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Manager Policy and Research  
Australian Broadcasting Authority  
Box Q500  
Queen Victoria Building  
NSW 1230  
**AUSTRALIA**

Attn: Lesley Osborne

Dear Lesley

**ABA Review of the Australian Content Standard**

Thank you for your letter of 26 November inviting SPADA to make a submission on the Australian Content Standard. The challenges as outlined in your paper faced by Australian producers are very similar to those across the Tasman. New Zealand is taking some new steps in broadcasting policy, at this stage confined to public broadcasting matters, but we remain strongly supportive of the current Australian regulatory regime.

It is clear to us that your regime is a vital mechanism underpinning a healthy production industry.

Our comments are as follows. In most cases they are simple observations as the issues raised are primarily for Australia to determine.

### **Drama**

1. We agree that financing of local television drama will continue to be a serious issue. We make the following observations on some of your discussion points:
  - (a) The point of the Standard is to secure a minimum level of local production. If adult drama hours are diminishing, yet the points targets are being exceeded, it seems logical that the points targets could be lifted.
  - (b) We believe it appears timely to discuss the variation in different drama formats. From our perspective, given the always-difficult climate for drama production, an increased incentive for broadcasters to be involved with drama related to their share of the budget could be a useful move.
  - (c) We note the ABA figures which suggest that the drama genre itself appears to screening at reducing levels compared with other types of programming. We presume this may be related to the current international success experienced with reality and infotainment programming. We suspect that this is simply a trend, as genres regularly tend to go in and out of relative favour over the years. Because drama production is complex and highly skilled we respectfully suggest it would be short-sighted to allow the current trend to affect policy. Namely, if drama production is allowed to reduce, the consequent loss of skills would provide a problem in the near future when drama production will again be sought at higher levels.

### **Children's Drama**

2. We note your comments about the complexities of securing gap financing and note that the situation is similar in New Zealand. We also share the experience of television broadcasters being less willing to invest significantly in quality children's television production.
3. One point of clarification which we would like to make is the citation in your paper naming production company Cloud 9 as an example of a New Zealand company which makes children's drama between A\$240,000 and A\$600,000 per half-hour episode. Both Cloud 9 and other New Zealand companies stress that by far the majority of children's drama series made in New Zealand - and our output is small - is around the level of the lower figure, if not even lower. If there is any series made at \$600,000 per half hour (and this would be a remarkable exception), it would involve offshore star talent.
4. As an aside, we believe there is considerable potential for Australia / New Zealand co-production in this genre.

## Documentaries

5. We note the ABA's figures which show that virtually no New Zealand documentaries screened on the commercial channels. As we outlined to you some years ago, while New Zealand has had a comparatively high level of successful prime time documentary production, the majority is highly domestically focused and unlikely to sell offshore in significant numbers. It is more probable that a producer will sell the format rights, where applicable (eg *Popstars*), for a local version to be made.

## Tradeable Quotas

6. We have become familiar with this concept as the quota debate has progressed in New Zealand. It is a concept most often promulgated by those who favour light-handed or no regulation and rarely by those with direct experience in the television marketplace who strongly support local content.
7. SPADA's proposal to the New Zealand Government for a quota model in New Zealand envisaged very limited transferability<sup>1</sup>, generally to allow a modicum of flexibility but mostly to avoid illogical outcomes (eg. requiring children's programmes to screen on a channel aimed purely at adults. But we said there needed to be a compensatory top-up on another channel *owned by the same company* so that overall genre levels were achieved).
8. From our perspective, the current Australian system has managed to avoid illogical outcomes very well. We can see no benefit in allowing transferability as it is unlikely to enhance the maintenance and growth of local content hours.

## Australian Official Co-Productions

9. We understand that Australia / New Zealand co-productions have an automatic gateway in the standard and that you are not envisaging changing this.

## Conditions on first-release programmes

10. Our submission to you prior to the 1999 amendment was that it was highly unlikely that there would be significant back-catalogue programming made in New Zealand which would be purchased by Australian broadcasters to fill quota requirements. This has proven to be the case and will continue to be so (provided your quota timebands continue to exclude late night/early morning programmes to avoid dumping). This is simply because 'old' programmes are rarely attractive to broadcasters, no matter what the country of origin. Their main value is for narrowcast genre-specific pay channels.

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<sup>1</sup> See [www.spada.co.nz/news/research](http://www.spada.co.nz/news/research). *Local Content Quotas: A Blueprint for New Zealand* (SPADA 2000) and also a discussion on transferability in the research paper on the same website *Economic Theory and Local Content Quotas for Television* (Hay 2000)

11. We continue to believe that the exclusion of back-catalogue programmes is probably unnecessary.

Thank you for the opportunity to comment.

Yours sincerely

**Jane Wrightson**  
**Chief Executive**

**[sent unsigned by email]**