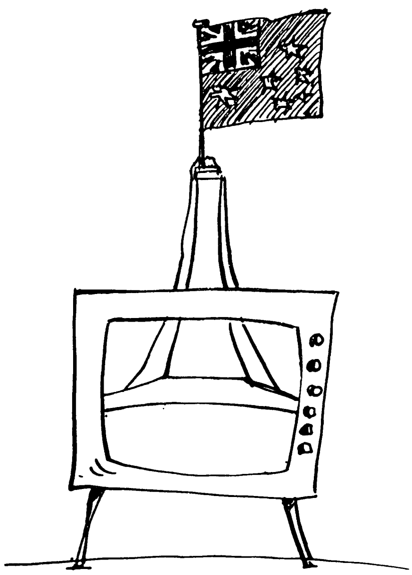
The Project also analysed how much the average household could be expected to spend each month on pay TV, video on demand, electronic transactions and eventually, a fully two-way network. Assuming a 100 per cent transfer of current spending on home entertainment, the average household in inner metropolitan areas is predicted to spend up to $65 a month for a fully interactive service.

Cheah said the next decade would not see a radical departure from current trends in communications developments. The emphasis will continue to be on telephony, broadcast and personal computers. Interactive broadband services would not be part of the furniture until after 2000.

The report predicts that the top seven technologies in order of emergence in the market will be: mobile communications; multichannel TV; digital telecommunications networks; business applications; on-line services; new multimedia content forms; and finally, interactive broadband.



Cheah gave the Communications Futures Project a brief airing at the Australian Telecommunications Users Group (ATUG) Conference in Sydney on 3 May.

Hopefully, the Minister will release the report soon. *CU* looks forward to giving a fuller critique of the report in future issues. ❑

Review of content rules on pay TV

THE ABA has foreshadowed a revision of the current rules requiring pay TV operators to spend 10 per cent of their program budgets on Australian content.

According to Deborah Sims the ABA's assistant manager, Australian content, a formal process to review the guidelines will be established soon. She said the ABA had always planned to revisit the guidelines once a pay TV industry established itself in Australia.

In May 1994 the ABA published its 'Guidelines for the implementation of the pay TV 'new Australian drama' licence condition'. Under section 102 of the Broadcasting Services Act, a subscription television broadcasting licensee must ensure that at least 10 per cent of its program expenditure is spent on new Australian drama in a year.

The guidelines address issues such as the trading of program rights, the calculation of program expenditure and provide definitions of 'new' Australian drama, 'service devoted predominantly to drama programs' and 'program expenditure'.

However, only local content which is actually broadcast is counted towards the 10 per cent quota specified under the Act.

Since late last year, the new pay TV operators have been besieging the ABA with their views on the local content rules.

The latest cannon fire has come from the vice president of Columbia Tristar Television Jack Ford who told a Sydney cable TV conference this month that the ABA's position threatens to stifle opportunities in Pay TV for new local production. Columbia Tristar is a partner and content producer for two pay TV movie channels, Showtime and Encore, which form part of the Galaxy channel, TV1.

Ford said the present guidelines should be 'abandoned completely' as they are 'unworkable'. He also criticised the fact that no credit is currently given for research and development into new programming. Recognition needed to be given for expenditure on products which 'won't get past the drawing board, let alone onto a screen.'

'Forget all about insisting that a program must be broadcast to obtain a credit,' he said. 'Please don't inflict this on the Australian public.'

Deborah Sims said some of Mr Ford's criticisms were based on misinterpretations of the guidelines. She said free-to-air local programs had to go to air before counting towards local content quotas. Pay TV should be no different on that score, she said.

But Ford, until recently a senior communications partner with law firm Blake Dawson Waldron, indicated in his speech that if push comes to shove, court action might result.

'In my view, the guidelines are so deficient that if the ABA made a decision or purported to take some action in relation to a licensee in reliance on the guidelines, the decision or action would readily be set aside by the Federal Court'.

Under section 215 of the Act, the Minister must review the operation of the Australian content condition on pay TV by 1 July 1997, including whether the level of expenditure should be increased from 10 per cent to 20 per cent. ❑