

# 1999: the year in review

## January

MCI WORLDCOM's \$520 million bid for Australia's largest Internet service provider Ozemail was cleared by the Australian Securities and Investments Commission.

THE AUSTRALIAN Competition and Consumer Commission (ACCC) put pressure on Telstra to open up its high-speed broadband cable network to competition in the pay television industry and proposed the strengthening of a requirement that the telco make its broadband cable network available to anyone who wants it.

A REVIEW of Telstra's Universal Service Plan (USP) was announced by the Australian Communications Authority (ACA). The USP outlines how Telstra intends to fulfil the Universal Service Obligation (USO).

## February

THE AUSTRALIAN Bureau of Statistics (ABS) and the Singapore Department of Statistics signed a Memorandum of Understanding on cooperation in IT which includes the establishment of a Working Group on the development of electronic commerce statistics and internationally comparable data.

A COALITION OF public and private sector interest groups in the copyright debate was formed and launched on February 26 in Canberra, called the Australian Digital Alliance.

## March

INDEPENDENT SENATOR Brian Harradine refused to support the government's planned \$55 billion full privatisation of Telstra.

THE AUSTRALIAN Broadcasting Authority (ABA) announced after a nine-month investigation that the appointment of Brian Powers as chairman of John Fairfax Holdings did not breach cross-media ownership laws.

THE NEW AUSTRALIAN Content Standard which was finalised by the ABA took effect from March 1. The standard was amended to allow New Zealand programs to be treated as favourably as Australian programs, as required by the Closer Economic Relations Agreement.

HIGGINS J ORDERED Random House to pay Tony and Margaret Abbott and Peter and Tanya Costello damages totalling \$277,500 for defamation arising from the publication of Bob Ellis's book, *Goodbye Jerusalem* on March 5, 1999.

THE AUSTRALIAN Communications Industry Forum (ACIF) set a new code on Prices, Terms and Conditions which sets a benchmark for advertising in the telephony industry.

CHARGES AGAINST the student editors of *Rabelais* were dropped following a decision by the Victorian Director of Public Prosecutions.

## April

THE GOVERNMENT ANNOUNCED legislation to implement its 1998 election promise to enhance the USO to make available a digital data service of at least 64 kilobytes per second to all Australians - on demand, regardless of where they live.

THE MINISTER for Communications, Information Technology and the Arts began the tendering process for the USO by inviting expressions of interest from telecommunications carriers.

TWO REVISED STUDIES into Telstra's much criticised \$1.8 billion cost claim for providing the USO were released by the ACA. Both argued that the cost of delivering USO was between \$425-600 million, depending on the model and inputs used.

A REVISED CODE of Practice for the Federation of Australian Commercial Television Stations (FACTS) was registered with the ABA.

## May

THE REGULATION of online content in Australia came a step closer with the passage of the Broadcasting Services (Online Services) Amendment Bill 1999 by the Senate on May 27.

CABLE & WIRELESS OPTUS initiated arbitration proceedings with the ACCC regarding local number portability call routing after months of unsuccessful negotiations with Telstra.

RIGHTS TO the last two blocks of channels for trunked land mobile services in the 800Mhz bands in Melbourne were sold at auction to Motorola Australia for \$47,000. Each lot consists of five channels.

THE ABA REGISTERED codes of practice for the pay television subscription broadcasting services. The codes were developed by the Australian Subscription Television and Radio Association (ASTRA) and will be subject to review in 12 months.

## June

*LOLITA WAS SAVED* the Classification Review Board's 'RC' (Refuse Classification) rating following extensive consultation with experts working in the fields of paedophilia, child sex abuse and criminology despite calls by three applicants seeking to have the film refused for classification.

THE PRODUCTIVITY COMMISSION conducted public hearings in Sydney to hear the arguments presented by key players, interest groups and individuals on its Review of Broadcasting Regulations.

## July

THE SENATE voted in favour of the sale of a further 16.6 per cent of Telstra, >

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bringing total private shareholdings to 49.9 per cent. The T2 vote scraped through the upper house and in so doing made big "Senator-friendly" funding commitments as well as a bundle of amendments to the *Telecommunications Act*.

