

SUBMISSION BY
MEDIA, ENTERTAINMENT & ARTS ALLIANCE
TO
INNOVATION AND BUSINESS SKILLS AUSTRALIA
REGARDING
DRAFT REPORT
IBSA ENVIRONMENTAL SCAN 2009
JANUARY 2009



The Media, Entertainment & Arts Alliance

The Media, Entertainment & Arts Alliance (Alliance) is the industrial and professional organisation representing the people who work in Australia's media and entertainment industries. Its membership includes journalists, artists, photographers, performers, symphony orchestra musicians and film, television and performing arts technicians.

The Media, Entertainment & Arts Alliance appreciates the opportunity to make further comments on the IBSA Environmental Scan 2009 Report.

The macro environment

As noted in the Draft Report, like everyone else, the Alliance is not able to predict the impact the global financial crisis will have on the arts and cultural industries in Australia. That it will have an impact is the only certainty.

However, one element of the macro environment not touched on is the impact the value of the Australian dollar has on the film and television industry where a low value Australian dollar usually serves to make Australia a more attractive destination for offshore productions than is the case when the dollar is high – as it was mid year.

When the dollar began to fall in August, in the absence of the global financial crisis, the industry would have normally anticipated an increase in inbound production leading to increases in employment for casts and crews. However, with major studios in the United States cutting film production in response to the recession there, the usual upturn in offshore production has taken longer than usual to materialise and is only now being felt with a number of productions announcing they will be filmed in Australia, mostly in Queensland.

Also as discussed, the transition to digital will have an impact on employment in the television and radio sectors and, in particular, the television industry.

Under the banner Freeview, three new digital channels will be launched this year – one each by each of the commercial free-to-air television networks. Channel Ten's new standard definition channel, called One, will be a 24-hour sports channel and, according to the *Sydney Morning Herald*, will commence broadcasting between April and June this year. However, networks Seven and Nine have yet to release any information regarding when their respective new standard definition channels will commence broadcasting, or what might be on offer when they do. The ABC's standard definition channel has been on air for some time and SBS's channel is dependent on increased government funding.¹

However, with the transition to digital and the switch-off of the analogue signal now scheduled for 2013, spectrum scarcity will be replaced with spectrum availability. Just how the freed up spectrum will be allocated and to whom is not yet known. In any event, it is certain that it will result in an increase in the number of channels available for broadcast television and that this will result in employment growth. Regardless of what content is then made available on the new channels – new Australian content or content acquired from overseas – employment will increase. It is likely that Australian audiences' thirst to see more and new Australian content will underpin business plans to the extent that financing models accommodating the cost of new Australian content can be developed in the face of a dramatically and rapidly changing advertising market. The extent to which it will be possible to mandate minimum levels of Australian content in a multichannel environment is prescribed by concessions made in the Australia – United States Free Trade Agreement (See Attachment A).

Finally, at the macro level dramatic changes are occurring in the media across the western world. According to Roy Greenslade, one of Britain's leading media commentators, "Popular newspapers, the mass newspapers, are dying and will die. They have no future whatsoever." He went on to add some context, saying "I'm sad to see newspapers go. I worked on them for 40 years."²

It is a view mirrored by Emily Bell, Director of Digital Media with *The Guardian*, who anticipates "We are on the brink of two years of carnage for western media. In the UK, five nationals could go out of business and we could be left with no UK-owned broadcaster outside of the BBC. We could face

¹ Freeview 'digital mutton dressed as lamb', Rachel Brown, *Sydney Morning Herald*, 11 January 2009, see online at <http://www.smh.com.au/news/technology/freeview-digital-mutton-dressed-as-lamb/2009/01/10/1231608576080.html>

² Roy Greenslade speaking at the Future of Journalism summit in Sydney in May 2008 and cited in *Life in the Clickstream – The Future of Journalism*, Media, Entertainment & Arts Alliance and The Walkley Foundation, see online at http://www.alliance.org.au/documents/foj_report_final.pdf

complete market failure in some areas of regional papers and some areas of commercial radio. This is systematic collapse, not just a cyclical downturn. Even the surviving brands will have to go through a period of unprofitability.”³

In Australia, the impact of new technology is eating into the financial viability of print media. “It is fragmenting audiences and stealing advertising, especially the classified – once rivers of gold for Australia’s largest mastheads.”⁴ Throughout 2008, Fairfax shed staff, including journalists, and the Alliance understands that staff are also being shed, albeit more quietly, at News Limited.

