



30<sup>th</sup> June 2011

Rt. Hon Jeremy Hunt MP  
Secretary of State  
Dept of Culture Media and Sport

Dear Jeremy

I am writing as Chair of Save Kid's TV in response to your open letter of 16<sup>th</sup> May.

SKTV welcomes the Communications Review and looks forward to contributing to the process as it develops.

You are aware of the issues around the provision of indigenous UK television content for children and the current unsatisfactory situation resulting from continuing market failure in this area.

**The Status Quo:**

- Almost no commissioning of children's content at ITV or Channel Five
- Online proposals only from Channel 4 and as yet no clarity as to what kind of content will emerge
- The international channels based in the UK are not contributing anything significant
- The BBC has reduced commissioning and is facing further cuts
- The Ofcom figure reported in 2007, that less than 1% of the programmes transmitted for kids in the UK is newly made in the UK, has deteriorated rather than improved

It is in this context that we are responding to your letter and hope that as the consultation process moves forward you will be prepared to see the case for kid's indigenous content as not just special, but essential.

**Growth, Innovation and Deregulation**

Further deregulation in the children's area is not appropriate. Weak regulation in the 2003 Act led to the current state of market failure and diminished competition.



In terms of the world market, children's content production in the UK is not operating on a 'level playing field'. SKTV's recent research (attached) demonstrates this by exploring what competitor territories provide as support.

There are for example:

- Tax incentives in Canada
- Levies on platforms or telecoms to create content funds in France
- Quotas in Australia

This disparity needs to be addressed both in terms of domestic provision and in relation to what was a successful export industry continuing to compete throughout the world – especially as lucrative and content-hungry markets open up in South America, India and China.

At the Children's Media Conference in Sheffield in July, official delegations from Argentina (where there has been regulation which will increase the amount of children's television on all channels), China (where their national kids' channel transmits to 150 million viewers) and Korea (where IP partnership with the West on content which will sell outside Asia is vital to their business planning) will all be attending. They are attracted by the expertise, long experience, creative flair and innovation they find in the UK. But there are few financial incentives to persuade them to stay.

Given the right conditions, UK-produced kids' content can undoubtedly bring economic benefit.

#### **Possible solutions**

- SKTV supports the UK Animation Campaign's call for tax incentives to assist the animation industry. The comparison with tax incentives for film is obvious. We feel they could be effective.
- We would urge the government to consider how cable and satellite providers, and as they enter the content space, Telecoms providers, could be encouraged to invest in indigenous content – especially for children, who provide a significant proportion of their subscriber base.
- We appreciate new ways have to be found to make these relationships work apart from regulation. We would urge exploration of the potential for public/private partnership and the role of philanthropy in the provision of funds for public service content.



- Consideration needs to be given as to how a new regulatory regime could stimulate advertisers to develop new relationships with content and their audience: “Advertisers at the heart of the Big Society...”
- One approach to that could be an advertiser-financed production fund directed at the public good; more specifically at children and young people
- Greater collaboration between Government, Education, the Arts, Entertainment and Brands is also a potential way forward – the power of popular children’s media to engage, stimulate, inform and inspire young people should not be discounted and lacks co-ordination and purpose – and of course funds
- The current failure of the UK to implement basic European quotas (AVMS) needs to be addressed

Save Kids’ TV will be exploring all these ideas in the next few months and will feed in to the review as and when appropriate.

### **Communications and Infrastructure**

We have no comments on this, other than to point out that greater reach and faster connectivity are useless without original content, and healthy industries which can deliver it.

### **Creating the Right Environment for the Content Industry We Have**

We believe that the provision of appropriate children’s content is one of the pillars of public service broadcasting, but not necessarily confined only to public broadcasters. Content should be relevant to UK culture and mores as well as made in the UK.

The barriers to innovation in new digital media sectors appear to stem largely from lack of awareness and communication, particularly in the children’s field, which has special needs. There is little sense of common understanding, between for example games creators and publishers, and traditional content providers, or indeed between the providers of children’s programmes and the producers of “family entertainment “ (c.f. our comments on education above). Traditional ‘fiefdoms’ and boundaries need to be broken down. In the kids’ world this is starting to happen, but slowly. The plan to create a new Children’s Media Foundation, incorporating the aims of SKTV, will provide the forum for these interests to come together, and build common standards.

In the face of giant global players such Disney, Turner and Viacom, and their growing efficiency in exploiting their content across platforms and building relationships with children and young people “wherever they are”, anything that can be put in place to



facilitate greater cross-fertilisation between the worlds of television, online, games, print, culture and education should be considered.

Concerning regulation, it is clear that in protecting the interests of child citizens, as has been said above, there is a need for regulation to provide UK content provision, as well as safeguards to ensure 'appropriate' material is presented to children.