ABC TV program *Media Watch* made allegations on July 12 that a company representing radio announcer John Laws had entered into an agreement with the Australian Bankers' Associations in return for favourable media coverage. The outcry led to an inquiry by the ABA into Radio Station 2UE, John Laws and Alan Jones.

ON JULY 22, the ACCC announced its decision to "declare" local call and local interconnection services, meaning that Telstra and anyone else supplying such services must supply them to anyone who requests them. It also enables service providers to connect their own networks to the existing infrastructure for the delivery of new services.

## August

THE APEC Telecommunications Mutual Recognition Agreement (MRA) was entered into by Australia, Hong Kong, Singapore and Taipei on August 5, enabling local companies to have their telecommunications products certified compliant with the regulatory requirements of the markets of the co-signatories.

FOLLOWING THE JULY decision by the ACCC to declare local call and local interconnection services, the ACA announced that pre-selection for calls originating on Telstra's local networks and terminating on mobile networks is to be implemented, opening up \$1 billion plus mobile services market for competition.

AFTER TWO YEARS, the pay TV industry began accepting advertising following the release of AC Nielsen data (*Audience Measurement Report*) showing that about 7.3 per cent of Australia's total television viewing audience has been captured.

## September

THE FEDERAL government accepted Telstra's proposal to introduce charges for directory assistance calls made from mobiles and business phones, following the introduction of similar charges by Optus and Vodafone.

THE FIRST coast-to-coast indigenous television service completed a two hour test transmission on September 2. Reception was through satellite equipment installed in remote communities as part of an ATSIIC broadcasting scheme.

## October

THE PUBLIC HEARING regarding 2UE and radio stars John Laws and Alan Jones commenced on October 19. The announcement came after two hearing conferences which determined the directions of the ABA Inquiry.

THE DRAFT REPORT of the Productivity Commission which contained recommendations for significant changes to Australia's media and broadcasting businesses was released on October 22.

RE-ALLOCATION of the remaining 2x30 MHz of 1.8 GHz spectrum - suitable for mobile telephony in metropolitan areas - was announced by the Minister for Communications, Information Technology and the Arts, Senator Richard Alston, leading the way for an auction of spectrum licences early in 2000.

THE AUSTRALIAN FILM Commission (AFC) released its *National Production Survey (1998/99)* with figures indicating that the success by Australian independent production companies in attracting foreign investment for the global market masked the declining fortunes of the production sector for the local market.

## November

ABA CHAIRMAN, Professor David Flint stepped aside from the ABA's Commercial Radio Codes of Practice

hearing following an appearance he made on the John Laws Show on Radio 2UE. The Communications Law Centre had indicated it would make an application to the Inquiry for Flint to stand down.

PRICE DISCOUNTING on local calls and freephone number portability began on November 16, following the July "declaration" by ACCC. Untimed local call charges offered in the competition range from 15 to 20 cents, by service providers which include AAPT, One.Tel, Primus, RSLcom, DigiPlus and C & W Optus.

THE ELECTRONIC Transactions Act 1999 (Cth) was passed by the Federal Parliament on November 25 permitting an electronic means of authentication intended to remove obstacles in federal law to the use of electronic transactions and signatures.

## December

BROADCASTERS WILL HAVE TO provide both standard as well as high definition TV as of January 1, 2001 and 'datacasters' will be prevented from offering information services that resemble conventional TV, according to the decision on digital TV announced by Senator Alston on 22 December.

THE WTO SEATTLE round collapsed under the weight of a mixed bag of conflicts. The collapse will not jeopardise the discussion on services due to resume in Geneva in early 2000.

THE BROADCASTING Services Amendment Bill (N<sup>o</sup> 3) was passed to allow for proper enforcement of the licence condition which requires subscription TV drama channels to allocate at least 10 per cent of their program expenditure to new eligible drama programs.

SPURNED BY VIGOROUS trading in IT stocks, the Australian Stock Exchange posted a record close for the all ordinaries index of 3152.5 on the last trading day of the millennium, ending the year 12.05 per cent higher than its 1998 close.

Christine Conlon