



# Making it pay on pay TV

**Paul Chai** speaks to the commissioners and producers of local content to discover a wealth of opportunities available in the Australian subscription television market for original formats.

When subscription television launched in Australia during the 90s there was initially little to no local content across the network. "Short form content only, that was the extent of it," says Julie Ward, then head of production at Foxtel. "But there was always the vision of the halcyon days when there would be money for local content."

In the early days, money went into start-up technology and building a subscriber base. Deals with overseas networks provided the channels with hours of cheap, proven content - a business model more cost effective than commissioning homegrown programming. But as the number of subscribers grew, so too did revenue for the pay television sector - in the six months to December last year, Foxtel subscription income increased 5.1 per cent with revenue from advertising for the 2011 calendar year up 3.75 per cent from the previous year to almost \$400 million. The roll-on effect has been an increase in the budget for local content. Industry body the Australian Subscription Television and Radio Association (ASTRA) says pay TV platforms invested seven per cent more in local content during 2011 than they did the year prior.

Julie Ward saw first hand the lack of opportunities for local producers during pay television's infancy. Almost two decades after the technology's launch, the situation has changed dramatically and Ward is now in a position to benefit as the director of entertainment at production house Shine Australia. Shine has produced myriad shows for the pay stations including Australia's Next Top Model, Foxtel's poster child for local

format adaptation and quirky dating show *Dating in the Dark*. Shine sees subscription television as a significant part of its business plan. "Most of the production for subscription TV is outsourced so the independent production community is important," says Ward.

Jim Buchan, head of factual at Foxtel, says the key for independent producers aiming to get a show up is being aware of the channel they are pitching to, its demographic and the type of shows working for that

particular audience. "Look at what's being promoted, that's a very good indication of what's performing," says Buchan. While local content once accounted for barely five per cent of Buchan's slate, this figure has jumped significantly and the door is always open to producers. Buchan's hungriest channels are the History channel, Bio and the Crime and Investigation

*"If there's an original idea, these guys are in the business of picking good ideas. If they see that then they'll back it."* - Eyeworks' John McEvoy

Network. In February Foxtel launched the A&E channel, home to reality fare including *Dog the Bounty Hunter* and *Storage Wars* and Buchan is on the lookout for similar character-driven ideas. He already has one local offering - the Cordell Jigsaw produced *MegaTruckers*.

"*MegaTruckers* is about the biggest mega-movers in Australia. You've got some tough-as-nails characters, and you see that play out, as well as the incredible things they do," he says. "This is the kind of show I'm looking for at the moment and Australia has these characters in abundance."

Another successful program for Buchan is the fly-on-the-wall medical reality series *Kings Cross ER: St Vincent's Hospital* on the CI Network. Shot in the Sydney hospital's emergency department, the series was the number one show in its opening week across the subscription television platform. Buchan is thrilled that a local show has performed so well.

"It's high pressure when you are putting down a lot of money. We are scrutinised internally and have to account for it," he says. "We also look how these things are going to sell. Does this have legs internationally? Is it going to go anywhere else?" Buchan says the idea is perfect for international sales on account of *Kings Cross* being a well-known destination. The Sydney arm of international production company Eyeworks is behind the format and producer John McEvoy says Foxtel executives were instantly interested. "If there's an original idea, these guys are in the business of picking good ideas. If they see that then they'll back it," says McEvoy.



Lifestyle Food channel original series  
*Planet Cake* produced by Freehand



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Elsewhere on the platform, John Gregory, CEO of Freehand Productions, sees merit in giving international formats an Australian treatment. In 2010 Freehand was the first local production company to have a reality show bought by MTV with Freshwater Blue, a take on the successful American Laguna Beach franchise. The show followed a group of teenagers from Sydney's northern beaches. "The conversation has to be around what resources can we commit and how clever can we be in retooling something that works for us as a genre in a localised version," he says. "And that is where we, as independent producers, have to do our homework and come up with something that's suitably distinct."

