



What is the place for Australian content on pay TV? What contribution can the pay TV sector make to Australian identity? The ABA is investigating.

# ABA investigates Australian content on pay TV

The fledgling Australian pay TV industry is attracting subscribers with packages of channels which are designed for Australian viewers. But what is the place of Australian programs on these channels? This is one of the issues being considered by the ABA in its investigation into Australian content requirements for pay TV.

'The investigation will examine the contribution the pay TV sector should be required to make in developing and reflecting a sense of Australian identity, character and cultural diversity,' said Mr Peter Webb, ABA Chairman.

Each pay TV licensee is already subject to a licence condition that 10 per cent of program expenditure on channels devoted predominantly to drama must be on new Australian drama programs. The ABA released guidelines in June 1996 concerning the operation of this condition.

'The ABA will be developing options for varying or extending the current requirements and ways to encourage Australian content on pay TV,' said Mr Webb. 'A critical

consideration will be the ability of the pay TV industry to finance such requirements and the capacity of the Australian production industry to produce the necessary programs. The ABA is seeking detailed information on both these issues.'

The ABA has been directed by the Minister for Communications and the Arts, Senator the Hon. Richard Alston, to conduct the investigation and to report to him by 30 April 1997. The Minister is conducting a review of Australian con-

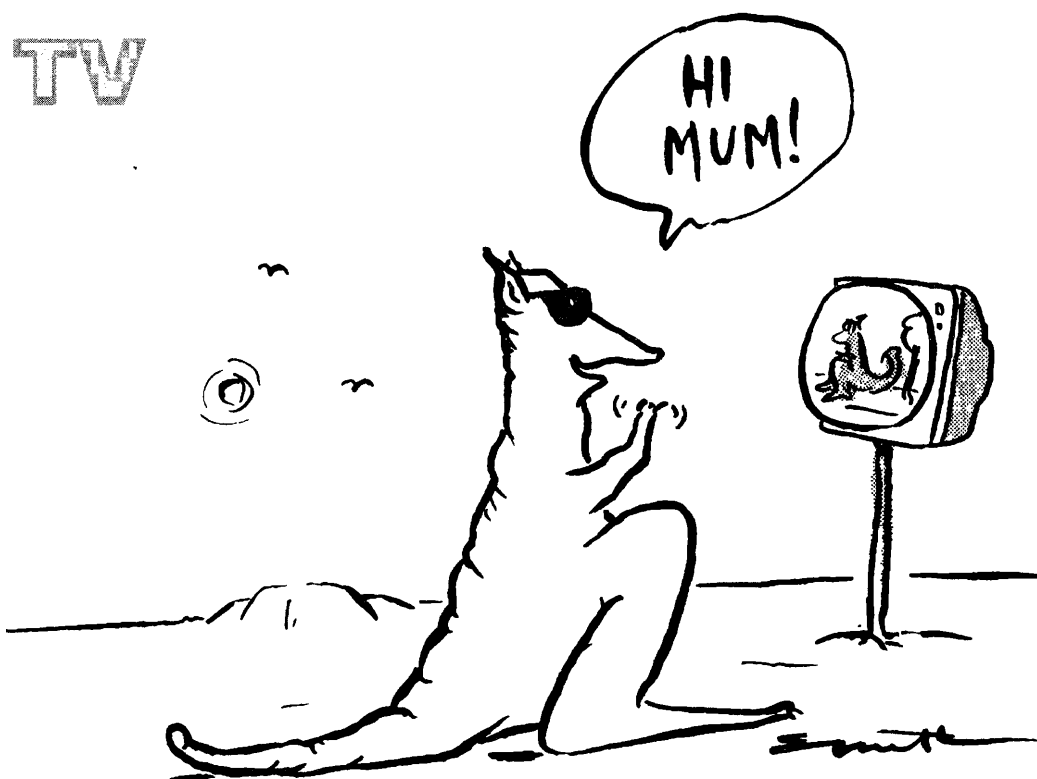
tent on pay TV and has asked the ABA to investigate a number of key issues, including the extent to which the current Australian drama expenditure requirement leads to new opportunities for the Australian production industry and the implications of increasing this requirement.

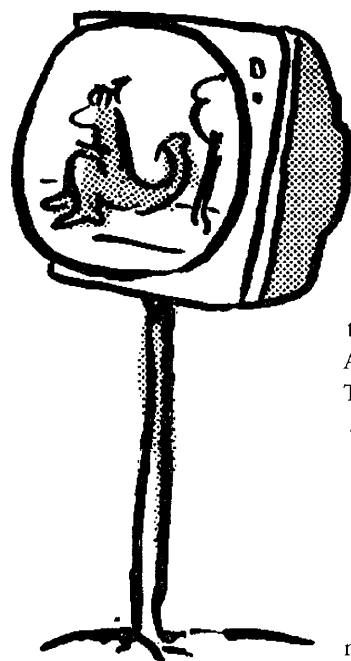
The ABA invites interested parties to comment on the issues identified in the Minister's direction and has prepared an information paper to assist submitters. The closing date for submissions is

Wednesday 18 December 1996.