*Media is one of the greatest resources we have to help grow our children into responsible, well-balanced adults. But that will not happen without positive intervention from the 'grown up' world.*

Anna Home O.B.E.  
Chair, Save Kid's TV

**Appendix:**  
Children's Media Regulations Report



# Children's Media Regulations

**A report into state provisions for the protection and promotion of home-grown children's media**

**Jack Blumenau for Save Kids' TV - April 2011**





## Executive Summary

This paper provides a starting point for discussion of potential approaches to encouraging and fostering original, home-grown, children's television and film programming in the UK. It does this by providing a brief cross-country comparison of the diverse regulations and incentives that exist across Europe, as well as in Canada, the United States and Australia. The report highlights the broad range of features that are used across the developed world to protect and promote indigenous children's television and film production.

The report examines nine commercial competitor nations to the UK in order to compare state interventions. It also explores the current state of the children's market in the UK and the few regulatory requirements on broadcasters here.

It finds that of the nine nations:

- All but one applied quotas on indigenous or European material broadcast each year.
- Four of the countries have specific quotas for home-grown children's television that broadcasters must adhere to.
- Six of the countries dedicate a substantial proportion of state television and film funds to the production of children's programming through a variety of policy instruments.
- Two of the countries make video-on-demand companies' investment in indigenous production mandatory.

By contrast, the UK does not apply any of these mechanisms for protecting and promoting home-grown children's media.

- The percentage of television programming of European origin in the UK is only just over 50% each year, one of the lowest levels of any EU member state.
- The number of hours of children's television broadcast has fallen by over 50% since 2004.
- Less than 1% of children's television hours available for UK children are original, first-run, UK programming – the rest are repeats and imports.

The report provides striking evidence of the lack of a "level playing field" for UK content producers in the face of significant support in other territories.



## Intervention Research Summary - by Territory

This section lists the various regulations and supports in the nine territories researched, with an outline of the regulations (mainly on the BBC) for comparison.

<b>Australia</b>	<ul style="list-style-type: none"> <li>• 55% of all free-to-air television must be Australian</li> <li>• All free-to-air commercial broadcasters must programme:             <ul style="list-style-type: none"> <li>○ 390 hours per year of children’s and preschool television</li> <li>○ Of this, 25 hours of the children’s television must be original, first-run, Australian productions</li> <li>○ All preschool television must be Australian</li> </ul> </li> <li>• Children’s programmes can only be repeated 3 times in five years – there is no limit to repeats for programmes of Australian origin</li> <li>• Approximately 17% of the Screen Australia budget is dedicated to the production of children’s television and film each year</li> </ul>
<b>Canada</b>	<ul style="list-style-type: none"> <li>• 60% of public broadcasters’ schedules must be Canadian</li> <li>• 50% of private broadcasters’ schedules must be Canadian</li> <li>• The Canadian Media fund specifies children and youth television and media as one of four underrepresented genres</li> <li>• Shaw Rocket Fund has contributed £77 million in Canadian youth programming since 1994</li> <li>• 5% of VOD annual revenues must be reinvested in the production industry</li> </ul>
<b>Denmark</b>	<ul style="list-style-type: none"> <li>• 50% of all airtime must be of European origin</li> <li>• Dedicated children and youth unit within the Danish Film Institute</li> <li>• 25% of film institute funding reserved for children’s and youth film production</li> <li>• Public broadcaster, DR, must maintain a four-year average of children’s television programming</li> </ul>
<b>France</b>	<ul style="list-style-type: none"> <li>• 60% of all airtime must be of European origin, 40% must be French</li> <li>• 5.5% of all broadcasters’ turnover must be invested in the CNC</li> <li>• 16% of all broadcasters’ turnover must be invested directly in French-speaking television production</li> </ul>



	<ul style="list-style-type: none"> <li>• 2% of VOD turnover must be invested in the CNC – this amounted to £25 million in 2009</li> </ul>
<b>Germany</b>	<ul style="list-style-type: none"> <li>• 50% of all airtime must be of European origin</li> <li>• The Children’s Cultural Film Fund and the Board of Trustees for Young German Film both ring-fence funding for children’s film projects</li> </ul>
<b>Italy</b>	<ul style="list-style-type: none"> <li>• 50% of all airtime must be of European origin</li> <li>• 6% of this 50% must be aimed specifically at children</li> <li>• 20% of this 50% must be suitable for children</li> <li>• 10% of television broadcasters’ yearly profits must be invested in European produced children’s television and film</li> </ul>
<b>Slovenia</b>	<ul style="list-style-type: none"> <li>• 50% of all airtime must be of European origin</li> <li>• Government is committed to matching any European funding of children’s television for up to 80% of the total production costs of a project</li> </ul>
<b>Sweden</b>	<ul style="list-style-type: none"> <li>• 50% of all airtime must be of European origin</li> <li>• Dedicated film commissioner for children and youth within Swedish Film Institute</li> <li>• 10% of film institute funding reserved for children’s and youth film production</li> </ul>
<b>USA</b>	<ul style="list-style-type: none"> <li>• The Department of Education ‘Ready to Learn’ programme gives £16.7 million in funding to the creation of educational television and digital media content each year</li> </ul> <p>All broadcast television stations must dedicate three hours per week to the screening of educational programming</p>
<b>UK</b>	<ul style="list-style-type: none"> <li>• <b>Ofcom</b> has various requirements of the BBC in general and the CBBC and CBeebies channels in particular.             <ul style="list-style-type: none"> <li>○ Ofcom requires the CBBC Channel to offer a minimum of 70% of hours as original productions – i.e. not acquired. This can include repeats.</li> <li>○ Ofcom requires CBeebies to offer approximately 80% of hours as original productions – i.e. not acquired. This can include repeats.</li> </ul> </li> <li>• <b>The BBC Trust</b> issues Service Licences for BBC channels with mandatory requirements attached             <ul style="list-style-type: none"> <li>○ The CBeebies Service Licence stipulates a “service budget” of</li> </ul> </li> </ul>



