



Child's Play

Issues in Australian
Children's Television 2013

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Front cover image:
The Adventures of Figaro Pho



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This report summarises the findings of three comprehensive briefing papers which can be accessed at

www.screenaustralia.gov.au/childsplay

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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.

Introduction

Screen Australia and the Australian Children's Television Foundation have undertaken this project to increase understanding of how children engage with screen content, and the unique challenges involved in financing, producing and scheduling children's programs in today's rapidly evolving media landscape.

The project draws together previously available data and insights from new research, building on issues raised in the Screen Australia publications *Beyond the Box Office*, *What to Watch?* and *Convergence 2011: Australian Content State of Play*.

CONTEXT

Several assumptions provide a starting point for the analysis.

It's important that children have access to content made for them, and Australian content made for them.

It is a community expectation that children have access to content that deals with stories, concepts and ideas relevant to them, including content that presents a uniquely Australian point of view. A guiding principle of the *Children's Television Standards* is that locally produced children's television is essential to the 'cultural health and vitality of young Australians'.¹

Children's content is difficult to finance and monetise.

Quality children's drama is expensive to produce, but because of its more limited ability to generate advertising revenue (due to restrictions on advertising during C programs), it attracts smaller licence fees from the commercial broadcasters than many other types of content. Even projects made for the ABC, which does not have the same commercial imperative, often rely on government support and foreign sources to complete financing.

For both of these reasons, the Australian Government, like the governments of many other countries, has supported the production of local children's content through a combination of content quotas, direct subsidy and tax incentives. As a result, the Australian children's television sector is well regarded both domestically and internationally for its high-quality live-action and animated drama series. Australian children's series are broadcast all over the world including recent international successes *Dance Academy*, which has sold to over 180 territories, and *Lockie Leonard* and *Mortified*, which have both sold to territories in Asia, Europe and South America, among others. Australian productions also have a strong track record at international children's television awards; *Figaro Pho*, for example, won the Kidscreen award for best animated series for series 1 in 2009 and series 2 in 2013.

The current environment, both international and domestic, has created difficulties.

The past decade has seen a rapid expansion in the number of dedicated children's channels available on digital terrestrial and IPTV platforms internationally. While this means a greater number of potential sales for producers, it also means that licence fees are falling as audience fragmentation places pressure on advertising revenue. On top of this phenomenon, the global financial crisis made it challenging for local productions to attract finance from international sources, and the strong Australian dollar has diminished the value to the budget of any international finance that does become available.

Domestically, the introduction of the digital multi-channels along with the launch of video-on-demand services by the free-to-air broadcasters and the rapid uptake in smartphones and tablets has meant that the volume of content available to Australian audiences has increased exponentially. However, recent changes to broadcasting regulation have not extended the children's content quota to the multi-channels, one of the recommendations of the Australian Government's Convergence Review.

In order to continue providing appropriate levels of high-quality Australian children's content, support for and regulation of children's television needs to be calibrated to the media environment.

¹ ACMA, Australian Children's Television Standards 2009



The Adventures of Figaro Pho

THREE KEY INSIGHTS

- 1.** Children want to watch television content made specifically for them.
- 2.** Scheduling is key to the broadcast success of a program.
- 3.** Financing children's content is ever more difficult.

SCOPE

This report presents findings in three main areas, drawing on a range of data sources. Extended research papers in each area are also available at:

www.screenaustralia.gov.au/childsplay

The audience

- *Child audience attitudes and behaviours:* Screen Australia and the Australian Children's Television Foundation commissioned *What's On*, a survey of children aged 2–14 years, to understand how children engage with television, the influences on their viewing behaviour and their attitudes towards various types of content.
- *Viewing patterns:* Screen Australia used ratings data to plot child viewing patterns across the broadcast day to determine what Australian children are watching and when. This updates findings originally presented in Screen Australia's report *Convergence 2011: Australian Content State of Play*.

The broadcasters

- *Broadcaster programming strategies:* The on-air schedules of the free-to-air broadcasters, including their catch-up services, and the three dedicated children's subscription television channels were analysed in order to shed light on their strategies for programming and promoting children's content. The content of commercial breaks broadcast during children's programming blocks was analysed in order to gain insights into how the commercial free-to-air networks promote children's programs. In addition, the programming strategies for specific programs were analysed as case studies.

The producers

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

▼ dirtgirlworld



Key findings

Children are a discriminating and potentially highly engaged audience, but influences on viewing patterns are complex.

- Children are naturally savvy media users who can distinguish content made for them and prefer it.
- Children engage with drama differently from other types of content; they are more highly engaged with drama on a number of levels.
- What children watch is influenced by a range of factors such as parental control and time available.
- Peak viewing across most channels coincides with the designated C and P program time bands, but the highest audiences for children are during early evening, when children tend to be 'co-viewing' programs for general audiences.

Broadcasters' programming strategies for children's content are part of an evolving media environment that is creating multiple challenges and impacts.

- The commercial free-to-air networks have moved most foreign children's content to the digital multi-channels and, as of 1 January 2013, Seven and Nine are also moving some of their Australian content to the multi-channels.
- Children's programs on the commercial free-to-air networks – both the main channels and the digital multi-channels – are predominately packaged together into blocks.
- While programming blocks on the multi-channels tend to be consistently scheduled, the main channel blocks (containing much of the first-run Australian content) can be more variable, sometimes interspersed with general programming, and subject to shifts or cancellations for live sport broadcasts.
- Strategies such as inconsistent scheduling have made it difficult for some programs to build loyal audiences.

