



New Eligible Drama Expenditure Scheme results for 2007-08

AUSTRALIAN CONTENT AND PAY TV

The subscription television industry spent \$20.06 million on Australian and New Zealand drama programs in the 2007-08 financial year in meeting its obligations under the New Eligible Drama Expenditure Scheme.

The *Broadcasting Services Act 1992* (the BSA) requires subscription TV licensees that broadcast drama channels, and drama channel package providers, to invest at least 10 per cent of their total program expenditure on new Australian drama.

This investment enabled Australians to participate in the production of a wide variety of

films, including *The King*, *Balibo 5*, and *2:37*; and drama series, including *H2O: Just Add Water*, *Chandon Pictures*, *Satisfaction*, *Whatever Happened To That Guy?*, *Blue Water High* and *The Mansion*.

The 2007-08 investments also supported new opportunities for Australian film and animation, such as the Tropfest short film

festival, the Optus one80 project competition, and Nick Shorts, where selected new original animation short films will be broadcast nationally on a range of Nickelodeon Australia's media platforms.

The scheme accommodates the dynamics of production schedules by allowing licensees and channel providers to operate under an 'accrual-type' system, where obligations that arise in one reporting period and are not then acquitted must be fully acquitted in the following period. Each year licensees and channel providers report their drama expenditure, which must be at least enough to acquit any obligation accrued from the previous year. They indicate the amount

of any obligation acquitted for the previous year; the amount, if any, to be acquitted for the current reporting year; and the amount, if any, to be deferred.

Of the \$20.06 million spent on Australian and New Zealand drama in 2007–08, \$9.16 million was allocated by licensees and channel providers to acquit the current year’s obligation, with \$10.47 million allocated to acquit the 2006–07 obligations. Licensees and channel providers will be required to spend \$13.94 million in 2008–09 to acquit the 2007–08 obligations (see table below).

In 2007–08, all but three participants in the scheme met their previous year’s expenditure obligations. A total of \$22,300 was not acquitted according to the rules of the scheme. ACMA is considering any further action that may be required in respect of those licensees.

DRAMA CHANNELS AND PRODUCTIONS

The 18 drama channels reported on are: Boomerang, Cartoon Network, Turner Classic Movies, Hallmark Channel, Disney Channel, Playhouse Disney, Fox 8, Fox Classics, Movie Extra, Movie Greats, Movie One, Nickelodeon, Showcase, Showtime, Showtime Greats, TV1, SCI FI and UKTV.

The licensees that broadcast relevant drama channels are: AUSTAR, FOXTEL, Neighbourhood Cable, Optus, SelecTV, Telstra, and TransACT.

The channel providers participating in the scheme are: Sparrowhawk International Channels Limited (providing the Hallmark channel drama packages); Walt Disney Television Australia; Foxtel; the Movie Network Channels; Nickelodeon Australia; The Premium

program’. The scheme establishes a requirement for subscription television drama service licensees and drama channel providers to spend on Australian drama programs; however, there is no requirement that the drama program be broadcast on a subscription television service. The BSA defines a ‘subscription television drama service’ as a service devoted predominantly to drama programs.

Investment under the scheme enables Australians to participate in the production of a wide variety of feature films and drama series, and benefit from support to new opportunities for Australian film and animation, such as Tropfest, the Optus one80 project and Nick Shorts.

Movie Partnership (providing the Showtime channels drama packages); TV1 (providing the TV1 and SCI FI channel drama packages); and UKTV.

For expenditure to qualify under the scheme, the investment must be for a production that meets the BSA definition of ‘eligible drama

Information about compliance with the scheme is available on the ACMA website www.acma.gov.au (go to > For the public: Content and advertising > Broadcasting: Broadcasting content regulation > TV content regulation > Australian content > Australian content and pay TV).

AGGREGATE EXPENDITURE ON NEW AUSTRALIAN DRAMA BY SUBSCRIPTION TV DRAMA SERVICES

	2007–08 (\$ million)	2006–07 (\$ million)	2005–06 (\$ million)
Requirement for new eligible drama expenditure (10% of all drama program expenditure)	23.10	20.79	20.58
Actual expenditure on new eligible drama	20.06	26.44	18.41
Expenditure nominated to acquit previous year’s remaining obligation	10.47*	16.04	13.59
Expenditure toward current year’s 10% requirement	9.16	10.29	4.53
Obligation accrued to the next financial year	13.94	10.50	16.04

* Licensees failed to acquit \$22,300 of 2006–07 obligation within the prescribed timeframe.