In the United States, broadcast networks’ advertising revenue is expected to have fallen 2.5 per cent in 2008 and to fall a further 8 per cent in 2009. In October 2008, Reuters reported that the values of the big conglomerates fell faster than the Standard and Poors 500. “Walt Disney Co. lost 22.1 per cent in October, followed by Time Warner Inc. (-23%), News Corp. (-23.8%), Viacom Inc. (-27.7%), Sony Corp. (-28.8%) and CBS Corp. (-39.4%).”⁵

In Australia, between November 2007 and November 2008, stock prices for listed media companies plummeted. Consolidated Media Holdings, Fairfax, Macquarie Media Group, the Seven Network, APN News and Media and Austereo all recorded falls of 50 per cent or more.

Last year, the Nine Network axed its two flagship current affairs shows, *Sunday* and *Nightline*, and with the network struggling for ratings and advertising revenue, compounded with the high cost of servicing its loans, it is possible 2009 will see further cuts.

The Alliance estimates that full-time jobs for journalists have fallen 13 per cent since 2001.

In the United States, newspapers have lost nearly a quarter of their circulation since 1984 and today circulation is at the same level as in 1945. Conversely, the Australian Press Council’s *State of Print News Media 2007*, shows that aggregate circulation of metropolitan dailies fell only slightly between 2002 and 2007, from 2,338,000 to 2,305,600.⁶

In research commissioned by the Alliance, Essential Media surveyed shifts in dominant news sources over the last five years finding:

- use of online news websites increased 13 per cent,
- use of radio news bulletins increased 3 per cent,
- use of television news bulletins fell 8 per cent, and
- use of newspapers fell 6 per cent.

Yet commercial television news remains the dominant source of news for viewers, with national and metropolitan dailies second.

The extent to which the carnage that is unfolding in the United States and the United Kingdom will be repeated in Australia cannot be known. However, it does appear that while Australia will definitely catch cold, it might not catch pneumonia.

³ Emily Bell, Director Digital Content, Guardian News and Media, speaking at the Polis Think Tank, October 2008, and cited in *Life in the Clickstream – The Future of Journalism*, Media, Entertainment & Arts Alliance and The Walkley Foundation, see online at http://www.alliance.org.au/documents/foj_report_final.pdf

⁴ *Life in the Clickstream – The Future of Journalism*, Media, Entertainment & Arts Alliance and The Walkley Foundation, see online at http://www.alliance.org.au/documents/foj_report_final.pdf

⁵ *Big media stocks suffer a dismal month*, Reuters, October 2008, cited in *Life in the Clickstream – The Future of Journalism*, Media, Entertainment & Arts Alliance and The Walkley Foundation, see online at http://www.alliance.org.au/documents/foj_report_final.pdf

⁶ Cited in *Life in the Clickstream – The Future of Journalism*, Media, Entertainment & Arts Alliance and The Walkley Foundation, see online at http://www.alliance.org.au/documents/foj_report_final.pdf

Chapter Two

While the cultural and creative sector “is a cluster of small industries, with a high number of small or micro businesses”, it also contains some very large organisations such as the television networks and print media companies.

The cultural and creative sector is an extraordinarily complex sector comprising businesses of all sizes from the very large multinationals to the public sector to the micro with everything in between.

While there a large number of small and micro businesses, the majority of employment is undertaken by large corporations with many listed on the Australian Stock Exchange and in the ASX top 100, for instance News Limited and Fairfax, and within the publicly financed sector.