- A large proportion of children find out about narrative programs by seeing them advertised on TV. However, there is limited opportunity or incentive for cross-promotion of children's programs to the child audience given factors such as the restriction on promotions during children's programming set out in the *Children's Television Standards*, the need for the commercial free-to-air networks to monetise programming through advertising, and their tendency to promote their strongest properties, which are often general-audience programs.

Australia has an international reputation for high-quality children's television, but this content is getting harder to produce.

- Australian children's programs are broadcast all over the world and have a strong track record at international children's television awards.
- Children's drama is expensive to produce, but attracts smaller licence fees than drama for adults, relies more on foreign finance, and has been impacted by the rise in the Australian dollar.
- Animation production has been growing since the early 2000s with more hours of animation produced than live action for five of the last six years.

The new environment offers opportunities as well as challenges.

- Dedicated channels on the ABC and subscription television provide examples of the potential of Australian children's television drama to connect with audiences, when thoughtfully programmed and promoted to draw in and engage child audiences.
- While primary viewing is still live or as-live, children are increasingly watching content online, within parental restrictions. ABC iView is the only catch-up television service that has a children's programming category and offers a substantial amount of children's content.

Focus 1: The audience

Child audience attitudes and behaviours:

What's On survey

What's On, a survey of children aged 2–14 years, was commissioned by Screen Australia and the Australian Children's Television Foundation in late 2012 to explore how children engage with television, the influences on their viewing behaviour and their attitudes towards various types of content. The survey revealed several broad trends.

Children are savvy media users.

Children have distinct programming preferences and ways of engaging with television content. Their viewing choices are influenced by a range of factors that cannot be discerned through the analysis of broadcast ratings alone.

Children like content made specifically for them.

When presented with program examples, both younger (2–7 years) and older (8–14 years) children were able to identify children's content, and distinguish it from family-oriented content or content for adults.

The majority of children in all age groups stated that they liked programs made for them, with 54 per cent saying they liked them 'the best'. Unsurprisingly, younger children showed the strongest preference for children's programs, while older children were equally likely to enjoy family-oriented programs.

Parental control has a strong influence over what children watch and when they watch.

Among the surveyed children, particularly in the younger age group, viewing choices across all types of content and platforms were strongly influenced by parents. For 2–7 year-olds,

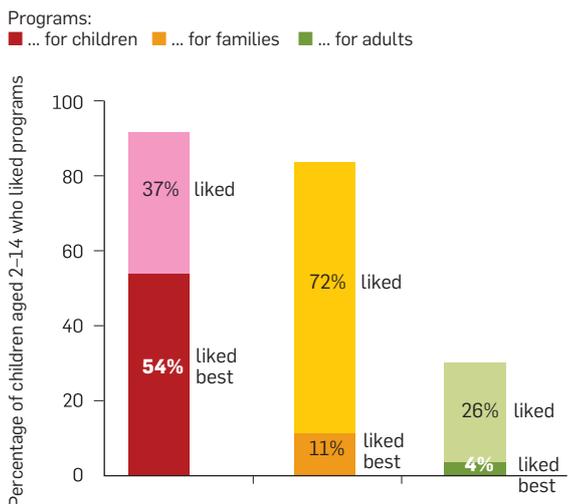
restrictions tended to focus on age-appropriateness and time limitations. Other activities such as meals and homework were key factors for older children. Television content was commonly either selected by an adult for the child, or children were able to select content from a specified set of channels. A large proportion of parents also supported television viewing as a family activity.

While there's no 'home ground advantage', children can identify what they like about Australian content.

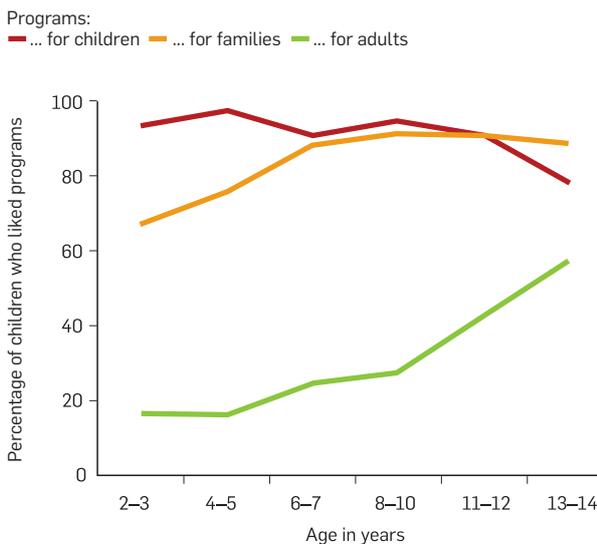
The majority of children said it didn't matter to them where a TV show was made, although of those who did have a preference, almost all preferred Australian programs over foreign ones. Much like their older counterparts, most children just want to watch good shows, regardless of the country of origin.

But when asked to nominate their favourite shows, Australian titles featured prominently. *Giggle and Hoot*

CHILDREN'S PROGRAM PREFERENCES



... BY AGE



Source: Compiled by Screen Australia from research survey *What's On*, conducted by Jigsaw Strategic Research.

and *Play School* were way ahead of all other titles for 2–7 year-olds. *Home & Away*, *Neighbours* and *Dance Academy* were all in the top 10 favourite dramas for older children (with *Home & Away* at number two after *Modern Family*), and all of their top five favourite non-dramas were Australian, led by *Australia's Funniest Home Videos*, *X-Factor* and *Good Game*.

