



Kate McCartney and Kate McLennan in *The Katering Show* (2015), which began as a short form web series.[idmb](#)

The newly released Australian Bureau of Statistics (ABS) report on Film, Television and Digital Games [2015-16](#) offers fascinating insights into how our screen media landscape has changed over the past four years.

A key factor has been the [introduction](#) of subscription video-on-demand services in early 2015. Indeed, the report notes that the income of subscription broadcasters and channel providers (A\$5.3 billion), such as Netflix, Stan and Foxtel, now exceeds that of commercial free-to-air broadcasters (A\$3.9 billion).

So, what does this mean for the Australian screen media landscape?

Set against the [Ten Network's woes](#) and media reforms being [debated](#) by the federal government, the ascendancy of subscription broadcasting adds to the worries of free-to-air broadcasters.

The number of commercial free-to-air broadcast businesses dropped over the four-year period measured by the ABS report from 24 to 14. Income declined from \$4.6 billion in 2011-12 (the time of the last report) to \$3.9 billion (2015-16) and operating profit before tax from \$996 million to \$420 million.

Subscription broadcasters and channel providers saw a huge increase in income - from \$4.6 billion to \$5.3 billion - although their total expenses also increased. (The total number of businesses in the area declined slightly from 36 to 32 in this period).

A recent Roy Morgan report found that more than one in three Australians now have [Netflix](#), an

increase of 20% in the first quarter for 2017.

[According](#)
to Roy Morgan,

Netflix subscribers watch less commercial TV than others.

And Foxtel last week announced a revision of its streaming and on-demand service, Foxtel Play - now called Foxtel Now - after buying out its joint venture partner in Presto, the Seven Network, and shutting Presto down. Meanwhile, we are still yet to see the full impact of Amazon Prime in Australia, which arrived here late last year.

Other threats to free to air

But free-to-air TV faces other threats. This report shows there has also been an enormous increase in non-TV production for online distribution. The makers of these shows use platforms like YouTube to gain access to a global audience, far greater than that available through traditional TV broadcast.

Many [Australian YouTubers with large followings](#) and subscribers have a greater audience than some TV programs. For instance, [Jami e and Nikki](#), a Melbourne-based couple, have more than a million subscribers and receive hundreds of thousands of views within days of uploading new videos, without any association to traditional TV networks.

There are also examples of shows such as [The Katering Show](#), which have [moved](#) from a short format web-series to a long format TV series. The Katering Show's makers have created a new full-length series for the ABC titled Get Krack!n, which is co-funded by Film Victoria and NBC Universal's US comedy streaming channel Seeso.

Screen Australia CEO Graeme Mason [pointed out yesterday](#) that:

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Written by Marc C-Scott, Lecturer in Screen Media, Victoria University

online content creators... have delivered exponential production growth, now representing \$93.6m of non-TV production costs compared to just \$5.5m in the 2011/12 survey.

The number of webisodes increased from 107 (2011-12) to 3248 (2015-16). As Screen Australia [noted](#) ,

Since 2012, Screen Australia has funded 107 online projects including Soul Mates, The Katering Show and Starting from Now.

The first episode of Starting From Now, which began as a web series and was later picked up by SBS 2.

The digital game developers' sector has also seen an [increase](#) in employment - up 26% since the 2011/12 survey. Income in the sector rose from \$89 million to \$111 million.

Then there is the [increased](#) interest in eSports. Sydney [recently](#) hosted a Counter-Strike: Global Offensive event with a record \$260,000 in prize money. The AFL is interested in this area, with the Adelaide Crows

[recently](#)

acquiring its own eSports team. There is also

[The eSports Network](#)

, a newly formed media company that plans to bring eSports to Australian screens in the near future.

Other key findings of the ABS report include a slight rise in the income of film and video production businesses and digital game developers. This is despite a fall in the overall number of game productions from 245 in 2011-12 to just 178.

Based on Ten's recent announcement and the continued discussion around the revenue decline in television, Australia's television networks need to rethink what a network is in this ever-changing media landscape.

Seven has made the first move here, particularly in relation to its recent re-negotiations with

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Yahoo. Opting to keep both its seven.com.au website and Yahoo7 separate, Clive Dickens, Seven's chief digital officer, [observed that](#), "Seven is no longer purely a broadcaster, it is a total video company".

What about local content?

These trends raise questions about how to provide adequate local content. Should [Netflix and co](#) be subject to a local content quota in the same way that the free-to-air broadcasters are?

But this discussion needs to broaden beyond subscription TV providers: it must be consider all platforms and screens. According to the recent [Australian Multiscreen Reports](#), Australians now spend an average eight hours and 33 minutes per month watching online video via a PC or Laptop, up from six hours and 57 minutes just a year ago.

Australians' viewing habits are continuing to change. We must rethink the local content quotas in light of this and the new media landscape. A quota on specific platforms will no longer be sufficient as the screen media industry evolves.

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Read more <http://theconversation.com/with-the-rise-of-subscription-and-online-tv-we-need-to-rethink-local-content-rules-79496>