The sector is characterised by its spider web like nature with myriad relationships between businesses with, for instance, micro companies working for major corporations in subcontract arrangements. By way of example, a camera technician’s company might rent equipment to a company established as a special purpose company to produce a film and that special purpose company’s project might have been fully financed by a major corporation – either Australian or overseas based. Whilst many musicians work effectively as micro businesses, others are employed by a range of organisations varying in size and type, as well as in the education sector, both public and private (particularly by secondary and tertiary institutions) while others are employed by large companies like the major orchestras. Many television commercial production houses may well be small businesses but what drives their business ranges across the full spectrum of the economy.

The complexity of the sector and the determinants of employment within the sector are misunderstood when it is characterised only as “a cluster of small industries, with a high number of small or micro businesses”.

Chapter 3

As indicated above, the Alliance considers that full-time jobs for journalists contracted by 13 per cent between 2002 and 2007. The finding that there will be growth over the next one to two years is not reflected in the number of people who have been made redundant during 2008, nor is it likely to turn around over the next five years in the manner anticipated in the Draft Report.

Also as discussed, the Alliance has seen no evidence to suggest that there will be a decline in job roles related to stage management and lighting or media production as indicated in the Draft Report.

With respect to training, the Alliance is seeing a downturn in on-the-job training in the media industry with some companies walking away from cadetships, historically the form of on-the-job training for journalists entering the sector.

In research conducted by Essential Media for the Alliance, training emerged as a major issue for journalists. While 40.72 per cent reported that they received “just what I need to do my job”, the majority – 57.34 per cent – reported that they received “none. I’m expected to pick it up as I go along” and only 1.94 per cent replied “very comprehensive – I’m getting all the multimedia skills.”⁷

⁷ *Life in the Clickstream – The Future of Journalism*, Media, Entertainment & Arts Alliance and The Walkley Foundation, see online at http://www.alliance.org.au/documents/foj_report_final.pdf



Chapter 4

As discussed, the Alliance considers that the data regarding enrolments and completions in IBSA training packages warrants further research. With the disparity between the two so consistently large, it is important to know whether it indicates that the courses are not meeting the needs of students and/or business or whether those undertaking the training are cherry-picking and only doing the subjects they require. In any event, the data contained in Table 4.7, at first glance, indicates that the packages and/or the manner in which they are being delivered need urgent review.

Appendix A

The experience of the Alliance is at odds with findings set out in the Occupations and Qualifications in Demand Table – Table 5.1 in Appendix A.

In the experience of the Alliance, there are very few skills shortages in the arts, entertainment and media industries with some notable exceptions.

The skills shortages identified in the current Department of Immigration and Citizenship Migration Occupations in Demand List more accurately reflects the Alliance's understanding of skills shortages. It is at Attachment B. As can be seen, it does not include journalists, video producers, artistic directors, directors for film, television, radio or stage, photographers, camera operators, musicians, lighting technicians, media producers or stage managers. Rather, there are shortages of film production accountants, broadcast engineers and within the post-production digital and visual effects sector.

Accountants – there is a shortage of film production accountants, always exacerbated at times of high levels of offshore production. The Alliance does not clearly understand why it has not been possible to recruit more to this form of work. However, the problem is likely to be a larger one and not confined to the creative industries. Accountants are included in the Migration Occupations Demand List.

According to the *Sydney Morning Herald*, "Overseas accountants are flocking to Australia under the skilled migration program but few pass the English requirements to work in the sector, leaving labour shortfalls unmet, a study into immigration policy has found. There are now more overseas accountants gaining visas each year than there are domestic graduates in the field, a study in the upcoming edition of the *People And Place* quarterly journal has found. But the occupation remains on the critical skills list because students using Australian accounting courses to gain permanent residency do not find work."⁸

⁸ *Migrant accountants fail English test*, Yuko Narushima, *Sydney Morning Herald*, 14 January 2009, see online at <http://www.smh.com.au/news/national/migrant-accountants-fail-english-test/2009/01/13/1231608708280.html>

The *Herald* reports that the principal reason is that overseas graduates do not have adequate English skills to meet the needs of businesses in Australia and that the problem has been brewing for some time. "From 1996 to 2007, the Coalition government tied only a small number of new university places to accounting studies. At the same time, universities hungry for the bigger financial returns of full-fee-paying students gave priority to overseas students, [the report] said."