And while younger children were often unable to distinguish a program's country of origin, older children could identify reasons for enjoying uniquely Australian content, revealing a strong desire for identification with characters and narratives that unfold in familiar contexts.

The most commonly stated reasons for children aged 8–14 enjoying Australian content were:

- *I like seeing places I recognise.*
- *I like characters or people that remind me of myself or my friends.*
- *I like stories that I think might happen to me or my friends.*

Children discover programs in a variety of ways.

Younger children mainly find out about programs through their parents, but this was much less relevant for older children. The four most

common ways that older children discover narrative content are:

- *I just flick on the TV and find them.*
- *I see them advertised on the television.*
- *My friends at school tell me about them.*
- *I look at the TV schedule/guide and see them there.*

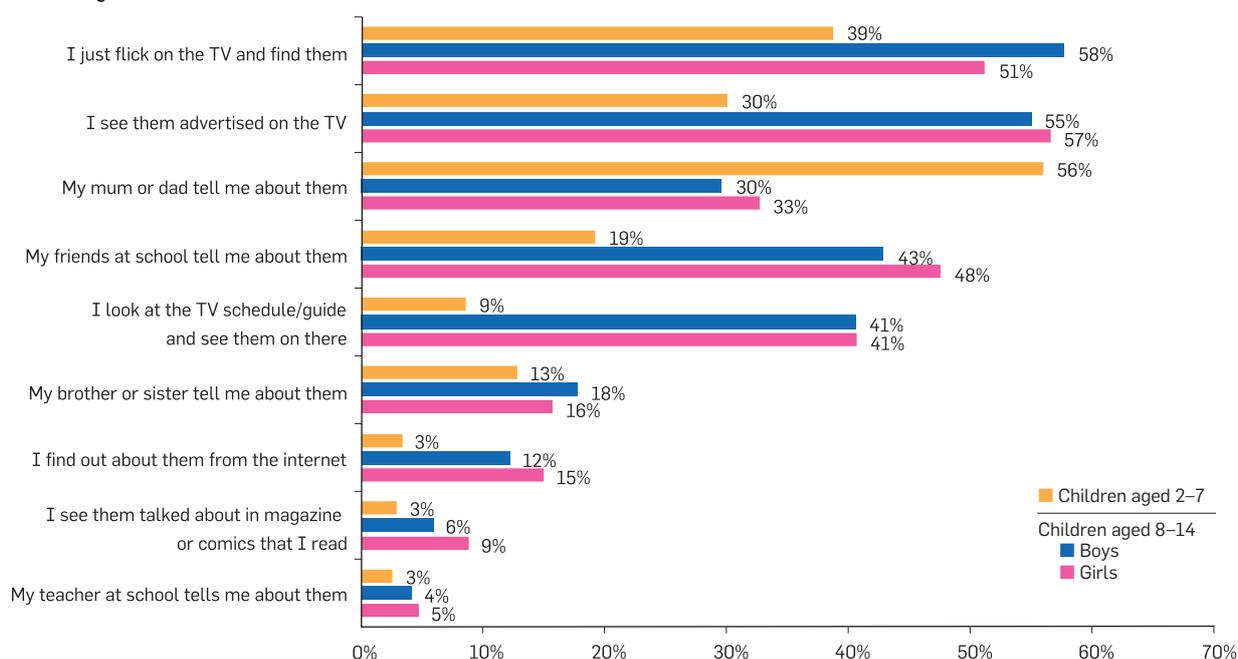
Girls tended to talk about television slightly more than boys did, with 48 per cent of girls finding out about narrative content through friends compared to 43 per cent of boys.

Older children engage more with drama than other types of programs.

Older children engage differently with shows that have characters, ie drama programs, compared to other types of programs. When watching drama programs, 80 per cent of older children said they 'just watch the show' without dividing their attention between television and other activities, while this rate was not as high for other types of programs. Of the older children who reported multi-tasking when watching television shows, 31 per cent were engaging in other activities related to the program they were watching.

HOW CHILDREN DISCOVER PROGRAMS

Percentage of children who said:



Source: Compiled by Screen Australia from research survey *What's On*, conducted by Jigsaw Strategic Research.

