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'Expenditure on new eligible drama programs by the pay TV industry assists in the development of the local drama production industry. Since the rules were introduced, the pay TV industry has spent more than twenty million dollars on new Australian drama productions,' said Professor David Flint, ABA Chairman.

The subscription television new Australian drama expenditure rules came into effect on 1 July 1999, and first applied in 1999-00. The rules require subscription television drama services to spend a minimum ten per cent of total program expenditure on new eligible Australian drama programs for each financial year. The legislative scheme anticipates there may be a shortfall in expenditure on new eligible drama programs in a particular financial year, and this must be made up in the next financial year.

In 2000-01, the 15 pay TV drama services spent a total of \$194,983,964 on program material. Under the ten per cent rule, they are therefore required to spend at least \$19,498,39 on new eligible Australian drama programs. In 2000-01, they spent a total of \$17,574,841 on eligible programs (\$5,488,289 of this amount was required expenditure carried over from 1999-00). This results in a carry-over obligation for 2001-02 of \$8,472,884 (this amount does not equal the difference between the ten per cent requirement and

the actual expenditure as excess expenditure by some services cannot be used to offset the obligations of other services).

Expenditure on new eligible drama programs included direct investment in, and payment of licence fees for, a range of programs. These included feature films, telemovies and drama series, including the drama series *McLeod's Daughters*, *The Secret Life of Us* and *Fat Cow Motel*, the feature films *Passion* and *Welcome to Whoop Whoop*, and the telemovie *My Brother Jack*.



## Aggregate expenditure by pay TV drama services on new Australian drama

Year	Number of channels	Total program expenditure	Lagged 10% new eligible drama expenditure requirement*	Actual expenditure on new eligible drama programs**
1998-99	17	\$118,767,599	n/a^	\$6,340,026
1999-00	18	\$127,071,585	n/a^	\$7,609,289
2000-01	15	\$194,983,964	\$12,707,159	\$17,574,841
2001-02			\$19,498,396	

**Notes** \* In any given year, pay TV drama services must spend at least 10% of the previous year's total program expenditure on new eligible Australian drama programs.

\*\* The extent to which actual expenditure on new eligible drama programs exceeds the requirement is credited against the following year's requirement.

^ There was no expenditure requirement to be met in 1998-99 or 1999-00.