Broadcast engineers – it has been known since the beginning of the decade that worldwide there is chronic shortage of broadcast engineers, with many now in the industry heading towards retirement.

Post-production digital and visual effects producers, supervisors and editors – there is also a global shortage of skilled people. At times, there are other shortages in the overall post-production digital and visual effects sector. Many in the sector are young and able to be highly mobile. If there is a downturn in work, they will follow the work internationally – to the United States, the United Kingdom, India and so on. This category of worker is increasingly coming to Australia, sponsored on 457 visas.

Other shortages arise only rarely and are usually resolved by the employer sponsoring an individual from overseas on a temporary entry sub-class 420 Entertainment visa. Typically, their use in resolving a skills shortage is confined to offshore productions.

Yet other shortages tend to be very defined and for positions rarely utilised by the sector, for instance, wig makers for Opera Australia.

More commonly, many in the sector, for whom work is short term in nature, are under-employed – musicians and actors for example. Most people working in the performing arts, and particularly in film and television, are freelancers. Increasingly, freelance work is the lot of journalists. Consequently, other than with respect to the positions cited above, skills shortages are of a short term nature only or arise because of particular demands of a particular production.

Appendix C

Table C1 – Adequacy of Formal Training for Occupations: Survey Response – notes that the survey results show the training of print journalists to be less than adequate. This affords with Alliance experience and also aligns with the fact that the most important training for print journalists is on the job. The winding back of cadetships is exacerbating the problem and tertiary qualifications cannot replace the role of cadetships.

That the same applies to broadcast engineers reflects a paucity of training that can be accessed and the critical shortage of appropriately qualified personnel now coming into the industry.

Recommendations

As discussed, and as IBSA knows, the paucity of data regarding the cultural industries has long been a serious problem for policy development and planning. ABS data is patchy and it is unable to dedicate the resources necessary to establish and maintain robust data. The film and video industries are only irregularly canvassed. This is compounded by the very dramatic changes that are occurring in some sectors of the cultural industries. The Statistical Working Group is also under-resourced. The Australia Council surveys practising professional artists in the series *Don't Give Up Your Day Job: An Economic Study of Professional Artists in Australia*. The last study, the fourth in a series undertaken over the past 20 years, covered the financial year 2000-2001 and was released in 2002. Fortunately, the study is being conducted again this year. Valuable as it is, it would better serve the industry if the Australia Council were resourced to undertake the study on a more regular basis.

One of the most reliable sources of data is, of course, the census. Unfortunately, the census only measures people's employment by reference to the primary job undertaken in the week prior to the day on which the census form is completed. It is able to capture those in the sector in full-time employment, but given that almost all performers and musicians have, of necessity, more than one income stream, and given the high number of freelancers in the sector, many working in the cultural industries are not captured at all.

The Alliance urges IBSA to seek amendment to the census form for the next and future censuses to accommodate three jobs.

ATTACHMENT A

Annex II Schedule of Australia – United States Free Trade Agreement⁹

Sector:	Broadcasting and Audiovisual Services Advertising Services Live Performance ²
Obligations Concerned:	National Treatment (Articles 10.2 and 11.3) Market Access (Article 10.4) Most-Favoured-Nation Treatment ³ (Articles 10.3 and 11.4) Performance Requirements (Article 11.9) Local Presence (Article 10.5) ⁴
Description:	<u>Cross-Border Trade in Services and Investment</u> Australia reserves the right to adopt or maintain: <u>(a) Multichannelled free-to-air commercial television broadcasting services</u> <ul style="list-style-type: none">· Transmission quotas for local content, where more than one channel of programming is made available by a provider of free-to-air commercial television broadcasting services. Such quotas may not exceed 55 per cent of the programming on an individual channel of a service provider transmitted annually between 6:00 a.m. and midnight and may not be imposed on more than two channels or 20 per cent of the total number of channels (whichever is greater) made available by that provider. No such transmission quotas shall be applied to more than three channels of an individual service provider. Subquotas for particular program formats (e.g. drama, documentary, children's) may be applied within the transmission quotas in a manner consistent with existing standards.· Transmission quotas for local content in relation to advertising, where more than one channel of programming on a particular service is made available by a service provider of free-to-air commercial television broadcasting services. Such quotas may not exceed 80 per cent of the advertising time on an individual channel of a service provider transmitted annually between 6:00 a.m. and midnight and may not be imposed on more than three channels made available by that provider.