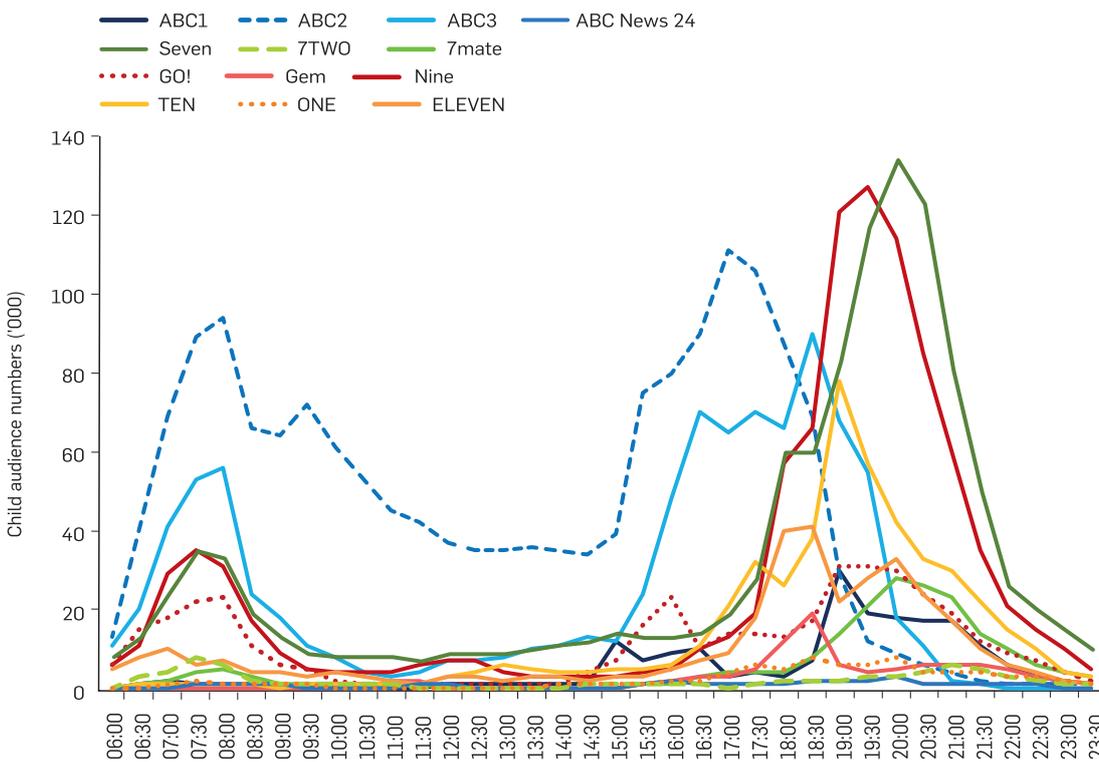
Viewing patterns: Ratings analysis

Ratings analysis for children aged 2–14 years during October 2012 revealed a **peak in children's viewing** across most channels during **mornings and afternoons**, coinciding with the **designated C and P program time bands** set out for the commercial free-to-air broadcasters in the *Children's Television Standards*.

However, the **highest audiences for children were during the early evening**. The majority of viewing during this period is considered 'family friendly' with PG-rated content such as *The Big Bang Theory* screening during this time, although content specifically targeted at children is available on ABC3 until 9pm.

The analysis suggests that there are large numbers of children **'co-viewing' programs for general audiences** with older family members during weekday evenings. Networks Seven and Nine have the highest audience spike in the early evening, attributed to programs such as *The X Factor* and *Big Brother*. However, ABC2 has a consistently higher level of viewership throughout the day, with animations such as *Peppa Pig* and *The WotWots* popular in the 5pm timeslot.

CHILD AUDIENCE NUMBERS ACROSS THE DAY, 6AM TO MIDNIGHT, WEEKDAYS



Source: OzTAM, 5-City-Metro, Average Audience across weekdays, 6am to midnight, Children 2–14, Weeks 42–45 2012, Consolidated.

Focus 2: The broadcasters

Broadcaster programming strategies: *Schedule analysis*

In order to better understand the strategies behind scheduling children's content on Australian television, on-air schedules were analysed for the commercial free-to-air networks, the ABC, and the dedicated children's subscription channels Nickelodeon, Cartoon Network and Disney Channel.

The initial analysis was undertaken in October 2012. However, on 30 November 2012 the Australian Government announced changes to Australian content requirements for the commercial free-to-air networks as part of its initial response to the Convergence Review. These changes included allowing children's programs aired on the multi-channels from 1 January 2013 to count towards sub-quota requirements set out in the *Children's Television Standards*. References to broadcast schedules from early 2013 are therefore also included.

COMMERCIAL FREE-TO-AIR NETWORKS

In October 2012, the commercial free-to-air networks were showing most of their **foreign children's content on the multi-channels**, while the **main channels featured the Australian-produced content** (including all first-release content) required to meet the minimum levels set out in the *Australian Content Standard*. However, network schedules in February 2013 showed that both Seven and Nine had moved a further proportion of their regularly scheduled children's content across to the multi-channels, most likely in response to the changes in legislation.

Children's programs on the commercial free-to-air networks – both the main channels and the digital multi-channels – were predominately **packaged together into blocks** (the CTS review introduced block programming as an option from 2010). Programming blocks on the **multi-channels tended to be consistently scheduled**, while the weekend blocks on the **main channels** were more variable, and regularly **shifted or removed for live sport broadcasts**.

All the commercial networks had children's programming blocks on at least one of their **multi-channels**. Almost all of the content comprised foreign programs, with a small amount of repeat Australian children's programs. These blocks featured network branding or brand sponsorship, sometimes with young Australian hosts and viewing incentives such as competitions and audience participation through social media. Examples of children's programming blocks include *Saturday Disney* on TTWO, *Kids' WB* on GO! and Nine, and *Toasted TV* on Eleven. Much of the content featured in these blocks is obtained



through **partnerships and outputs deals with major US studios**.

▲ SLIDE

On the **main channels**, all three networks scheduled first-release **Australian** non-drama children's programs (including preschool) in short weekday blocks,² with Ten including **first-release Australian children's drama**. Ten also scheduled a mix of Australian drama and non-drama programs on weekend mornings. Seven and Nine scheduled their first-run drama on weekends, in blocks of around 1.5–2 hours, at varying times, sometimes following foreign children's programs and sometimes interspersed with general-audience programs.

Seven and Nine also regularly featured **films targeted at children and families** on Saturday evenings; these were generally not Australian films.

Networks frequently scheduled similar children's programs at the **same time as their competitors**.

² The CTS requires 30 mins of continuous P programs, ad-free every weekday.

Focus 2: The broadcasters

PUBLIC BROADCASTER – ABC

The ABC has a dedicated children's channel, ABC3, and also schedules large blocks of children's programs on ABC2 as well as some shorter blocks on the main channel, ABC1.

