

The year 1998 in review

JANUARY

Broadcasting: the government decides to allow the community broadcasting sector to continue to utilise the existing sixth television channel until at least 2000. Community groups can continue to complement programming provided by other free-to-air broadcasters and provide programming promoting cultural diversity. News Ltd. is rumoured to be pursuing the channel in order to launch a fourth commercial free-to-air service in Australia.

FEBRUARY

Print media: a \$100 million-plus deal is announced between Kerry Packer's Australian Consolidated Press and the biggest magazine publishing empire in the U.S., media and entertainment giant Time Warner Inc. But the 50/50 joint venture magazine publishing house, Premier Magazines, falls at the first hurdle and the deal is called off less than two months later.

Public broadcasting: Liberal party power broker, banker Michael Kroger is appointed to the ABC board in what is widely perceived by allies of the public broadcaster as a political appointment.

Censorship: after a review of its R18+ classification, sado-masochistic film *Salò: 120 Days of Sodomy* is given an RC (Refused Classification) rating by the Classification Review Board, banning it from being screened in cinemas in Australia.

Pay television: pay-per-view in Australia launches on Optus Vision's Main Attraction Channel with the screening of the World Boxing Championship heavyweight bout between Lennox Lewis and Oliver McCall.

MARCH

Broadcasting: the government announces that free-to-air broadcasters will be given exclusive rights to digital terrestrial free-to-air television transmission until 2008. The government's decision effectively continues the statutory moratorium on new television competitors. Digital high definition television broadcasts must commence in metro areas on January 1, 2001 and progressively from that date in all regional areas so that all Australia has services by 2004. The free-to-air broadcasters also benefit from the government agreeing to amend legislation to require cable TV operators to get a broadcaster's permission before retransmitting its signal on a cable network.

Film: the Australian Competition and Consumer Commission releases the results of its report on development in cinema distribution and exhibition. Its key recommendation is that it seek assistance from exhibitors and distributors to establish an industry code of conduct and a dispute settling mechanism.

APRIL

Broadcasting: the Australian Broadcasting Authority conducts an auction for a second commercial television broadcasting licence to serve remote and regional Western Australia, excluding Perth. It is won by Nine Network affiliate WIN International which bid \$36 million for the licence. WIN is required to commence broadcasting

by the end of March 1999.

Production: the High Court rules that quotas for Australian content on commercial television must include New Zealand programs. The decision sets off a round of discussion papers and options for amending the Australian Content Standard.

MAY

Telecommunications: the government proposes selling off the remaining two-thirds of Telstra but the news is greeted with considerable hostility from rural voters and some backbenchers.

Print media: Brian Powers, who retires as executive chairman and a director of Kerry Packer's Publishing & Broadcasting Ltd. board, is subsequently appointed to the board and chair of John Fairfax Holdings, the publisher of several newspapers including the *Sydney Morning Herald*, *The Age* and the *Australian Financial Review*.

JUNE

Public broadcasting: the government announces that the ABC will receive Phase 1 funding for digital conversion of about \$4 million a year over five years, totalling \$20.8 million. SBS will receive \$17.7 million over the same five year period. ABC managing director Brian Johns says the funding will allow "a foot in the door" approach to digital broadcasting but is only the initial step. In October, the government agrees to underwrite the multi-million dollar cost of conversion which the ABC estimates will cost \$44 million.

Telecommunications: the Australian Competition and Consumer Commission (ACCC) issues its first competition notice under powers granted to it by the government in July 1997. The ACCC alleges that Telstra engaged in anti-competitive conduct and breached the Trade Practices Act by charging other Internet wholesalers 19 cents a megabyte for data but paying nothing for the data it received from them.

JULY

Digital broadcasting: the government's decision on television legislation passes parliament. The moratorium on new free-to-air commercial television licences is wound back by two years to 2006.

Film: AC Nielsen EDI, the box office monitoring unit of AC Nielsen, announces its expansion into Australia. It will carry out overnight box office coverage of admissions and revenues in cinemas in Australia as well as the U.S., Canada, the U.K., Germany, France, Spain, Austria and Mexico.

