

New Eligible Drama Expenditure Scheme results for 2008–09

Australian content and pay TV

The subscription television industry spent \$28.47 million on Australian and New Zealand drama programs in the 2008–09 financial year in meeting its obligations under the New Eligible Drama Expenditure Scheme.

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

Drama channels and productions

The 19 drama channels reported on are: Boomerang, Cartoon Network, Turner Classic Movies, Hallmark Channel, Disney Channel, Playhouse Disney, Fox 8, Fox Classics, Triple 1 Hits, Movie Extra, Movie Greats, Movie One, Nickelodeon, Showcase, Showtime, Showtime Greats, TV1, SCI FI and UKTV.

(Investment under the scheme) enabled Australians to participate in the production of a wide variety of feature films and drama series ... (and) supported new opportunities for Australian film and animation, including the hugely popular Tropfest and Flickerfest film festivals, the Optus one80 project competition and Nick Shorts, a competition designed to showcase and celebrate Australia's animation talent.

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), Disney Channels Australia and New Zealand, Foxtel, the Movie Network Channels, Nickelodeon Australia, The Premium Movie Partnership (providing the Showtime channels drama packages), TV1 (providing the TV1 and SCI FI channel drama packages) and UKTV.

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.

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. Of their total drama expenditure, they indicate the portion nominated to acquit the obligation for the previous year; the portion, if any, being nominated to acquit the current reporting year's expenditure obligation; and the portion, if any, to be carried forward to be available for nomination in the next reporting period.

This investment enabled Australians to participate in the production of a wide variety of feature films and drama series during the 2008–09 period, including *Animal Kingdom*, *Beautiful Kate*, *Charlie and Boots*, *Two Fists*, *One Heart*, *Pam Ann*, *Librarians* (series 2), *Satisfaction* (season 3), *Chandon Pictures* (series 2), *H2O Just Add Water* (series 3) and *Tangle*.

Details of the eligible expenditure and the expenditure nominations are set out in the table below. For the 2008–09 reporting year, all but one of the scheme participants acquitted their 2007–08 expenditure obligations. The ACMA has taken action respect of the failure to acquit.

The 2008–09 investments also supported new opportunities for Australian film and animation, including the hugely popular Tropfest and Flickerfest film festivals, the Optus one80 project competition and Nick Shorts, a competition designed to showcase and celebrate Australia's animation talent. Nine titles were reported receiving script development investment.

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

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

Figure 1: Aggregate expenditure on new Australian drama by subscription TV drama services

	2008–09 \$ million	2007–08 \$ million	2006–07 \$ million
Requirement for new eligible drama expenditure (10 per cent of all drama program expenditure)	\$25.98	\$23.10	\$20.79
Actual expenditure on new eligible drama	\$28.47	\$20.06	\$26.44
Expenditure nominated to acquit previous year's remaining obligation	\$13.90#	\$10.47*	\$16.04
Expenditure toward current year's 10 per cent requirement	\$14.67	\$9.16	\$10.29
Obligation accrued to the next financial year	\$11.30	\$13.94	\$10.50

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

Licensee failed to acquit \$40,000 of 2007–08 obligation.