ABC2 has been established as the primary destination for preschool programs, screening continuously each day from 6am to 7pm. During October 2012, programs included first-release episodes of the Australian P-program *Play School* and its spin-off series, *Little Ted's Big Adventure*, foreign programs and repeats of other Australian programs, including twice daily screenings of the animated version of internationally successful preschool program *Bananas in Pyjamas*.

ABC3 focuses on programs for older children. During the analysed period, **first-release content was often scheduled from 5pm onwards**, after the commercial free-to-air networks had generally concluded their children's programming for the day. ABC3 was the sole free-to-air channel to utilise the **marathon programming** technique, with back to back episodes of the foreign animated series *Total Drama Island* screened during October.

Overall, the weekend programming for ABC2 and ABC3 did not differ greatly from the weekday strategies. The short blocks of children's content on weekdays on the main channel featured programs for younger (*Play School*) as well as older (*Naturally Sadie*) children.

Although it is not included in this analysis, **NITV**, now broadcasting as a channel of SBS, also screens small amounts of content for children, aimed specifically at an Indigenous audience. It currently features a range of Australian children's programs including preschool series *Bizou*, variety series *Waabiny Time*, health and fitness series *Move It Mobstyle* and educational series *Go Lingo!*, alongside international children's productions such as *Inuk*.

DEDICATED CHILDREN'S SUBSCRIPTION CHANNELS – NICKELODEON, CARTOON NETWORK AND DISNEY CHANNEL

All three of the main dedicated children's subscription channels have set up separate channels for preschool programming – Nick Jr, Disney Junior

and Boomerang – while the main channels focus on programs for children aged five to 12.

The majority of programs on each channel are foreign-produced live-action or animation series, which often skew heavily towards one gender or the other, the balance varying between channels. For example, Cartoon Network's focus on animation often skews the channel towards boys; while Disney schedules popular girl-targeted programs.

While it can be difficult to identify all first-release content on the subscription channels, release patterns during October 2012 tended to vary by channel and title. The majority of new episodes seemed to fall during weekday afternoons and weekend mornings. New weekday episodes were generally released one episode per week, allowing for a variety of programs to feature across the timeslot. Although the weekday format allows for programs to be featured up to five times a week, in October this practice was only used by channels to schedule repeat screenings. Across the weekend, first-release episodes were mostly scheduled early to mid morning.

Like the commercial free-to-air networks, subscription channels frequently scheduled similar children's programs at the **same time as their competitors**.

New episodes of a series were often broken down into smaller batches for release, particularly for titles with a limited number of new episodes available. First-release episodes of some of the strong properties were timed to coincide with the school holiday period or a marketing campaign. Episodes of short-form animated series were generally broadcast two at a time to create a half-hour block and new episodes were often paired with a repeat.

Repeat strategies also vary depending on the channel and title. Some episodes repeated within a week of broadcast, serving as a catch-up opportunity, while others were delayed.

Children's movies were screened in the evenings across all three channels on various days from Friday to Sunday. While theatrical titles were occasionally scheduled, the majority that aired in October were encores of a channel's slate of popular made-for-television movies.

The children's subscription channels also schedule marathon programming blocks, although these are generally reserved for special events such as school holidays. Cartoon Network was the only channel to utilise this technique during October.

Only one Australian-produced series was identified as screening in October: a repeat screening of *H2O: Just Add Water* on Disney Channel.

On-air promotion of children's programs: Program breaks analysis

To provide insights into how commercial free-to-air networks promote their children's programs, the content of commercial breaks broadcast during children's programming blocks was monitored across a week in November 2012.

While the balance of advertisements and promotions varied channel to channel, the majority of spots across the board (79 per cent) were taken up by advertisements, the bulk of which were for toys. Only 8 per cent of total spots broadcast during children's programs were used to promote other children's programs.

A large proportion of children in the *What's On* survey indicated that they found out about narrative programs by seeing them advertised on TV – 55 per cent of boys and 57 per cent of girls aged 8–14 years. However, there is limited opportunity or incentive for cross-promotion of children's programs to the child audience given factors such as the restriction on promotions during children's programming set out in the *Children's Television Standards*,³ the need for the commercial free-to-air networks to monetise programming through advertising, and their tendency to promote their strongest properties, which are often general-audience programs.

³ The CTS bans all advertisements including program promotions during P programs and places limitations on them during C programs.



Case Study 1: *Dance Academy series 2*

▲ *Dance Academy series 2*

Dance Academy is a teen-oriented Australian television drama which first screened in 2010, with series 2 airing in 2012.

Dance Academy series 2 benefited from scheduling that enabled it to build an audience and gave the program its best chance of success.

The 26-part series premiered on ABC3 in March 2012. It was scheduled four nights a week (Mon–Thu) at 6.30pm, with the early evening timeslot offering children both the opportunity to choose a local kids-oriented program during weekday evenings (instead of the commercial broadcasters' news and current affairs offerings) and a rare opportunity to view the series with their family. It was one of the highest-rating children's programs of 2012, achieving an average national audience of 177,000 across the 26 episodes.

Dance Academy was also popular on catch-up television, with the premiere episode of series 2 attracting 1.8 million program plays via iView and the ABC3 Watch Now website.



▲ *Lockie Leonard*
series 2

Case study 2: *Lockie Leonard series 2*

Lockie Leonard is an Australian children's television series adapted from a series of books by award-winning author Tim Winton. The series first screened on the Nine Network in 2007.

