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Subscription TV spends \$18m on Australian drama programs

The subscription television industry spent \$18 million on new Australian drama programs in 2002–03 in meeting its obligations under the subscription television drama expenditure scheme.

'Through this scheme, the subscription television industry provides substantial support to Australian drama production, particularly feature films and television series,' said Professor David Flint, ABA Chairman.

In 2002–03, 17 subscription TV drama channel providers and licensees spent a total of \$199.3 million on programming material. Under the *Broadcasting Services Act 1992*, these service providers are required to spend at least \$19.9 million (10 per cent) on new Australian drama programs. However, if this total amount is not spent in 2002–03, the shortfall can be made-up in 2003–04.

In 2002–03, \$8.2 million of the industry's \$18 million spend was used to make up expenditure shortfalls from 2001–02. The remaining \$9.8 million of expenditure was counted towards meeting the 10 per cent requirement for 2002–03, leaving

a shortfall of \$10.1 million to be made-up in 2003–04.

Expenditure on new eligible drama programs in 2002–03 included direct investment in, and payment of licence fees for, a range of programs including feature films such as *Crackerjack* and *Japanese Story* and drama series *McLeod's Daughters* and *The Secret Life of Us*.

Drama services

In 2002–03, there were 17 subscription television drama services: The Cartoon Network, The Disney Channel, Encore, Fox 8, Fox Kids/Classics, Hallmark, Movie Extra, Movie Greats, Movie One, Nickelodeon, Oh!, Optus Near Video On Demand,

Showtime, Showtime 2, Turner Classic Movies, TV1 and UKTV.

Each licensee of a subscription television drama service and each channel provider must lodge an annual return with the ABA, providing details of their total program expenditure and expenditure on new Australian drama programs for the financial year. The lodgement must be within 60 days after the end of each financial year.

Definition of a drama service

The Broadcasting Services Act defines a subscription television drama service as a service devoted predominantly to drama programs, that is, more

than fifty per cent of the programming consists of drama programs.

Shortfall in expenditure

The legislative scheme anticipates there may be a shortfall in expenditure on new Australian drama programs in a particular financial year, and requires that this be made-up in the next financial year. However, the shortfall in expenditure to be made-up in the next financial year does not necessarily equal the difference between the 10 per cent requirement and the expenditure nominated toward this requirement, as some services spent more than 10 per

Table: Aggregate expenditure by subscription TV drama services on new Australian drama

	2000–01	2001–02	2002–03
Number of drama services	15	17	17
Total program expenditure	\$194,983,964	\$206,377,600	\$199,326,879
New Australian drama 10% requirement	\$19,498,396	\$20,637,760	\$19,932,688
Actual new Australian drama expenditure	\$18,218,591	\$19,924,155	\$17,980,511
Expenditure to make-up previous year's shortfall	\$5,488,289	\$7,804,142	\$8,246,506
Expenditure toward current year's 10% requirement	\$12,730,302	\$12,120,013	\$9,815,030
Shortfall to be made-up in next financial year	\$7,804,142	\$8,246,506	\$10,117,658



Commercial television licensees met their requirements of the Australian Content Standard (ACS) and Children's Television Standards (CTS) in 2003.

Subscription TV

cent of their total program expenditure on new Australian drama programs, and some drama expenditure by pass-through-providers has been nominated by more than one licensee carrying those services.


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

An Australian drama program is new if, and only if, the whole or a substantial part of the program has not been televised in Australia 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 ten per cent expenditure requirement is based on expenditure incurred by the channel provider. If a channel provider (an Australian based company) 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.

If a licensee provides a subscription television drama service, expenditure on new Australian drama programs for each financial year must be at least 10 per cent of total program expenditure. Drama services provided by licensees are not afforded the opportunity to make-up any shortfalls in the following financial year.

If a pass-through provider (an overseas based company) supplies a channel that is televised on a subscription television drama service, the 10 per cent expenditure requirement is based on expenditure incurred by the licensee to obtain the service. If a pass-through 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. 

Australian content and children's TV compliance: 2003

All commercial television licensees met the Australian transmission quota and program sub-quota requirements of the Australian Content Standard (ACS) and Children's Television Standards (CTS) in 2003.

All commercial networks exceeded the minimum 55 per cent Australian transmission quota in 2003, with the Nine Network licensees achieving more than 60 per cent in the three metropolitan markets of Sydney, Melbourne and Brisbane.

'It is pleasing to see that commercial television licensees exceeded the ABA's requirements for Australian programming,' said Professor Flint. 'The results for 2003 demonstrate that the networks continue to provide Australian audiences with high levels of Australian content, from familiar long running drama programs and children's series to the scheduling of a mix of new mini-series, telemovies and feature films.'

This is the first year of the operation of the varied ACS that came into effect after an extensive review of the standard by the ABA in 2001-02.

The compliance results for 2003 are available on the ABA's web site at www.aba.gov.au

Australian and children's programs requirements

The Australian Content Standard and Children's Television Standards for commercial television require that:

- Australian programs must be at least 55 per cent of all programming broadcast in a year by a licensee between 6 am and midnight
- *annual drama requirement* – the drama scores for all first release Australian drama programs broadcast by a licensee in prime time in any year must total at least 250
- *three year drama requirement* – the drama scores for all first release Australian drama programs broadcast by a licensee in prime time in