	<p>£30.9M (2010-11). This includes channel and marketing operations.</p> <ul style="list-style-type: none"><li>○ It also contains a less defined statement of purpose including: “In line with the BBC’s statutory commitments... (CBeebies) should show a high proportion of original productions. Together with its commissioning of new content, it should make a significant contribution to the UK children’s production sector each year.... CBeebies should invest directly in animation co-production in order to stimulate the UK animation sector, thereby increasing the number of UK-based projects.”</li><li>○ The CBBC Service Licence stipulates a budget of £82.1M (2010-11). This includes channel and marketing operations.</li><li>○ It also contains a less defined statement of purpose including: “Part of (CBBC’s) distinctiveness should lie in its high proportion of UK-produced content and its low proportion of acquired programmes throughout the day including during peak viewing times. live programmes and live news bulletins, should be scheduled several times daily. The channel should also maintain a low repeat level.”</li></ul> <ul style="list-style-type: none"><li>● <b>The BBC</b> also makes commitments in its annual Statements of Programme Policy.<ul style="list-style-type: none"><li>○ BBC ONE and TWO commit to carry 1500 hours of children’s programming jointly across the year (<i>BBC SOPP 2010 – 2011</i>)</li><li>○ The CBBC Channel commits to offering 665 hours of drama, 85 hours of news and 550 hours of factual programming (which can include repeats) (<i>BBC SOPP 2010 – 2011</i>)</li></ul></li><li>● Currently BBC Children’s actual output is 10% first-run original UK, 88% UK repeats and 2% imports. (<i>Ofcom 2009</i>)</li><li>● <b>The Broadcasting Act 2003</b> removed the requirement for Channel FIVE and ITV to mandatorily carry Children’s programmes</li><li>● Although the <b>EU AVMSD</b> regulations require all channels operating within the EU to carry 50%, European content the UK Children’s dedicated Cable and Satellite Channels (Disney, Turner and Nickelodeon UK) do not comply</li></ul>
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## The Current Situation in the UK

This section reviews the value and cost of the UK Children's Television industry.

### Value of children's TV to UK economy

- 1. Creative Industries worth**
  - 7% of GVA (Gross Value Added) to the UK economy  
(ONS – Office of National Statistics 2010)
- 2. Children's TV Broadcaster Spend has halved since 2004**
  - Children's TV Broadcaster Spend is £100-120M (*see below*)
  - Used to be £150-200M (*see below*)
- 3. UK Children's TV has been a Success Story in the Past**
  - UK TV Exports were worth approx £1bn in 2008 (ONS).
  - Children's TV was 15% of this at £150M
  - Next largest genre after Film and Drama (*PACT 2008*)
- 4. UK Children's indies on average triple broadcaster investment. (PACT 2008)**
  - Children's programming generates significant revenues for BBC Worldwide and other UK based distribution companies.
  - E.g. *Teletubbies* generated £116M in sales for BBC Worldwide in 2008
- 5. UK Children's Independent Production is suffering from DVD Sales drop.**
  - DVD sales used to be a major part of indies income.
  - The growth of on-demand, catch-up and hard disc recording has caused this market to slump.
  - Revenue generation from VOD is not yet a mature market

### Value of children's TV to UK society

- 1. Children watch more TV than they use the Internet**
  - On average children spend 1.7 hours a day online and 2.7 hours a day watching TV (*Childwise 1.2.11*)
- 2. 80% of children use on-demand services**
  - VOD and hard disc use has seen a massive increase
  - This affects DVD sales but the sectors gaining are not returning profit to production (*Childwise 1.2.11*)
- 3. Ethnic minority and low income groups watch most TV**
  - 2.1 hours per day (*Ofcom 2006*)
- 4. Children want to watch dedicated children's television**