Channel Nine's scheduling of *Lockie Leonard series 2* made it difficult for the program to build a loyal audience despite several advantages, including the popularity of the books on which it was based, fans of series 1 displaying a high level of engagement on social media, international success and a well-crafted multi-platform campaign.¹

The first 13 episodes of the 26-part series went to air on Saturdays between August and November 2010, any time between 11am and 1pm. Adding an additional layer of complexity for viewers, the same episode could air at different times in different markets around the country and several episodes were even screened back to back. Viewers then had to wait more than six months for the final 13 episodes, which did not premiere until June 2011. The encore scheduling of the series became even more erratic in 2012, with episodes alternated between Saturday and Sundays any time between 11.30am and 3.30pm.

The series achieved an approximate national series average of 92,000. It premiered with over 100,000 viewers, but the inconsistent scheduling saw audience numbers fluctuate each week with some of the later episodes broadcast in 2011 hovering around the 50,000 mark.²

Lockie Leonard series 2 was not made available on Channel Nine's catch-up television service.

¹ Goalpost Pictures Australia and TEQUILA won the AIMIA Award for Best Cross-Platform for *Lockie Leonard series 2*.

² Source: First release, OzTAM and RegTAM, 5-city metro and regional consolidated.

Focus 3: The producers

Financing and production of children's content:

Data from Screen Australia's Drama Report

The production of children's television has several distinctive features that make it particularly vulnerable to changes in the media landscape and government regulation.

Children's drama is expensive to produce, but difficult to monetise.

Children's television drama is the second most expensive type of television program to produce, following adult drama. In 2011/12, children's drama cost \$667,000 per hour to produce on average; this is roughly in line with the five-year average.

However, despite being expensive to produce, children's television attracts much smaller licence fees than drama for adults, both in dollar terms and as a proportion of the budget. While broadcasters provided 67 per cent of total finance for the adult drama slate over the last five years, they provided only 29 per cent of finance for the children's drama slate. Strict limitations on advertising during children's programming blocks on commercial free-to-air television make it more difficult for the networks to monetise children's content compared to programs for adults. Other types of children's programs, for example game shows, are among the least expensive types of programs to produce.

It tends to rely on foreign finance.

Since the mid-1990s, there has been a high incidence of children's television dramas made as co-productions. Over the last five years, co-productions accounted for a quarter of total hours of children's drama produced, and 30 per cent of budgets.

Even when made as domestic programming, children's drama is more likely to include foreign finance than drama for adults, and foreign finance generally accounts for a greater proportion of the total budget. The reliance on foreign finance, either by way of a co-production or through foreign investment in local productions (for example through presales to foreign territories), is mainly a result of the difficulty in raising the full budget from local sources, and has meant that the rise in the Australian dollar has had a significant impact on the sector.

Foreign market finance can also impact on future earnings, as territories pre-sold to raise the budget are not then available as sources for recouping production costs.

Production levels have tended to be cyclical.

Peak years for production of children's drama were 2007/08 and 2008/09 and levels have been declining since then, although preliminary data for 2012/13 suggests a recovery. The three-year cycle over which the commercial broadcasters can acquit their obligations to broadcast minimum levels of first-release children's drama is likely to contribute to this cycle of production, as is the ABC's recent focus on non-drama children's programs.

Animation production has been growing since the early 2000s and has been higher than live action for five of the last six years, in terms of both total budgets and hours produced. Co-productions are more likely to be animation than live action – in nine of the last 10 years, most children's co-productions were animations.

Challenges and opportunities for producers:

Producers' survey

Screen Australia surveyed a range of children's content producers about their perceptions of the challenges and opportunities facing the sector.

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 source of production finance 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 licence fees reflects a general lack of support for children's content.

REGULATION

In general, producers supported the way regulation is handled across the ACMA, public broadcasters and child-specific subscription channels. Producers believed that the *Children's Television Standards* have a positive impact on the children's production sector, contending that it ensures quality storytelling that contributes to Australia's international reputation for children's television.

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. 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.⁴ Producers felt this provided little room for them to offer the 'aspirational' viewing experience to older children.

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, the live broadcast still accounts for the bulk of viewing, which underlines the critical importance of scheduling to a program's ability to connect with its audience.

Producers argued that commercial networks tend to 'ghettoise' children's content by broadcasting it at times when children cannot feasibly watch it. Further, as illustrated by the *Lockie Leonard series 2* case study, inconsistent scheduling prevents programs from building audience awareness and loyalty. In comparison, producers considered that the dedicated children's subscription channels and the ABC worked harder to promote children's programs and build a 'brand' around them.

MULTI-PLATFORM CONTENT

Producers were aware that multi-platform extensions of television content can encourage audience retention and growth. Multi-platform extensions also offer child audiences deeper engagement with characters and narratives. The main impediment to creating such content is finding appropriate financial resources. 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.

⁴ ACMA, *Criteria for a Children's Program*, January 2012

Conclusion

Over the past five years, the Australian media landscape has seen the introduction of the digital multi-channels, the launch of catch-up television services by the free-to-air broadcasters, the rapid uptake of smartphones and tablets and the growing popularity of interactive entertainment. As a result, the volume of content available to Australian audiences has grown exponentially. However, it cannot be taken for granted that a converged media environment will provide culturally relevant, high-quality and easily accessible content for children.

Like the drama production industry more broadly, the children's drama production sector has required government support and regulation to ensure its sustainability. Government support for drama production is required because of Australia's relatively small domestic market as well as strong competition from other Anglophone markets. Children's content is particularly vulnerable because of its narrower audience and more limited ability to generate revenue through advertising. The increase in distribution points for children's content places additional pressure on Australian children's content producers as fragmenting audiences result in lower licence fees. Furthermore, they must compete both domestically and internationally with well-resourced international children's television brands producing content with high production values and accompanied by extensive multi-platform offerings.