² Applies only in respect of item (g).

³ Applies only to the treatment as local content of New Zealand programs or productions.

⁴ Applies only in respect of item (f).

⁹ See online at Available online at http://www.dfat.gov.au/trade/negotiations/us_fta/final-text/index.html

(b) Free-to-air commercial television broadcasting services

- Requirements that, where a free-to-air commercial television channel subject to a transmission quota is rebroadcast over another transmission platform, the quota may be applied to the rebroadcast channel.
- Requirements that, where a free-to-air commercial television broadcasting service provider moves a channel subject to a transmission quota to another transmission platform, the quota may be applied to that channel.

(c) Subscription television broadcasting services

- Expenditure requirements for Australian production not exceeding 10 per cent of total program expenditure. Such requirements may be imposed on service providers making available services in the following program formats: the arts, children's, documentary, drama, and educational.⁵

Upon a finding by the Government of Australia that the expenditure requirement for the production of Australian drama is insufficient to meet its stated goal for such expenditure, this expenditure requirement may be increased up to a maximum level of 20 per cent. Such a finding shall be made through a transparent process that includes consultations with any affected parties including the United States. Any increase imposed shall be non-discriminatory and no more burdensome than necessary.

(d) Free-to-air radio broadcasting services

Transmission quotas for local content not exceeding 25 per cent of the programming (e.g., of musical items) on individual stations of a service provider transmitted annually between 6.00 a.m. and midnight.

(e) Interactive audio and/or video services

Measures to ensure that, upon a finding by the Government of Australia that Australian audiovisual content or genres thereof is not readily available to Australian consumers, access to such programming on interactive audio and/or video services is not unreasonably denied to Australian consumers. Any measures addressing such a situation will be implemented through a transparent process permitting participation by any affected parties, be based on objective criteria, be the minimum necessary, be no more trade restrictive than necessary, not be unreasonably burdensome,

⁵ No one channel will be subject to an expenditure requirement for more than a single program format.

and be applied only to a service provided by an enterprise that carries on business activities in Australia in relation to the supply of that service.

(f) Spectrum and licensing

Measures inconsistent with Article 10.4 with respect to spectrum management and licensing of broadcasting services as currently defined in the Broadcasting Services Act 1992, i.e., commercial broadcasting services, community broadcasting services, narrowcasting services, and subscription broadcasting services.

Measures, as currently specified in the Broadcasting Services Act 1992, that restrict the eligibility for broadcasting services licenses to enterprises that are a specific legal type and/or are established in Australia or in an external territory.

(g) Subsidies or grants

Subsidies or grants for investment in Australian cultural activity where eligibility for the subsidy or grant is subject to local content or production requirements.

This entry does not apply to foreign investment restrictions in the broadcasting and audiovisual services sector.

**Existing
Measures:**

Broadcasting Services Act 1992
Radiocommunications Act 1992
Income Tax Assessment Act 1936
Income Tax Assessment Act 1997
Australian Film Commission Act 1975
Broadcasting Services (Australian Content) Standard 1999
Television Program Standard 23 – Australian Content in Advertising
Commercial Radio Codes of Practice and Guidelines
Community Broadcasting Codes of Practice

