine) available to children in this age group. The groups have also written to ABA chairman Brian Johns to inform him of the course of action they are taking and to indicate that they may raise this issue during the review of television standards.

The signatories include the Australian Council for Children's Film and Television, the Australian Consumers Association, the Writers Guild, the National Indigenous Media Association and the Media Entertainment and Arts Alliance.

Barbara Biggins, longtime activist for children's programs, told *CU* that the move was in effect 'a shot across the bows' of the networks which it was hoped would give them food for thought. The possibility that they could face regulation in the P programs area might encourage them to act voluntarily and continue to screen Australian programs. The move was also a sign to the ABA, Biggins said, that there is concern with the deficiency in a standard which requires Australian material for older children but not for pre-schoolers. □



An Australian, content.