- Estimated increase in viewing of dedicated children's channels, up from 30.5% in 2007 to 31.5% in 2012 (*Ofcom*)
5. **Parents want good television**
    - 96% of parents consider that high quality programming improves general knowledge, literacy, vocabulary, attention, comprehension, sorting and classification (*Digital Beginnings, 2005*)
  6. **Parents want new programmes rather than repeats**
    - 80% of parents consider high proportion of first-run programmes important (*Ofcom – 2007, Livingstone 2008*)
  7. **Parents want UK programmes**
    - 74% of parents consider a high proportion of programmes made in the UK important (*Ofcom – 2007, Livingstone 2008*)

## Hours of children's TV currently available for UK consumers

1. **Only 4 of 32 current dedicated Children's Channels or blocks are UK focused**
  - CBeebies, CBBC (also on BBC ONE and TWO) CITV channel and Channel FIVE (Milkshake)
2. **Less than 1% of available content is UK original first run (*Ofcom 2007*)**
  - Remainder is imports and repeats
  - Only 25 channels available in 2007
  - Affects of ITV children's commissioning collapse are not taken into account at this date
3. **Number of hours of Children's TV**
  - In 50s/60s – around 1000 hours transmitted.
  - In 2008 111,000 hours transmitted (*Livingstone 2008*)
  - Increased by 20% in last 3 years
  - Estimate with more channels – now 140,000 hours
  - Almost all foreign imports

## Commissioned Hours and Spend

1. **Total Children's TV Commissioned Hours in UK**
  - BBC produces approx 800 hours of original material
  - S4C – 289 hours (*S4C Annual Report 2009*);
  - Channel FIVE - unclear
2. **Current UK Children's TV Spend**
  - Total industry: £120m
  - Of which approximately £100M is BBC (*2010/11 BBC Budget*)



3. **Spending pre-2008**
  - BBC programme spend approximately £100M.
  - ITV £25m-£35m
  - FIVE £4-5m
  - Cabsats £2-£5m
  - Total spend including BBC £150 - £200M (*Ofcom 2009*)
4. **Spending post-2008**
  - BBC programme spend approximately £100M. (*BBC Budget 2010/11*)
  - ITV £5m (*Estimate*)
  - FIVE £1m (*Estimate*)
  - Cabsats £5m (*Estimate*)
  - Total spend including BBC £100 - £120m (*Ofcom*)
5. **Commissioned hours**
  - There has been a 50% drop in commissioned hours of UK Children's TV from 2004 to 2009 (*Ofcom 2009*)
  - The number of hours of new UK-produced Children's programmes broadcast across the PSBs, including CBBC and CBeebies, was 1,887 in 2004 (a reduction on 2001 figures)
  - It was 919 hours in 2008

## **Spend related to size of the UK children's population**

1. **Proportion of UK population**
  - 15-19% of population are children and young people (under 18)
2. **Proportion of total UK TV production spend**
  - 4% of total production spend is spent on Children's TV (*Livingstone 2008*)
  - BBC spend approx 2% of their current budget on Children's TV (*BBC Budget 2009/2010*)
  - 0% of UK Film Council funding spent on children's films



## Children's Media Regulations in Competitor Territories

This section outlines the research conducted into nine “competitor territories” and explores current regulation and support mechanisms. It is neither comprehensive in the scope of countries studied, nor exhaustive in detail. However, it aims to highlight the broad range of features that are used across the developed world to protect and promote indigenous children’s television and film production.

### Australia

The **Australian Content Standard**, which applies to all commercial free-to-air television, dictates a minimum annual transmission quota of 55% Australian programming between 6am and midnight. This 55% quota also applies to Australian children’s programming for commercial free to air broadcasters, though it does not, as yet, apply to digital channels. Moreover, 2009 saw the formation of the Australian Children’s Television Standards (CTS). These standards apply to all commercial Australian broadcasters and aim to ensure minimum amount of age-specific and quality children’s programming across the private television sector. As the explanatory statement to the CTS suggests:

“The objectives of the CTS 2009 are to ensure that children have access to a variety of quality television programs made specifically for them, including Australian drama and non-drama programs, and to provide for the protection of children from possible harmful effects of television.”<sup>1</sup>

In practical terms, the CTS dictate that commercial broadcasters must programme 390 hours of children’s and preschool television each year.<sup>2</sup> With regards to children’s original, first-run programming, each commercial free-to-air broadcaster must broadcast 96 hours of original, first run Australian children’s drama in any three-year period, with a minimum of 25 hours per year.<sup>3</sup> While this is not a particularly high benchmark, and in reality the majority of Australian children’s television is provided by the public service broadcaster, ABC, it encourages a diversity of investment in original

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<sup>1</sup> Explanatory statement to the Australian Children’s Television Standards 2009  
[http://www.acma.gov.au/webwr/aba/contentreg/codes/television/documents/cts\\_explanatory\\_statement-26august09.pdf](http://www.acma.gov.au/webwr/aba/contentreg/codes/television/documents/cts_explanatory_statement-26august09.pdf) - Accessed online, March 15, 2011

