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New expenditure rules for pay TV drama channels

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This was the last reporting period under the voluntary compliance scheme, introduced in 1995 to implement the intention of the pay TV expenditure rules pending enforceable legislation.

'The implementation of the new scheme by the ABA will ensure that in future the 10 per cent level of spending is achieved by all channel providers and licensees,' said Mr Gareth Grainger, ABA Deputy Chairman. 'If a channel provider does not make the required amount of expenditure on new eligible programs, the licensee will be required to make up any shortfall.'

The total program expenditure by 16 predominantly drama channels in the year ending 30 June 1999 was \$118 767 599, of which \$6 340 026 was spent on new Australian drama. This represents 5.34 per cent of the total program expenditure. No information was provided concerning the seventeenth

channel, Hallmark, an imported drama channel carried by FOXTEL.

'The amount spent on new Australian drama represents a significant decrease on the previous year's performance. Only the two children's pay TV channels, The Disney Channel and Nickelodeon, spent the required 10 per cent and the aggregate industry figures show an underspend for the fourth year in succession,' said Mr Grainger. 'This clearly indicates the necessity of the new enforceable legislation.'

Three other channel providers, The Movie Channels (the Movie One, Movie Extra and Movie Greats channels), The Premium Movie Partnership (Showtime and Encore) and thecomedychannel, spent between 2 per cent and 7.1 per cent of their total program expenditure on new Australian drama. Three channel providers, TV1, UKTV and XYZ Entertainment (Arena), and two of the three pay TV broadcast platforms, Austar and FOXTEL, spent nothing on new Australian drama.

The ABA has developed and approved annual return forms for the new enforceable ex-

penditure scheme, having worked closely with the industry to develop a practical regime for reporting spending on new eligible drama.

New eligible drama programs are defined according to the Australian Content Standard for commercial free-to-air television and include programs that are Australian, Australian/New Zealand, New Zealand or an official Australian co-production. The inclusion of New Zealand drama programs in the rules is required to meet the requirements of the Protocol on Trade in Services to the Closer Economic Relations Agreement between Australia and New Zealand.



Enforceable rules

New enforceable arrangements in relation to spending on new eligible (Australian and New Zealand) drama programs on pay television came into effect with the *Broadcasting Services Amendment Act (No3) 1999* in December 1999. These amendments address shortcomings in the previous licence condition.

From the financial year beginning 1 July 1999, licensees and channel providers who provide a subscription television drama service are required to spend 10 per cent of their total program expenditure on new eligible drama.

The licensee and/or the channel provider must make up any shortfall in the channel provider's expenditure in the next financial year. Both licensees and channel providers are required to lodge annual returns about their program expenditure with the ABA.

The legislation also provides for a review to be conducted before 31 March 2003, relating to the Australian and New Zealand content on subscription television broadcasting services.



Voluntary scheme

The previous legislation applied only to program expenditure by pay TV licensees, whereas, in practice, expenditure is made by channel providers. As these entities were outside the scope of the legislation, the ABA could not require them to meet the 10 per cent expenditure requirement. The ABA, however, encouraged voluntary expendi-

ture on new Australian drama by pay TV broadcasters and channel providers.

The ABA developed guidelines and under this arrangement pay TV broadcasters and channel providers have been reporting on their new Australian drama expenditure. Under the voluntary scheme, however, few pay TV entities met the 10 per cent level.

Aggregate expenditure by pay TV drama services on new Australian drama

Year	No of channels	Total program expenditure \$	Expenditure on new Australian drama \$	% of total program expenditure
1995-96	11	24 570 420	1 740 420	7.1
1996-97	15	64 581 955	3 242 745	5.0
1997-98	16	100 806 940	8 173 504	8.1
1998-99	17	118 767 599	6 340 026	5.3
Total		308 726 914	19 496 695	6.3

Pay TV drama channels

The 17 predominantly drama pay TV channels covered by the ABA guidelines in 1998-99.

Channel	Broadcaster	Channel provider
Arena	FOXTEL Austar	XYZ Entertainment
The Disney Channel	Optus	Disney Channel Australia
FOX	FOXTEL	FOXTEL Management
Fx	FOXTEL	FOXTEL Management
Nickelodeon	FOXTEL Austar	Nickelodeon Australia
TV1	FOXTEL Austar	TV1
Hallmark*	FOXTEL	Hallmark
The Cartoon Network	FOXTEL	Turner Entertainment
TNT (now called TCM)		
The Cartoon Network /TNT [TCM]	FOXTEL satellite Optus Austar	Turner Entertainment
UKTV	FOXTEL	UKTV
Movie One	Optus	The Movie Channels
Movie Extra		
Movie Greats		
Showtime	FOXTEL	The Premium Movie Partnership
Encore	Austar	
thecomedychannel	FOXTEL Austar	thecomedychannel

Note: the reporting entity is shown in **bold**

* FOXTEL, the reporting entity for Hallmark, did not report on this channel

Public hearing for three Sydney community radio licences

The ABA is to conduct a public hearing to assist it in allocating three new Sydney-wide community radio licences. The hearing will be held in the Marconi Room, 4th floor, Town Hall House, Sydney on the following dates:

Monday 14 August — Friday 18 August 2000 (five days)
Thursday 24 August — Friday 25 August 2000 (two days)
Monday 28 August — Tuesday 29 August 2000 (two days)

The applicants for the licences, in order of scheduled appearance are:

Hearing schedule

Applicant	Date and time
OutFM Sydney Limited	14 August, 9.30 am
Information Radio Incorporated	14 August, 2.30 pm
Gadigal Information Service Aboriginal Corporation	15 August, 9.30 am
Underground Broadcasting Incorporated (Radio DEX)	15 August, 2.30 pm
Sydney Gay and Lesbian Broadcasters Incorporated (Free FM)	16 August, 9.30 am
2 Groove Incorporated	16 August, 2.30 pm
New Wave Broadcasters Limited	17 August, 9.30 am
Sydney Youth Radio Incorporated (Wild)	17 August, 2.30 pm
Free Broadcast Incorporated (FBI)	18 August, 9.30 am
Australian Free Group Incorporated	18 August, 2.30 pm
Islamic Council of NSW Incorporated	24 August, 9.30 am
Club Marconi of Bossley Park Social Recreation and Sporting Centre, Limited	24 August, 2.30 pm
Melkite Catholic Eparchy Corporation	25 August, 9.30 am
Chinese Community Service Broadcasting Inc.	25 August, 2.30 pm
Combined Multicultural Christian Community of NSW Incorporated	28 August, 9.30 am
Chinese Community Radio Association Inc.	28 August, 2.30 pm
Muslim Community Radio Incorporated	29 August, 9.30 am
The International Council of the Lebanese Migrants in Australia Incorporated	29 August, 2.30 pm