But Gregory has found that producers needn't simply ape overseas programming. Freehand's latest offering for the Lifestyle Food channel, Planet Cake, has been well received although he concedes getting local content up is still difficult due to scarce funding. One solution comes from government funding body Screen Australia. Ross Matthews, head of production at Screen Australia, has seen a lift in requests for pay TV content although he says assisting productions for subscription television was initially a dilemma because the ABC and SBS objected. "The argument being that if the ABC is free, and if you guys at Screen Australia are spending taxpayer dollars, it should be able to be seen by everyone, not just those lucky enough to have subscription television," he says. "That argument has not been thrown at me for some time now."

Screen Australia recently backed two new arts series for SBS's subscription channel Studio, Creative Minds and Raising the Curtain. Sandra Bender, general manager of SBS' subscription TV arm, says the nature of a local arts channel means it needs local shows, and that is why Foxtel and Astar set



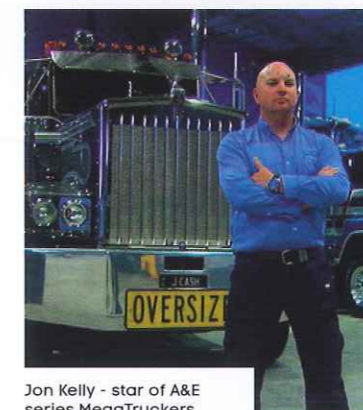
DJs the Stafford brothers are currently completing a second series for Fox8

up a dedicated producer fund. "We get resources to do about six or seven local Australian arts productions per year," says Bender.

Despite the helping hand, Freehand's Gregory says there is still much uncertainty for local producers particularly with the proposed buy-out of subscription television service Astar by Foxtel.

"There's a lot of uncertainty around what a post-Astar-Foxtel merged world will look like," says Gregory. "No doubt there will be some winnowing of the channel offering but Foxtel clearly doesn't intend to take a backwards step as the launch of A&E suggests. And some of the best TV in Australia right now is on Showcase."

Showcase is the pay network's premium drama channel and the home to acclaimed local series Satisfaction, Love My Way and Tangle. Illustrating Gregory's point is the channel's recent mini series success, the adaptation of Tim Winton's novel Cloudstreet. The series was produced as part of subscription television's government-legislated 10 per cent drama spend which was set up by the Australian Communications and Media Authority in the early 90s. In the past two years the channels subject to the spend reported expenditure of \$35.26 million on 67 local drama productions.



Jon Kelly - star of A&E series MegaTruckers

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– Foxtel's Jim Buchan

Kim Vecera, executive producer of Cloudstreet, says limited-run series work best on pay TV. "When you try to do stuff that is a bit novel like a Satisfaction or a Spirited, you want shorter runs that load up the characters in an intense way," says Vecera.

John Edwards, whose pioneering drama Love My Way snagged subscription television's first Logic and arguably gave the platform the confidence to spread its drama wings, says: "When we did Love My Way, which was, if you like, the first of the pseudo-HBO shows, we certainly were trying to go into territory that free to air would think twice about."

Duane Hatherly, group general manager for Fox8 and Arena, says this theory extends to the general entertainment channels, though it is often stifled by pragmatism.

"I would really like to do some smaller, riskier pieces to try and get something else up other than just the big formats but it is very complicated," says Hatherly. "I like to dabble in the 'off Broadway' stuff but it is tricky to convince all the stakeholders that is the right thing to do."

One producer who has managed to find his way into the schedule is Wes Dining with original show Stafford Brothers, which follows a pair of DJ brothers on their quest for international recognition.

Dining was determined to get the program on air but the investment from Foxtel was initially so low, additional creative financing was called for. Dining sourced further funding through a distribution deal with UK-based distributor DRG who took the international rights. The series has since sold to Canada, Brazil and Europe and the second season started shooting with a much larger financial input from Foxtel and funding from Screen Queensland.

Dining, who is now based in the US, says American producers laugh when they hear the story of trying to get Stafford Brothers on air in Australia.

"It's definitely harder to get original programming up in Australia," says Dining. "The benefit of the US is it's a numbers game. They've got the numbers watching the shows to be able to pay the production budget." ♦