

Notes from an address by **Gareth Grainger**, General Manager Policy & Programs, at the Australian Cable & Satellite Television Conference in Sydney, on 8 February.

Local content industry in a multi-channel environment

I will outline the rules applying to local content on Australian pay TV, and then canvas the means by which further consideration of this issue seems most likely to progress at a public policy level.

Pay TV operators have a statutory obligation to invest in the production of Australian content for their services, quite apart from any commercial imperative to make their services attractive and relevant to Australian audiences.

It is a condition of their licences that they spend 10 per cent of their predominantly drama channel program expenditure on the production of new Australian drama. The ABA has consulted widely with the operators and the production industry as to how to meet this condition. We should finalise and publish revised guidelines on the 10 per cent drama expenditure requirement in the near future. This will clearly be the subject of ongoing discussion between the ABA, the pay TV and the production industries for some time to come.

Review

The level of Australian content on pay TV and the manner of its regulation are the subject of a statutory ministerial review to be conducted before July 1997. This review was originally designed to look at the question of whether the 10 per cent drama expenditure requirement should be increased to 20 per cent. However the scope of the review has since been widened by the Parliament to examine all Australian content on pay TV. This should be a fairly wide ranging review not only of the level of Australian content, but of how it should be regulated. The widening of scope of this review was supported by all sides of Parliament.

The review should be seen in the context of government cultural and broadcasting policy objectives and the

specific objectives of the Broadcasting Services Act. In broad terms, those policy objectives are to ensure the increasing involvement of Australians in the making of cultural products, such as television programs, and to ensure that such products are widely circulated and contribute to the development of a sense of Australian identity, character and cultural diversity.

There is some argument that the review may be premature and that it should be postponed for a couple of years. This argument would have greater weight if the review were to be limited to whether the drama expenditure requirement should be increased from

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10 per cent to 20 per cent. However, the Parliament has now determined that the review should be wider than that and must look at the whole question of Australian content on pay TV.

In any investigation examining the role of Australian content on pay TV, it will be necessary to consider the nature, structure and development of pay TV in Australia, and as it compares to commercial and national broadcasting. The ABA is very conscious of the important differences between the two sectors in the way that they are structured and the nature of the businesses they operate. Some industry commentators say that the same Australian content regime that applies to commercial television should also apply to pay TV. However, imposing the same requirements in terms of transmission time and new drama, across a 30 channel environment, would im-



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pose severe restrictions on the pay TV industry and perhaps be beyond the capacity of the production industry to service.

Any such review should examine the capacity of the industry to support Australian content and at what level that support can be sustained. If Australian content on pay TV is to be encouraged, then regulation has to set realistic levels that can be achieved and sustained.

An investigation would also be likely to examine the availability of existing Australian programming for acquisition. Australian content is not necessarily limited to new programming. Libraries of Australian programming do exist. Pay TV is already providing channels that repackage library material, and there are plans to make available similar channels specialising in Australian material. Whilst the original nature of the Ministerial review was focussed on new Australian drama, there are many other forms of Australian content likely to attract audience interest and warrant regulatory encouragement. The widened scope of the review will enable the whole range of local content to be considered.

The Commonwealth and the State Governments give considerable assistance to the production of new television drama on commercial and national broadcasters. Any pay TV local content review will have to consider the implications for assistance programs of increased requirements for Australian content, particularly new Australian drama.

The Minister's review provides the opportunity to consider seriously the whole range of issues affecting local content on Australian pay TV. □