<sup>2</sup> Australian Children’s Television Standards 2009  
[http://www.acma.gov.au/webwr/aba/contentreg/codes/television/documents/childrens\\_tv\\_standards\\_2009.pdf](http://www.acma.gov.au/webwr/aba/contentreg/codes/television/documents/childrens_tv_standards_2009.pdf) - Accessed online, March 15, 2011

<sup>3</sup> Australian Content Standards 2005 -  
[http://www.acma.gov.au/webwr/aba/tv/content/requirements/australian/aust\\_content\\_standard\\_2005.pdf](http://www.acma.gov.au/webwr/aba/tv/content/requirements/australian/aust_content_standard_2005.pdf)



Australian television from a variety of different channels. Furthermore, the CTS differentiate between children's and preschool programming<sup>4</sup> and dictate that *all* preschool programming must be of Australian origin.<sup>5</sup> Australian children's television producers see these regulatory provisions as vital. A research project into the health of children's television in Australia found the CTS quotas to be of utmost importance.

"The research confirmed the centrality of the CTS to the production of children's television in Australia. In an environment in which Australian adult drama production has been declining, and financing children's television has been becoming more difficult, the CTS quotas mean the production of children's television plays a significant role in the overall health of Australia's production industry."<sup>6</sup>

The CTS also provides various incentives for the prioritization of homegrown children's drama. While children's programmes can be repeated only three times in any five year period, there is no limit on the number of repeats of Australian children's drama, thus creating an incentive for the commissioning and use of indigenous drama. Furthermore, while only one episode of a non-Australian children's programme can be shown in one children's programming period (normally 7 am to 8.30 am, or 4 pm to 8.30 pm), there is no limit for Australian produced drama, thus, again, producing a financial incentive for broadcasters to programme Australian children's productions.<sup>7</sup>

In addition to the CTS, the Australian government also contributes to children's drama through **Screen Australia** (formerly the Film Finance Corporation). Screen Australia contributed \$15.5 million (£9.5 million) to children's television and film production on average each year from 2002 to 2007. This represents somewhere in the region of 17% of the total investment of Screen Australia in television and film production. Furthermore, in 2004, the FFC launched the Distinctly Australian Children's Drama Fund, which aims specifically to provide funding to Australian children's television productions that may not have the necessary potential to travel and succeed in the international market. This fund reserves \$1.5 million (£0.9 million) of the Screen Australia children's budget for these types of production.<sup>8</sup> In addition to this central government funding, state governments also contribute to the production of homegrown children's

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<sup>4</sup> Children are defined as people younger than 14 years of age and preschool children as those who have not yet started school.

<sup>5</sup> Guide to the Children's Television Standards 2009 – [HTTP://www.acma.gov.au/webwr/aba/contentreg/codes/television/documents/guide\\_to\\_cts\\_2009.pdf](http://www.acma.gov.au/webwr/aba/contentreg/codes/television/documents/guide_to_cts_2009.pdf)

<sup>6</sup> Children's TV Production Project Research [http://www.acma.gov.au/webwr/assets/main/lib310132/childrens\\_tv\\_production\\_project.pdf](http://www.acma.gov.au/webwr/assets/main/lib310132/childrens_tv_production_project.pdf)

- Accessed online, March 15, 2011

<sup>7</sup> Australian Children's Television Standards 2009, *op cit*, p. 13

<sup>8</sup> Children's TV Production Project Research, *op cit*, p. 12



production. Though the exact level of this investment fluctuates greatly from year to year and is therefore difficult to quantify, individual productions have received up to \$2 million (£1.2 million) from the Pacific Film and Television Commission Queensland, \$400,000 (£244,000) from the New South Wales Film and Television Office, and \$545,000 (£332,000) from Film Victoria.<sup>9</sup>

## Canada

All public Canadian television networks are obliged to devote not less than 60% of the broadcast year to the broadcasting of Canadian programmes, and their private counterparts must reserve 50% of their schedules for the same purpose.<sup>10</sup> However, despite this commitment to the protection of home-grown television production, Canada has relatively few regulations which dictate a minimum number of hours of children's programming. Only one broadcaster, SRC, has an obligation as a part of its licence to broadcast an average of four hours per week of original, first-run, Canadian children's programming.

