



PRIME MINISTER

55/92

**STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING, MP
AND THE MINISTER FOR TRANSPORT AND COMMUNICATIONS, THE
HON SENATOR BOB COLLINS MP**

PAY TV

The Government has opened the way for a competitive new industry in subscription broadcasting.

The Prime Minister and the Minister for Transport and Communications, Senator Bob Collins, today announced a package of legislation which will enable a diverse range of operators, and technologies to develop programming and programming services for Australians.

There will be no exclusivity attached to programming and all licences will be able to compete fully.

The Government has decided to allow from the outset the widest possible range of services using a variety of technologies, including satellite, cable and microwave, Senator Collins said.

Over the next few years, the establishment of Pay TV should see some 4000 new jobs created. Australian manufacturing and service industries will directly benefit.

Australian content rules will ensure the film and television production industries gain a new outlet for creative programming.

All satellite subscription television licensees will be required to spend at least 10 per cent of their annual programming expenditure on any predominantly drama channel, such as a movie channel, on new Australian drama programs.

A four-transponder satellite service is expected to be available within two years, delivered by an Optus satellite.

The Government will use a competitive, price-based process later this year to allocate a licence for this service.

Licences to use the other two available Pay TV transponders will be sold individually within one year of the sale of the first licence.

A year's breathing space on other satellite services gives the multi-channel operator a chance to establish itself in the marketplace.

A number of ownership conditions will apply to the four-transponder service which will ensure the emergence of a new force in the Australian broadcasting industry.

There will be no free-to-air television equity allowed. Telecommunications carriers and large newspaper groups will also be excluded.

Foreign ownership will be restricted to 35% aggregate with a 20% limit on any individual.

Licensees operating on the fifth and sixth transponders will also be subject to the 20/35% foreign equity constraint.

However, the networks, the national broadcasters such as the ABC and telecommunications carriers such as AOTC will be able to bid without restriction.

No one will be able to control more than one satellite licence.

This will mean that the licensees of the fifth and sixth transponders will be in a position to compete sensibly with the initial licensee and be in a position to develop cable technology as it becomes available.

To ensure that the ABC can participate in the bidding, the Government is willing to fund part of its equity commitment in any consortia. The Commonwealth will do this only when it is satisfied with the overall level of Commonwealth liability involved.

The Government has also agreed to investigate ways of improving and expanding free-to-air services in regional and remote areas where early access to Pay TV will be difficult.

CANBERRA
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