## **The direction**

On 17 September 1996 the Minister for Communications and the Arts directed the ABA under s.171 of the *Broadcasting Services Act 1992* (the Act) to conduct an investigation into certain matters relating to Australian content on pay TV. This investigation will provide information to the Minister for the review required under s.215(2) of the Act.





Subsection 215(2) of the Act states:

The Minister must, as soon as practicable, but in any case before 1 July 1997, conduct a review of Australian content on subscription television broadcasting services, including into the feasibility of increasing to 20 per cent the level of expenditure required under s.102.

The ABA intends to conduct this investigation in two stages. The first stage is information gathering with the focus on issues raised in the direction. The second stage will be the preparation of an options paper as the basis for final submissions. The options paper will present an analysis of written submissions and information the ABA has collected in the course of monitoring the implementation of s.102 requirements for expenditure on new Australian drama on pay TV. This will include aggregated financial information, where available. There will be a final

submissions period before the ABA reports to the Minister by 30 April 1997.

### Information paper

This information paper represents background information about how the pay TV industry operates and the current requirements for Australian content on pay TV. The paper also identifies issues for consideration in the review, and provides guidance for parties wishing to make submissions to the ABA.

The Minister's direction identifies seven main areas of investigation for the ABA. The ABA seeks submissions on the following issues:

- the amount, range and type of Australian programming broadcast on pay TV;
- the practical operation of s.102 of the Act;
- the implications of increasing to 20 per cent the level of expenditure required under s.102;
- the implications of extending Australian content requirements to all pay TV services, not just predominantly drama services;
- the feasibility of extending to pay TV licensees the same or similar Australian content requirements as presently apply to commercial television licensees;
- alternative mechanisms for encouraging expenditure on Australian produced programs and for identifying the level of Australian content in programs transmitted by pay TV licensees; and
- possible legislative models for varying the Australian content obligations on pay TV licensees.

### Current requirements

Section 102 of the Act provides:

Each subscription television broadcasting licence is subject to the condition that, if the licensee provides a service devoted predominantly to drama programs, the licensee will, for each year of operation, ensure that at least 10% of the licensee's program expenditure for that year in relation to that service is spent on new Australian drama programs.

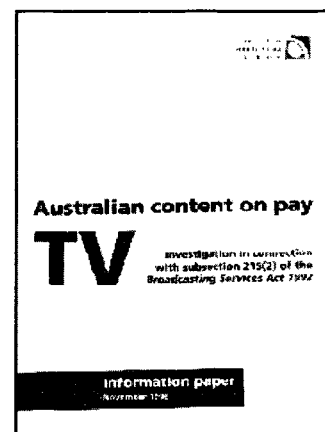
The provisions of this section apply only to subscription television broadcasting services devoted 'predominantly to drama programs'. In June 1996, following a process of consultation with interested parties on the implementation of the s. 102 licence condition, the ABA released its *Guidelines for 'new Australian drama' on pay TV*, (the s.102 guidelines). Copies are available from the ABA.

Section 102 provides that each pay TV licensee is subject to a licence condition that 10 per cent of its annual program expenditure on its 'predominantly drama' channels must be on new Australian drama programs. However, in the course of its consultation process, the ABA concluded that few, if any, pay TV licensees will themselves spend money directly on programming.

The ABA therefore developed guidelines which encourage voluntary expenditure on new Australian drama by those corporate entities in the industry which do purchase programming. The aim of the s.102 guidelines is that pay TV broadcasters and pay

TV channel providers act in a way which honours the spirit of the licence condition and leads to new opportunities for the Australian drama production industry. The terms 'pay TV broadcaster', 'pay TV channel provider' and 'pay TV licensee' are defined in the information paper. A full explanation of relevant terms is contained in the s.102 guidelines.

The ABA has written to pay TV broadcasters and channel providers requesting compliance information using the s.102 guidelines as the basis for reporting. This information will be analysed and released in aggregated form and will help to inform the investigation. The ABA is planning to make aggregated compliance information publicly available to inform the public consultation in the second stage of this investigation. ☐



For copies of the ABA's information paper, please call Robyn Selby on (02) 9334 7846. The paper is also on the ABA's Australian content Web site: <http://www.dca.gov.au/aba/ozhome.htm>