Despite this relatively permissive regulatory framework, Canadian children's television benefits from a generous and institutionalised system of production finance. The public sector support for children's television support is marshalled through the **Canada Media Fund**. The CMF is a not-for-profit organization created by a partnership of Canadian cable and satellite distributors as well as the Canadian government. This year the fund will deliver somewhere in the region of \$350 million (£220 million) in funding to Canadian film and television productions.<sup>11</sup> While there are no specific quotas for how funds are to be allocated, the CMF prioritises the support and creation of television shows and digital media content in four underrepresented genres. These are drama, documentary, performing arts, and children and youth. Both the funding provided by the CMF and the way it is delivered creates incentives for the production of home-grown programmes. The fund allocates the majority of its funding through 'envelopes' to broadcasters in an amount that reflects their track record of supporting Canadian programming, thus making the production of home-grown programmes financially desirable.<sup>12</sup>

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<sup>9</sup> *Ibid*, p. 14

<sup>10</sup> [http://laws.justice.gc.ca/eng/SOR-87-49/page-2.html#anchorbo-ga:s\\_4](http://laws.justice.gc.ca/eng/SOR-87-49/page-2.html#anchorbo-ga:s_4) - Accessed online, March 15, 2011

<sup>11</sup> [http://www.cmf-fmc.ca/cmf-fmc.html?page\\_mode=about\\_us](http://www.cmf-fmc.ca/cmf-fmc.html?page_mode=about_us) - Accessed online, March 15, 2011

<sup>12</sup> <http://www.cmf-fmc.ca/downloads/create/Performance.pdf> - Accessed online, March 15, 2011



The private sector also provides an important source of funding for specifically Canadian children's programming. **The Shaw Rocket Fund**, a non-profit organization that focuses on stimulating excellence in the Canadian children's media production industry, has invested \$122 million (£77 million) in Canadian youth programming since 1994. \$27 million (£17 million) of this was to pre-school and under-12s programming. The vast majority of Shaw money goes to funding children's drama production (77% in 2007<sup>13</sup>).

Although the fund is a not-for-profit organization, finance for the Rocket Fund is provided by Shaw Communications and Shaw Direct – two of the largest commercial telecommunications and digital satellite providers in the country.

The Canadian government has been relatively quick to adopt regulations that pertain to video-on-demand services. The licensing framework for VOD undertakings obliges each VOD licensee to contribute a minimum of 5% of their gross annual revenues to either an existing Canadian program production fund (such as the Shaw Rocket Fund) or to the Canada Media Fund.<sup>14</sup> While this provision is not directed specifically at the development of children's television production, such regulations attempt to maintain the sustainability of the indigenous television industry in the face of new technologies and new communications business models.

## Denmark and Sweden

Both Denmark and Sweden have institutionalised structures in place to promote films for children and young people. The **Danish Film Institute** has a dedicated children and youth unit which aims to "consolidate the strong position of Danish children's films at home and abroad."<sup>15</sup> Likewise, the **Swedish Film Institute** has a specialist film commissioner for children and youth. However, not only do these institutions provide constant support and encouragement for home-grown children's films, they are also backed up by considerable financial commitments. In Denmark, government legislation stipulates that at least twenty-five percent of all government funding for film production must be allocated to films made for children and young people. Likewise, in Sweden, the 2006 film agreement between the government and the film and television industries established that ten percent of all film institute funding would be reserved for investment in children's and youth films.<sup>16</sup>

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<sup>13</sup> <http://www.rocketfund.ca/en/pdf/annual-report2007.pdf> - Accessed online, March 15, 2011

<sup>14</sup> <http://www.crtc.gc.ca/eng/archive/2011/2011-59.htm> - Accessed online, March 15, 2011

<sup>15</sup> <http://www.dfi.dk/Service/English/Children-og-Youth/DFI-Children-og-Youth.aspx> - Accessed online, March 15, 2011

<sup>16</sup> <http://www.sfi.se/Documents/Dokument%20från%20Kulturdepartementet/Filmavtalet/The%202006%20Film%20Agreement.pdf> - Accessed online, March 15, 2011



In relation to television production, both Denmark and Sweden are EU member states and therefore broadcasters within these countries are obliged to reserve a majority of their transmission times for works of European origin. Sweden currently fails to achieve the European standard, with only 45.5% of transmission time being of European origin in 2008. In Denmark, by contrast, the corresponding figure is 84.8%. While this discrepancy would benefit from much more extensive study, it is possible that the extensive public service broadcaster contracts in Denmark help to ensure that home-grown and European works are prioritized. The provisions within these contracts vary between broadcasters, with specific quotas for news coverage, Danish drama and programmes for children established for each broadcaster.

For example, the most recent contract between the Danish government and DR, its main public service broadcaster, stipulated that DR must maintain the four-year average of TV and radio transmission for children and young people, and increase the amount of digital radio (DAB) and online and new media content for children. Such obligations serve to preserve the amount of children's programming available on terrestrial television, while affording broadcasters a degree of flexibility on when such programmes are shown.

## **France**

France has relatively few legal or financial provisions that provide directly for investment in children's television. However, the television regulatory framework provides a broad variety of obligations for investment in home-grown television production.

As with all European Union member states, French television broadcasters are obliged to reserve a majority of their airtime for productions of European origin.<sup>17</sup> However, national regulations are more demanding than the European counterparts, and stipulate that 60% of all airtime, for both private and public broadcasters, must be of European origin, and 40% must be of French origin.<sup>18</sup> In 2008 this target was easily surpassed by French broadcasters, with 71.7% of works being of European origin.