Child audiences have distinct needs and preferences and the Australian production industry should be able to address these. However, this cannot be achieved without a viable domestic marketplace for children's content. This marketplace comprises primarily the ABC and the commercial free-to-air broadcasters. The commercial broadcasters provide only the minimum required amount of Australian children's programming, which has declined significantly as a proportion of their overall broadcast offerings since the introduction of the digital multi-channels.

The success of first-release Australian children's drama such as *Dance Academy* on the ABC is an example of the reach and engagement that Australian children's content can achieve. However, on the commercial networks Australian children's drama is not creating the same traction with child audiences due to less than optimal scheduling decisions and promotion.

A nuanced understanding of how children engage with television and the influences on their viewing choices is essential to any strategy for addressing these issues. The insights gained from the *What's On* survey as well as the other research in this report reveal that children are enthusiastic viewers of narrative content that they can relate to, and that children's television as well as family viewing is important to them.

Australian screen storytellers have a strong track record in reaching and connecting with Australian children. The challenge is to ensure they can continue to do so.

Appendix A: Children's Television Standards (CTS)

EVOLUTION OF THE REGULATORY ENVIRONMENT	
1971	Requirement for commercial channels to show four hours of children's content every 28 days at suitable times.
1979	Children's broadcasting standards introduced (including 'C' classification).
1982	Australian Children's Television Foundation (ACTF) established.
1984	Children's broadcasting (P and C) standards clarified and extended and Australian sub-quota introduced.
1990	Children's Television Standards (CTS) in place.
1995	Subscription television arrives – Nickelodeon and Cartoon Network launched.
1996	The Disney Channel launched.
2001	ABC Kids first digital multi-channel channel launched.
2007	Children's Television Standards review commenced.
2009	ABC3 launched. Children's Television Standards review completed.
2010	New obligations flowing from review of CTS commence, including requirement for notification of C and P program schedules and any variations to these; extension of morning C programming band to 8.30am on weekdays; the option to broadcast C programs in blocks; and adjustments to rules around endorsement and promotion of products and services.
2013	<i>Broadcasting Legislation Amendment (Convergence Review and Other Measures) Bill 2013</i> introduces minimum hours of Australian programs to be broadcast on the commercial free-to-air networks' digital multi-channels, and allows first-release Australian drama, documentary and C programs broadcast on the multi-channels to count towards the existing sub-quotas.

AUSTRALIAN CONTENT – CHILDREN'S DRAMA SUB-QUOTA

The *Children's Television Standards 2009* classify children's programs as either C programs (for children other than preschoolers) or P programs (for preschool children). Drama falls within the C band.

Broadcasters are required to screen at least 96 hours of first-release Australian C drama over a three-year period and at least 25 hours per year. They must also screen at least eight hours of repeat Australian C drama per year. Broadcasters are able to defer the quota hours through an accrual scheme and if an independent producer fails to provide an agreed program.

CHILDREN'S PROGRAMMING

As well as Australian content quotas, additional regulations apply to children's programming.

A broadcaster must screen a combined total of at least 260 hours of C programs (for children other than preschoolers), and at least 130 hours of Australian P programs (for preschool children) per year, with a combined total of at least 390 hours. The 260 hours of C programs must include at least 130 hours of first-release Australian content, and at least 25 hours of those must be first-release Australian C drama.

Children's programs must be broadcast within specific children's time periods and must meet other content and advertising requirements to meet the quotas.

For purposes of compliance, these programs must be made specifically for children or groups of children, be entertaining and well produced with high production standards, and enhance a child's understanding and experiences as is appropriate.

Appendix B: International context

The past decade has seen significant transformation in the children's television sector internationally. As in Australia, issues around the best way to provide content for children exist around the world. Common concerns centre around the importance of locally produced and culturally relevant programs, diversity, and the economic benefits of children's content production.

GOVERNMENT REGULATION AND SUPPORT

Several countries have mechanisms in place to support the production and/or broadcast of children's television. Like Australia, France and Canada have strong children's television production sectors supported by a wide range of government interventions including direct support, content quotas and tax incentives.

In some countries government support is predominantly provided by publicly funded broadcasters. This is the case in Germany where the two public broadcasters ZDF and ARD have a strong focus on providing quality children's content. Notably, ZDF has invested in many Australian children's dramas. ZDF and ARD jointly launched

the dedicated children's channel Kinderkanal in 1997. In response to increased competition from US children's channels, Kinderkanal was revamped and relaunched as Ki.KA in 2000.

Government regulation may target the animation sector specifically. For example, in France certain free-to-air commercial channels are required to invest a percentage of their annual turnover in animation production. Dedicated French children's cable and satellite channels are required to invest between 10 and 16 per cent of turnover in French animation. Ireland, on the other hand, has a targeted tax incentive for the production of animated films and television programs, offering an offset of up to 28 per cent of qualifying expenditure.

Case study: United Kingdom

Regulatory changes over the past decade have had a significant impact on the UK children's television sector. In addition, the recent move by the BBC to shift its children's programs from the main BBC mixed-genre channel to the dedicated children's channels CBeebies and CBBC fuelled debates around children's television in the UK.

The *Broadcasting Act 2003* removed the requirement for commercial channels FIVE and ITV to carry children's programs. In 2006 a ban on the advertisement of foods high in fat, sugar and salt during children's programs was introduced. (While there are certain restrictions on advertising during children's programs in Australia, these do not extend to an outright ban on advertising such food products.) After the ban, advertising revenue around children's content dropped and commercial networks reduced or ceased commissioning children's programs.

