

business and leisure. Rupert is seeking to persuade rights owners that his distribution system and PVR receivers will protect their copyright and they should sell only to him. Bill's screen may be the smartest in the world, but it's no good if you can't get the rugby on it!

Note that Rupert Murdoch's business - the most successful globally to date in the communications sector - is a winning combination of caution, strategic drive and buccaneering risk. It's cautious, with its emphasis on the traditional businesses he understands, television, publishing and the press. (Murdoch was late to embrace the internet and did so cautiously. He lost, like others, but with much less effect on his overall business). It's strategic, in its understanding of what the technology makes possible, but with more emphasis on what consumers want. AOL made the classic hi-tech mistake of thinking that because something is possible, people will want it. Murdoch's managers apply technology to delivering what they know the audience wants - films, sport, market choice. Once Murdoch has clarity about the proposition, he'll bet the

farm on it. The original satellite launch in the UK in the late 80s nearly brought down News Corp.

The UK business is rooted in the same strategy. Murdoch's control of the digital satellite gateway is a real challenge in the UK to the free-to-air networks. As Britain goes multi-channel, so the terrestrial platform has a smaller share. More of the BBC's digital viewers tune in courtesy of satellite and their BSkyB subscription than watch free-to-air. So the BBC has been prepared to spend tens of millions on building digital terrestrial transmitters; and ITV, the main commercial network, even tried to launch a digital terrestrial subscriber package competing with satellite. That failed, with £1bn worth of debts, last year, but the BBC couldn't afford to see the platform go down. If it did, the BBC in ten years time would need to rely on its rivals to reach its viewers.

So, in 2002, the BBC, in a joint venture with its old transmission company, now privatised, tendered for half the digital terrestrial capacity in the UK and won - adding it to the capacity it already had. Within months, dinky little 'plug and

play' set top boxes were in the stores for £99 (A\$273 Australian) and were quickly sold out in the run-up to Christmas. Around half a million boxes have been sold in six months.

Encouraged by this success, the BBC has just embarked on a bigger gamble. It has told BSkyB it wants to broadcast its satellite services in the clear, bypassing Sky's encryption and subscription system.

It's a gamble on establishing 'Freesat' as well as 'Freeview' (the terrestrial version) and taking BBC TV into the digital world free-to-every house.

It will be battle fought in the market place and via the regulators. If the BBC succeeds in establishing free-to-air satellite services, it will stand a chance of creating a market for Freesat as well as Freeview boxes and maintaining a free-to-air, network based market alongside the subscription market in the digital world. Not surprisingly, BSkyB argues that it can't be done and the BBC has appealed to the regulator. The complaint is before the Commission on my return.



## Temporary community broadcasting licences

Temporary community broadcasting licences allocated in the period 21 May 2003 – 13 June 2003

<i>Area served</i>	<i>Licensee</i>	<i>Frequency</i>	<i>Period</i>	<i>Date allocated</i>
<b>New South Wales</b>				
Blacktown RA1	Blacktown City Community Radio SWR-FM Association Inc.	99.9 MHz	01/06/2003 to 31/08/2003	27/05/2003
<b>Queensland</b>				
Mackay RA2	Townsville Aboriginal and Islander Media Association Inc.	105.9 MHz	06/06/2003 to 05/06/2004	27/05/2003
Bundaberg RA1	Bundaberg Breeze Community Broadcasting Association Inc.	96.3 MHz	10/06/2003 to 09/09/2003	04/06/2003
<b>Victoria</b>				
Horsham RA2	Horsham & District Community FM Radio Inc.	96.5 MHz	30/09/2002 to 31/07/2003	23/05/2003 *

\* Variation to licence period