Production: in the wake of the High Court's April 1998 decision in the Project Blue Sky case, the Australian Broadcasting Authority releases a Discussion Paper highlighting some of the issues inherent in revising the Australian Content Standard.

AUGUST

Telecommunications: the Australian Communications Authority releases new regulations which require telephone service providers to pay higher compensation to consumers for poor performance under the Customer Service Guarantee. The new penalty of \$40 per day will be payable to customers after five working days of delay in connecting or repairing the standard telephone service beyond the period specified in the guarantee.

Online: some 1.25 million households, 18 per cent of total households in Australia, had access to the Internet by the end of August, according to figures released by the Australian Bureau of Statistics. This represented an increase of 28 per cent over the estimate recorded in May 1998 and 46 per cent greater than that recorded in February 1998.

Film: the cinema exhibition and distribution industry formally launches its Code of Conduct. The voluntary code, which only applies to signatories in their dealings with each other, follows the release in March of an Australian Competition and Consumer Commission report.

SEPTEMBER

Defamation: political satire takes a bruising with the Queensland Court of Appeal's decision to dismiss the ABC's appeal against the injunction on the Pauline Pantsdown song "Backdoor Man". The judgment keeps the song off the airwaves prior to and after the October federal election, and sounds alarm bells for those concerned about its implications for free speech in Australia.

Telecommunications: the Australian Competition and Consumer Commission (ACCC) "declares" services supplied by Telstra using its Integrated Services Digital Network (ISDN), in effect requiring Telstra, the sole provider of ISDN, to supply it on terms that ultimately can be arbitrated by the ACCC if parties cannot otherwise agree.

OCTOBER

Television: digital television soft-launches in the U.K. and Sweden. It is followed a month later by services from broadcasters in the U.S. Several other countries, among them Australia, New Zealand, Ireland and France, are slated to begin digital operations within two years.

Technology: the antitrust trial of Microsoft begins in earnest in the U.S. Microsoft is accused of tying its Internet browser to Windows 98 as well as carrying out exclusive dealing arrangements with various Internet services providers, attempting to monopolise the market for Internet browsers and illegally extending its monopoly in operating systems.

Federal election: the government is returned with a reduced majority in the lower house and significant changes in the make-up of the Senate which will alter the politics of major communications legislation from mid-1999. With the Democrats getting the balance of power, the government will no longer be able to secure the passage of legislation with only the support of Senators Colston and Harradine.

NOVEMBER

Telecommunications: Cable & Wireless Optus lists on the Australian

Stock Exchange. Private investors pay \$1.85 a share.

Telstra's shares end the first year of trading up 95 per cent on the \$3.30 combined share price (first and second instalments) to finish at \$6.45 each.

Broadcasting: the Australian Broadcasting Authority releases its 1997/98 annual report which highlights the increase in the number of breaches of broadcasters' codes of practice. Some 84 transgressions were dealt with by the ABA, 35 more than during the previous 12 months.

Pay television: archrivals Kerry Packer and Rupert Murdoch complete the deal allowing Packer's Publishing & Broadcasting Ltd. (PBL) group to exercise its option to buy half of News Corp's 50 per cent share in digital direct-to-home pay television platform Foxtel. PBL will pay \$155 million for the stake. In return, Foxtel stands to gain programming from PBL's popular Nine Network terrestrial station.

DECEMBER

Telecommunications: a review of Telstra's Universal Service Plan (USP) is announced by the Australian Communications Authority.

Broadcasting: the Draft National Television Conversion Scheme is released by the Australian Broadcasting Authority (ABA) for public comment. The scheme empowers the ABA to determine the policies, methods and procedures it will use to achieve conversion of national television transmissions (for the ABC and SBS) from analogue to digital mode from January 1, 2001.

Satellite services: Cable & Wireless Optus, Austar and Foxtel agree to share satellite delivery infrastructure using a joint satellite platform to deliver pay television services throughout Australia. The agreement means that Cable & Wireless Optus is the sole carrier of pay television content which will be delivered via its B3 Hotbird satellite.

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