Lower production levels combined with the growth of dedicated children's channels has seen the proportion of first-release UK children's programs fall to less than 1 per cent of all children's programs broadcast in the UK in recent years.¹

As a consequence of changes in regulation and the media environment more broadly, the BBC now dominates the commissioning of UK children's content; 90 per cent of UK children's television programs are commissioned by CBeebies or CBBC.² Advocacy body The Children's Media Foundation has articulated several concerns about the BBC dominance, including the detrimental impact that a lack of competition has on the profitability and creative vitality of the production sector. The organisation also argues that the BBC dominates the sector culturally and that this lack of diversity will have significant and long-term cultural implications.

Concern about the BBC consigning children's content to dedicated channels centres on the 'ghettoisation' of children's content. Some commentators have argued that removing children's content from mixed genre channels cuts off the potential for it to be family viewing. Others have argued that without children's content on mainstream channels, these channels will ignore the needs and concerns of children completely, marginalising child audiences.³

1 PACT, 2011, Not investing sufficiently in children's TV

2 The Children's Media Foundation, 2012, Plurality and the Children's Sector

3 For example, *The Guardian*, 2013, *Teletubbies co-creator says BBC move to digital is 'ghettoising' children's TV*, <http://www.guardian.co.uk/tv-and-radio/2013/jan/08/teletubbies-creator-bbc-ghettoising-childrens-tv> & John Plunkett, 2013, *Does Blue Peter's CBBC move mean kids' television is being ghettoised?*, (<http://www.guardian.co.uk/media/2012/may/20/blue-peter-cbbc-move-kids-television>)

DEDICATED CHILDREN'S CHANNELS

Over the past decade the number of dedicated children's channels has increased significantly. The proliferation of these channels is due in large part to the roll out and take-up of digital terrestrial television internationally.

It is common for public broadcasters in Europe and Asia to operate dedicated children's channels. Public broadcasters with internationally renowned children's brands include Germany's ZDF, the UK's BBC and France's France Televisions.

Three major children's television brands owned by multinational media conglomerates dominate the international subscription television market: Nickelodeon, Disney and Cartoon Network. All three brands operate children's channels in Australia on the FOXTEL platform.

While the increase in children's channels means there are more potential sales, the fragmentation of the child audience has reduced advertising

revenues and as a consequence broadcasters are offering lower licence fees. At the same time, there is an expectation of high production values as large public broadcasters and major US studios produce high production value series for their dedicated children's channels and then sell the content to auxiliary markets for low licence fees.

MULTI-PLATFORM

Nickelodeon, Cartoon Network and Disney all have extensive multi-platform offerings, including interactive games and video on demand services. Multi-platform content can help build brands and drive merchandising.

Subscription and free-to-air broadcasters report that children's content is one of their most popular video-on-demand programming. For example, UK broadcaster Sky has revealed that 80 per cent of Sky content viewed via the Xbox 360 is by children.⁵

⁵ Screen Digest, June 2012, *On-demand Children's Content: The leading children's channels are heavily involved in on-demand*

Case study: Canada

Since the 1980s, Canada's children's television production sector has produced significant volumes of high-quality content that is popular domestically and internationally.

Annual production levels can fluctuate significantly, but 2011/12 was a strong year, with budgets for Canadian children's television production totalling approximately A\$374 million, and an average budget of A\$877,000 per hour.¹

Like the Australian sector, broadcaster licence fees comprise less than 30 per cent of production financing and the sector is underpinned by the strong government support. There are, however, significant differences in government support and regulation between the two countries. Canadian producers have greater indirect support through the combination of a federal production tax credit and provincial tax credits. The federal tax credit is based on 25 per cent of qualifying labour costs up to a maximum of 15 per cent of total production costs, and provincial tax credits vary. In 2011/12, federal and provincial tax credits accounted for 35 per cent of children's television production financing.²

In 2011/12, direct government support came primarily from the Canada Media Fund and accounted for 14 per cent of total financing. This brought the proportion of government financing to almost 50 per cent. In contrast, direct and indirect government funding comprises approximately a third of financing for Australian children's television production.

In addition to direct and indirect support, the Canadian Government supports the sector through quotas for broadcast of and investment in children's programming applied to commercial children's channels. Free-to-air networks are required to broadcast 60 per cent Canadian content, although there are no quotas for first-run Canadian children's content. In the case of subscription television, the 10 dedicated children's channels³ have detailed programming and investment requirements as a condition of licence. For example, when children's subscription channel Teletoon was granted a licence for the period 2004–2010, it was required to commission 700 half-hours of new Canadian production over the term of the licence. It was also required to spend 47 per cent of revenues on the acquisition of Canadian programming, devote 60 per cent of its broadcast schedule to Canadian content and ensure that 75 per cent of all broadcast Canadian programming was from independent producers.⁴

¹ Canadian Media Production Association, 2012, Profile 2012: An economic report on the screen-based production industry in Canada

² Ibid.

³ Dedicated children's channels operating in Canada include: Teletoon, Cartoon Network, Nickelodeon, BBC Kids, Discovery Kids, Family Channel, Treehouse TV, YTV, Disney XD and Disney Junior.

⁴ Canadian Radio Telecommunications Commission, Broadcasting decision CRTC 2004–12: Teletoon/Télétoon Licence renewal, <http://www.crtc.gc.ca/eng/archive/2004/db2004-12.htm>



Australian Government



www.screenaustralia.gov.au/research