



**Subscription television services' spent on new Australian drama was \$7.6 million in 1999–2000, and they have an additional \$5.5 million to be made up in 2001–2002.**

# Pay TV spends \$7.6m on new Australian drama programs

The enforceable scheme for expenditure on new eligible Australian drama programs by subscription television drama services will result in \$12.7 million of investment in new Australian drama. Actual expenditure was \$7.6 million in 1999–2000, with an additional \$5.5 million to be made up in 2001–2002.

The figures, are the first under the new enforceable subscription television drama rules that came into effect on 1 July 2000. The rules require subscription television drama services to spend a minimum 10 per cent of total program expenditure on new eligible Australian drama programs for each financial year.

'The subscription television drama expenditure rules ensure that Australian pay TV audiences have access to programs reflecting Australian identity,

character and cultural diversity. The expenditure on new eligible drama programs also assists in the development of the local drama production industry,' said Ms Lyn Maddock, ABA Deputy Chair.

In 1999–2000, total program expenditure by the 18 subscription television drama services was \$127 million with a requirement to spend 10 per cent (\$12.7 million) on new eligible drama programs. Under the scheme, any shortfall in expenditure on new eligible drama programs for a particular financial year must be made up in the next financial year.

Expenditure on new eligible drama programs included direct investment in, and payment of licence fees for, a range of programs including feature films, telemovies and drama series including the telemovie

**Table 1: Subscription television channels**

Cartoon Network/TCM	Movie Greats
Cartoon Network	Movie One
Disney Channel	Nickelodeon
Encore	Oh!
Fox 8	Showtime
Fox Kids	Thecomedychannel
FX	Turner Classic Movies (TCM)
Hallmark	TV1
Movie Extra	UKTV

'The Secret Life of Us', the feature films 'The Sound of One Hand Clapping' and 'Risk', 'Eggnacious' (a short film), and the series 'Old Tom'.

## Background

In 1999–2000 there were 18 subscription television drama services, see table 1.

The Act defines a subscription television drama service as a subscription television broad-

casting service devoted predominantly to drama programs. That is, more than fifty per cent of the programming consists of drama programs.

The expenditure shortfall to be made up in 2000–01 does not equal the difference between the 10 per cent requirement of \$12 707 159 and the amount spent on new eligible drama of \$7 609 289. Some services spent in excess of ten per cent of their total program expenditure on new eligible drama programs but that excess cannot be used to offset the shortfall with respect to other services. Under the previous voluntary scheme, there was no requirement to make up any expenditure shortfall.

**Table 2: Aggregate expenditure by pay TV drama services on new Australian drama**

Year	No of channels	Total program expenditure (\$)	Expenditure on new Australian drama (\$)	New eligible drama 10 per cent expenditure requirement	Shortfall to be made up in following year
1998–99	17	118 767 599	6 340 026	11 876 760	n/a
1999–00	18	127 071 585	7 609 289	12 707 159	5 488 289



Under the eligible drama expenditure rules for subscription television broadcasting, each licensee of a subscription television drama service and each channel provider or part-channel provider must lodge with the ABA, within 60 days of the end of each financial year, an annual return providing details of their total program expenditure and expenditure on new eligible drama programs for the financial year.

If a licensee provides a subscription television drama service, expenditure on new eligible drama programs for each financial year must be at least 10 per cent of total program expenditure. An eligible drama program is *new* if, and only if, the whole or a substantial part of the program has not been televised in Australian or New Zealand on a broadcasting service at any time before the expenditure on the program by the licensee or channel provider is incurred.

If a channel provider supplies a channel that is televised on a subscription television drama service, the 10 per cent expenditure requirement is calculated by reference to the expenditure incurred by the channel provider.

If a channel provider supplies a channel that is televised on a subscription television drama service and the 10 per cent expenditure requirement is not met for a particular financial year, the shortfall will have to be made up in the next financial year. The shortfall may be made up by the channel provider, the licensee or the channel provider and the licensee. This also applies to cases where there is either a part-channel provider or a pass-through provider in relation to the subscription television drama service.



***The Future For Local Content — Options for Emerging Technologies*, is the result of a collaborative research project conducted for the ABA by The Australian Key Centre for Cultural and Media Policy. The report considers the cultural and social objectives of media policy in the context of technological change.**

## Cultural objectives achievable in the digital era

The ABA has released *The Future For Local Content — Options for Emerging Technologies*, the final report of a collaborative research project conducted for the ABA by The Australian Key Centre for Cultural and Media Policy.

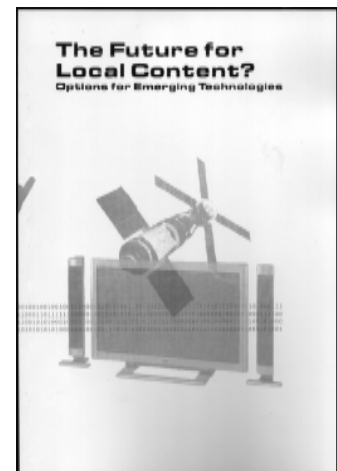
The report considers the cultural and social objectives of media policy in the context of technological change — including the transition to digital transmission, multichanneling and datacasting. The project analyses Australian and international responses to the achievement of cultural and social objectives through content regulation, such as local content quotas and subsidy mechanisms, exploring their application in digital environments.

'This report, prepared by the Key Centre, explores strategies for the continued achievement of social and cultural objectives in digital-era broadcasting,' said Ms Maddock, Deputy Chair of

the ABA. 'It should not be assumed that the forward policy environment would necessarily be a more difficult one for achieving cultural policy outcomes, such as ensuring a place for local television content.'

'This report makes an innovative and substantial contribution to the international study of the achievement of cultural objectives through content regulation,' said Ms Maddock. 'It has particular relevance to Australia and the need to ensure that our trade negotiations recognise our national broadcasting goals.'

'The report will inform the ABA's future deliberations and on-going knowledge in the important area of local content regulation,' she said. 'For the foreseeable future, however, commercial free-to-air television will continue to be the dominant medium and the ABA remains committed to the current Australian Content Standard.'



An earlier version of the report, *Cultural and Social Policy Objectives for Broadcasting in Converging Media Systems*, was released at the ABA conference last month. The report is available at the ABA's website at [www.aba.gov.au](http://www.aba.gov.au). Printed copies are available, price \$20 (including GST) from the ABA, by calling (02) 9334 7700.