ATTACHMENT B**MIGRATION OCCUPATIONS IN DEMAND (MODL)**

Managers and Administrators	ASCO code
Child Care Coordinator	1295-11
Engineering Manager	1221-11
Professionals	ASCO code
Accountant	2211-11
Anaesthetist	2312-11
Architect	2121-11
Chemical Engineer	2129-17
Civil Engineer	2124-11
Computing Professional - specialising in CISSP *	2231-79
Computing Professional - specialising in C++/C#/C *	2231-79
Computing Professional - specialising in Data Warehousing	2231-79
Computing Professional - specialising in Java *	2231-79
Computing Professional - specialising in J2EE *	2231-79
Computing Professional - Linux	2231-79
Computing Professional - .Net technologies	2231-79
Computing Professional - specialising in Network Security/Firewall/Internet Security *	2231-79
Computing Professional - specialising in Oracle *	2231-79
Computing Professional - specialising in PeopleSoft *	2231-79
Computing Professional - specialising in SAP *	2231-79
Computing Professional - specialising in SIEBEL * (especially Siebel Analytic)	2231-79
Computing Professional - Solaris	2231-79
Computing Professional - Unix	2231-79
Dental Specialist	2381-13
Dentist	2381-11
Dermatologist	2312-13
Electrical Engineer	2125-11
Electronics Engineer	2125-13
Emergency Medicine Specialist	2312-15
External Auditor	2212-11
General Medical Practitioner	2311-11
Hospital Pharmacist	2382-11
Mechanical Engineer	2126-11
Medical Diagnostic Radiographer	2391-11
Mining Engineer (excluding Petroleum)	2127-11
Obstetrician and Gynaecologist	2312-17
Occupational Therapist	2383-11
Ophthalmologist	2312-19
Optometrist	2384-11
Paediatrician	2312-21
Pathologist	2312-23
Petroleum Engineer	2127-13

Physiotherapist	2385-11
Podiatrist	2388-11
Psychiatrist	2312-27
Quantity Surveyor	2122-11
Radiologist	2312-29
Registered Mental Health Nurse	2325-11
Registered Midwife	2324-11
Registered Nurse	2323-11
Retail Pharmacist	2382-15
Specialist Medical Practitioners (not elsewhere classified)	2312-79
Specialist Physician	2312-25
Speech Pathologist	2386-11
Sonographer	2391-17
Surgeon	2312-31
Surveyor	2123-13

Associate Professionals

Chef (excluding Commis Chef)	3322-11 (part)
Dental Technician	3492-15

ASCO Code

Trades Persons

Aircraft Maintenance Engineer (Avionics)	4114-15
Aircraft Maintenance Engineer (Mechanical)	4114-11
Automotive Electrician	4212-11
Baker	4512-11
Binder and Finisher	4913-11
Boat Builder and Repairer	4981-13
Bricklayer	4414-11
Cabinetmaker	4922-11
Carpenter	4411-13
Carpenter and Joiner	4411-11
Cook	4513-11
Drainer	4431-15
Electrical Powerline Tradesperson	4313-11
Electrician (Special Class)	4311-13
Electronic Equipment Tradesperson	4315-11
Fibrous Plasterer	4412-11
Fitter	4112-11
Floor Finisher	4423-11
Furniture Finisher	4929-13
Furniture Upholsterer	4942-11
Gasfitter	4431-13
General Electrician	4311-11
General Plumber	4431-11
Hairdresser	4931-11
Joiner	4411-15
Landscape Gardener	4623-13
Lift Mechanic	4311-15
Locksmith	4115-15

ASCO codes

Mechanical Services and Air-conditioning Plumber	4431-19
Metal Fabricator (Boilermaker)	4122-11
Metal Machinist (First Class)	4112-13
Motor Mechanic	4211-11
Optical Mechanic	4999-11
Painter and Decorator	4421-11
Panel Beater	4213-11
Pastry Cook	4512-13
Pressure Welder	4122-13
Refrigeration and Air-conditioning Mechanic	4312-11
Roof Plumber	4431-17
Roof Slater and Tiler	4413-11
Solid Plasterer	4415-11
Sheetmetal Worker (First Class)	4124-11
Stonemason	4416-13
Toolmaker	4113-11
Tree Surgeon	4623-15
Vehicle Body Maker	4215-11
Vehicle Painter	4214-11
Wall and Floor Tiler	4416-11
Welder (First Class)	4122-15

Source: Department of Immigration and Citizenship. Updated as at 17 May 2008. See online at <http://www.immi.gov.au/skilled/general-skilled-migration/skilled-occupations/occupations-in-demand.htm>