In addition to these airtime quotas, both public and private broadcasters have a twofold obligation to invest in French television and film. The legislation adopted in 2007 means, firstly, that broadcasters have a requirement to invest 5.5% of their annual turnover in a

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<sup>17</sup> EU regulations concerning audio and media policy will be discussed later in this paper.

<sup>18</sup> Memorandum submitted to the House of Commons Select Committee on Culture, Media and Sport by the Federation of European Film Directors, April 2007



production fund administered by the **National Centre for Cinematography (CNC)**. Secondly, broadcasters are also obliged to invest directly in cinema and TV production. While the level of this investment varies by broadcaster, all channels are required to invest at least 16% of their turnover in French-speaking television production.<sup>19</sup> Thus, this represents a considerable investment, both direct and indirect, from broadcasters in French produced film and television. In terms of output, this funding has a tremendous impact, with the CNC alone financially supporting over four thousand hours of French television programming in 2009.<sup>20</sup>

France was also a relatively early adopter of regulations that pertain to video-on-demand services. Since 2004, all VOD services have been obliged to contribute 2% of their turnover to the CNC. In 2009, VOD and video taxes contributed over €29 million (£25 million) to the CNC's production fund.

## Germany

Public film funding in Germany, as in other federal states, is an amalgamation of national and regional support. In 2009, the German central government and the regional Länder government contributed a combined total of €309 million (£270 million).<sup>21</sup> The main contribution to the support of the film industry by the German central government is through the **German Federal Film Fund (DFFF)**, which has a yearly budget of €60 million (£52 million).<sup>22</sup> A further €30 million is administered directly by the Federal Government Commissioner for Culture and Media (BKM).<sup>23</sup> Furthermore, the **Filmförderungsanstalt (FFA)** is a production fund that is constituted by the mandatory contributions of private and public broadcasters, cinemas and video distributors. The FFA's annual budget is approximately €76 million (£66 million).<sup>24</sup>

Germany has two agencies that ring fence budgets for children's film projects. The first is the BKM, which provides support for a Children's Cultural Film Fund.<sup>25</sup> The second is

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<sup>19</sup> *Ibid*

<sup>20</sup> CNC Annual Report, "Results 2009", (May 2010), [http://www.cnc.fr/CNC\\_GALLERY\\_CONTENT/DOCUMENTS/UK/publications/report\\_2009/07\\_suport.pdf](http://www.cnc.fr/CNC_GALLERY_CONTENT/DOCUMENTS/UK/publications/report_2009/07_suport.pdf) - Accessed online, March 15, 2011

<sup>21</sup> <http://cineuropa.org/dossier.aspx?lang=en&treeID=1365&documentID=147062> - Accessed online, March 20, 2011

<sup>22</sup> <http://www.olswang.com/de/pdfs/brochure/dfff.pdf> - Accessed online, March 20, 2011

<sup>23</sup> <http://cineuropa.org/dossier.aspx?lang=en&treeID=1365&documentID=147062> - Accessed online, March 20, 2011

<sup>24</sup> <http://www.ffa.de/> - Accessed online, March 20, 2011

<sup>25</sup> [www.filmfoerderung-bkm.de](http://www.filmfoerderung-bkm.de) - Accessed online, March 20, 2011



the Board of Trustees for Young German Film (Kuratorium Junger Deutscher Film), an institution dedicated to supporting children's film in Germany. These two funds' joint support to the production of German-produced, children's feature films and is worth €1.25 million (£1.01 million) annually.<sup>26</sup> Furthermore, all central government film financing is open to children's productions on application.

## Italy

In line with European audiovisual and media services legislation, public and private broadcasters in Italy are obliged to allocate 50% of their transmission time to European works. In 2008, 52.7% of televised programmes in Italy were of European origin.

In relation to children's television, the Italian regulatory framework has specific provisions for the transmission of works aimed at children and works suitable for children. Legislation adopted in 2009 obligates broadcasters to allocate 6% of the aforementioned quota of European works transmission time to programmes specifically aimed at a children's audience, and 20% of that time to works that are suitable for children.<sup>27</sup> Alongside these transmission quotas, television broadcasters

under Italian jurisdiction are obliged to reserve 10% of their yearly profits for the acquisition of films and television programmes made for children by European producers.<sup>28</sup> Thus, the Italian system uses a mix of time-based and financial quotas to encourage investment and development of indigenous children's television.

## Slovenia

Slovenia is currently in the process of revising its national film fund, the **Slovenian Film Centre**. The proposed act aims to strengthen the film industry in Slovenia and includes government commitments to match any funding received from the European Union for up to 50% of the total production costs of a project. However, in recognition of the difficulties faced by producers of children's films, the government has committed to matching any EU funding for up to 80% of the total production costs of films for children and young people.

