

# Subscription TV industry spends \$15.9m on Australian drama programs

## The subscription television industry spent \$15.926 million on new Australian and New Zealand drama programs in 2004-05.

The subscription television industry provides substantial support to Australian drama production. This support provides an opportunity for Australians to create and participate in a wide variety of productions ranging from feature films such as *The Proposition* and drama series such as *Blue Water High*, *The Alice*, *McLeods Daughters*, *Supernova* and *Love My Way—Series 2*.

Under the scheme, which is set out in the *Broadcasting Services Act 1992*, licensees and channel providers are able to nominate new eligible drama expenditure either towards meeting their 2004-05 requirement, or to acquit the remainder of their 2003-04 obligation.

The required expenditure on new Australian or New Zealand drama is 10 per cent of the total program expenditure each year. If the expenditure requirement is not met for a particular

financial year, the balance must be made up in the next financial year.

All participants in the new eligible drama expenditure scheme have met their 2003-04 expenditure obligations. ACMA notes that as overall expenditure on drama programs from all sources has declined, so has the expenditure obligation for new Australian drama programs.

In 2001-02 new Australian drama expenditure was \$21 million, compared with \$15.9 million in 2004-05. At the same time, the expenditure requirement (based on total program expenditure) declined from \$20.5 million in 2001-02 to \$18.9 million in 2004-05.

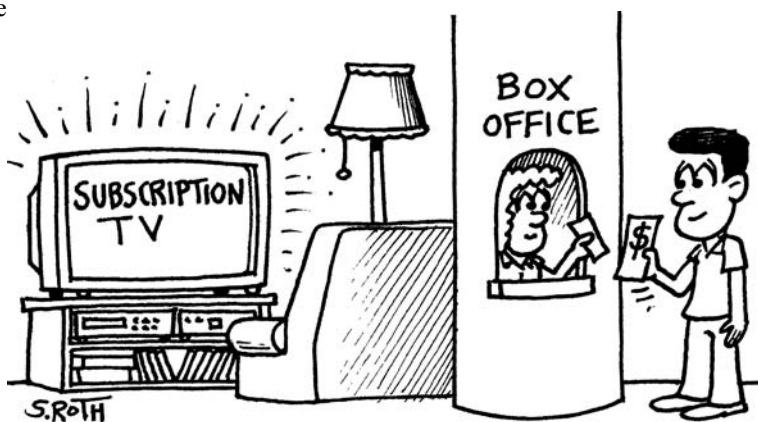
Of the \$15.9 million expended in 2004-05, \$10.39 million was nominated to acquit expenditure obligations from 2003-04, and \$5.39 million nominated towards the 2004-05 requirement. Some of the eligible expenditure has not been nominated against either the previous year shortfall or the current year 10 per cent requirement because some scheme participants have

continued to spend more than their 10 per cent requirement on new Australian drama.

To acquit the drama expenditure requirement for 2004-05, \$13.592 million must be spent in 2005-06.

Showtime 2, Encore, TV1 and UKTV.

Expenditure on new eligible drama programs in 2004-05 included investment in and payment of licence fees for a range of programs including



## DRAMA ON SUBSCRIPTION TELEVISION

The 17 subscription television drama channels available are: Boomerang, the Cartoon Network, Turner Classic Movies, the Hallmark Channel, The Disney Channel, Fox 8, Fox Kids/Classics, Movie Extra, Movie Greats, Movie One, Movie One Take 2, Nickelodeon, Showtime,

film shorts, telemovies, feature films and drama series.

Under the new eligible drama expenditure rules, each financial year every licensee of a subscription television drama service and each channel provider must provide ACMA with details of their total program expenditure and expenditure on new eligible drama programs.

**Aggregate expenditure by subscription television drama services on new Australian drama**

	2000-01	2001-02	2002-03	2003-04	2004-05
<b>TOTAL PROGRAM EXPENDITURE</b>	\$194,983,964	\$205,880,765	\$199,326,879	\$188,631,004*	\$189,823,319
10 per cent new eligible drama expenditure requirement	\$19,498,396	\$20,588,077	\$19,932,688	\$18,863,100	\$18,982,332
Actual new eligible drama expenditure (NEDE)	\$18,218,591	\$21,004,080	\$19,130,511	\$17,707,528	\$15,925,986
NEDE as a percentage of the 10 per cent requirement	93.4%	102%	95.2%	93.9%	83.9%
Expenditure nominated to make up previous year's shortfall	\$5,488,289	\$7,804,142	\$8,246,506	\$8,937,272^	\$10,390,475
Expenditure nominated toward requirement	\$12,730,302	\$13,199,938	\$10,965,030	\$8,472,625	\$5,390,027
Obligation to be acquitted next financial year	\$7,804,142	\$8,246,506	8,967,654	\$10,390,475	\$13,592,304
Shortfall as a percentage of 10 per cent requirement	40%	40%	45.7%	55.1%	71.6%

<b>Australian and/or New Zealand drama programs and co-productions reported include:*</b>
<b>FEATURE FILMS</b>
<i>The Proposition</i>
<i>Hating Alison Ashley</i>
<i>Fat Pizza</i>
<i>Take Away</i>
<i>Project Greenlight</i>
<i>Alexandra's Project</i>
<i>Getting Square</i>
<b>SERIES</b>
<i>Supernova</i>
<i>Love My Way (series 2)</i>
<i>Hollis' Heroes</i>
<i>Blue Water High</i>
<i>Secret Agent Men</i>
<i>Don't Blame the Koalas</i>
<i>Short'n Kerley</i>

\* This is not a complete list of reported programs as some programs cannot be named at this time.

\* This figure has been amended from that advised in the ABA News Release NR 172/2004, 23 December 2004.

^ Make-up expenditure for the 2003-04 financial year has not been fully acquitted because the subscription television licensee TARBS World TV Australia Pty Ltd ceased operations and failed to provide a return for its drama channels for 2003-04.