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<sup>26</sup> [http://www.uvk.de/buchdetail/pdf/9783896695215\\_m.pdf](http://www.uvk.de/buchdetail/pdf/9783896695215_m.pdf) - Accessed online, March 20, 2011

<sup>27</sup> Peter Matzneller, "Italy – AGCOM Imposes a Quota on the Broadcasting of European Works and on Investments in Works of Independent Producers", *Iris*, (2009)

<sup>28</sup> Maja Cappello, "Italy – New Provisions on Major Events and European Works", *Iris*, (1999)



## USA

Governmental support for children's television in the United States is largely confined to investment in educational content, rather than in the genre as a whole. **The Ready to Learn Programme**, administered by the Department of Education "supports the development of educational television and digital media targeted at preschool and early elementary school children and their families."<sup>29</sup> This funding is worth approximately \$27 million (£16.7 million) annually.<sup>30</sup>

From a legislative perspective, children's television is regulated by the **Children's Television Act of 1990**. This act "requires each broadcast television station in the United States to serve the educational and informational needs of children through its overall programming, including programming specifically designed to serve these needs."<sup>31</sup> Under Federal Communication Commission rules, adopted to carry out the mandate of the CTA, broadcasters must dedicate three hours per week to the screening of core educational programming.<sup>32</sup> However, whilst these legal obligations remain in place, there is no obligation for broadcasters to dedicate specific levels of funding to the production of children's content, and the time commitments are often shirked in practice.

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<sup>29</sup> <http://www2.ed.gov/programs/rtltv/index.html> - Accessed online, March 20, 2011

<sup>30</sup> <http://www2.ed.gov/programs/rtltv/funding.html> - Accessed online, March 20, 2011

<sup>31</sup> <http://www.fcc.gov/cgb/consumerfacts/childtv.html> - Accessed online, March 20, 2011

<sup>32</sup> *ibid*



## The European Union Audiovisual and Media Services Directive

Formally known as the “Television without Frontiers” directive, the revised **AVMSD** dictates that “Member States shall ensure, where practicable and by appropriate means, that broadcasters reserve for European works a majority proportion of their transmission time”<sup>33</sup>.

As suggested above, the extent to which this has been implemented across EU member states has been mixed. While the European average is 63% of broadcast time dedicated to European works, this figure is as high as 85% in Poland to as low as 27.9% in Cyprus. The UK average was 50.7% in 2008, with only three countries of the twenty-seven member states performing worse.<sup>34</sup> However, it is important to note that these figures refer to average transmission percentages across countries, and thus do not account for the significant differences between broadcasters within countries. A study on the application of European AVMSD in 2009 showed that looking only at country averages is misleading when considering the European content within particular genres of television. The report emphasised that many thematic broadcasters, “in particular the film, documentary and children’s channels, are characterised by a predominance of non-European works.”<sup>35</sup>

This is of great importance when considering the implementation of AVMSD in the UK. A full report into the implementation of AVMSD showed that in 2008, of the 417 reported channels from the UK, only 192 channels achieved the European majority proportion requirement that the directive stipulates, while 225 channels did not. It is notable that included in the list of channels that failed to reserve 50% of their transmission time for European works were major children’s and youth channels such as Cartoon Network UK, Disney Channel, E4, Nickelodeon, Nick Jr, and Nicktoons TV.<sup>36</sup>

Thus, the application of the AVMSD appears to be less stringent in some genres of television in the UK than in others. A key step to protecting and promoting the children’s media sector in the UK would be to start to address this bias.

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<sup>33</sup> Article 16, Audiovisual and Media Services Directive

<sup>34</sup> <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1163&format=HTML&aged=0&language=EN&guiLanguage=en> - Accessed online, March 15, 2011

<sup>35</sup> David Rolfe et al., “Study on the application of measures concerning the promotion of the distribution and production of European works in audiovisual media services”, *Final Study Report for the European Commission*, (May 2009), p. 543

<sup>36</sup> European Commission, [http://ec.europa.eu/avpolicy/docs/reg/twvf/art\\_4\\_5/sec\\_2010\\_0995\\_en.pdf](http://ec.europa.eu/avpolicy/docs/reg/twvf/art_4_5/sec_2010_0995_en.pdf) - Accessed online, March 15, 2011



## Conclusion

This report paints an alarming picture of the state of provision of media content for children in the UK in the context of the world market. It is clear that the playing field is far from level and that the decline in UK content has resulted in an unbalanced influx of content from elsewhere.

The UK is rightly proud of its tradition of children's broadcasting. At many periods it has been the world leader in the genre, but this report indicates that this is no longer the case.

Children absorb media with ease and it can have a huge impact on their cultural social and educational development. This is particularly true of indigenous media, which relates to their own world, their concerns and futures. Other countries appear to recognise this and act to protect and support the media they consume...

We do not.

We do not hesitate to intervene and legislate to protect children's interests in other areas... why not in this one?

**(Anna Home, Chair Save Kids' TV)**

30.03.2011