



1 May 2008

Committee Secretary
Community Affairs Committee
Department of the Senate
Parliament House
Canberra ACT

By email: community.affairs.sen@aph.gov.au

Dear Secretary

AUSTAR Responses to Outstanding Community Affairs Committee Questions

Thank you again for the opportunity to appear before the Community Affairs Committee in Alice Springs on Tuesday 29 April 2008.

You will recall that at the end of our session we agreed to come back to the Committee with answers to certain outstanding questions the Senators had raised. Our responses to these outstanding questions follow.

AUSTAR Subscribers in 'prescribed areas'

The Senators requested an estimate of how many AUSTAR customers we believe are located in 'prescribed areas' and, of these, how many are subscribers to our 'Adults Only', BOX OFFICE movies and World Movies services.

In order to perform this analysis we require certain mapping and coordinate information from the Department of Families, Housing, Community Services and Indigenous Affairs (**FaHCSIA** or the **Department**). The Department has advised that this information will not be available before the beginning of next week.

We will of course send through our estimates as soon as possible after we receive the information we need from the Department. However, we do not expect to be able to do this before Tuesday, 7 May.

In the meantime, we note that as at 19 September 2007 the following was true:

- 414 'prescribed areas' were identified in the original Northern Territory emergency response legislation
- Some of these had the same name, leaving 214 distinctly named areas

- 517 active customers were identified in 32 of these 214 regions (mapping inconsistencies enabled only 32 areas to be accurately identified)

Cancellation of Customer Agreements for misuse of R18+ rated content

Senator Bartlett asked us to confirm whether we have previously cancelled an AUSTAR customer's agreement on becoming aware that the customer was giving children access to R18+ rated content on the service. After investigation – outside the *Little Children are Sacred Report* - it does not appear that we have ever been made aware of a customer behaving in this way. Accordingly, we have not previously cancelled a customer's agreement for this reason.

AUSTAR business rules do, however, support the termination of customer agreements for breach (e.g. for the unauthorised transfer of our service to third parties, its exhibition in public areas without our authority, or for failure to pay).

We confirm our previous representations to the Committee that, if we identify any AUSTAR customer misusing the AUSTAR service by giving children access to R18+ rated programs, we will not hesitate to cancel that customer's service for breach of their customer agreement with AUSTAR.

How many Government Business Managers/Teachers working in 'prescribed areas' receive AUSTAR as part of their remuneration from the Government?

So far as we are aware, AUSTAR does not provide its service free of charge to any private account holder in a 'prescribed area'.

It may be, however, that the Government pays for or reimburses business managers and/or teachers working in 'prescribed areas' for their AUSTAR service as part of their compensation. We do not, however, have access to information of this kind.

A program under which AUSTAR *does* provide its services for free in 'prescribed areas' is our AUSTAR for Schools program. Under this program, AUSTAR currently provides 16 of its channels to 61 Northern Territory schools. We estimate that seven of these schools are in 'prescribed areas' and that a further 10 schools participating in the program are located in the direct vicinity of 'prescribed areas'.

The channels provided under the AUSTAR for Schools program are: ABC1, Animal Planet, Aurora, BBC World, CNN, Discovery, Discovery Home & Health, Discovery Science, Discovery Travel & Living, The History Channel, LifeStyle, LifeStyle Food, National Geographic, NITV, Ovation, SBS, Sky News, Sky Business Channel and The Weather Channel.

Cost to subscribers of AUSTAR services on which R18+ rated content may be included

‘Adults Only’

Subscribers to AUSTAR’s ‘Adults Only’ movie service are currently charged \$8.95 per single session movie or \$24.95 per month for a monthly subscription. If an account holder buys a monthly subscription to the ‘Adults Only’ service they effectively pre-pay for access to all of the AO movie titles offered on a single session basis. They do not receive any additional choice of content and must continue to select the movies they want to watch on a movie by movie basis.

‘BOX OFFICE Movies’

An AUSTAR customer can order a BOX OFFICE Movie for an additional payment (on top of their normal subscription fee) of \$5.95 per movie.

‘World Movies Channel’

AUSTAR offers its customers a choice of two separate movie channel packages – the Movie Network package and the Showtime package. Each of these packages comprise 4 different Movie Network or Showtime movie channels (as the case may be), the Turner Classic Movies channel and the World Movies channel. Each movie package is \$13.95 per month or customers can elect to take both movie packages for \$27.90 per month.

R18+ classified movies on BOX OFFICE Movies - 4 July 2007 - 9 December 2008

The following table sets out all R18+ rated movies that have been or are scheduled to be offered on BOX OFFICE Movies during the period beginning 4 July 2007 and ending 9 December 2008 and the reason why they have been classified R18+.

In the Classification column, ‘V’ refers to violence, ‘L’ refers to strong language and ‘S’ refers to sexual content.

Title	Distributor	Begin Date	End Date	Classification
The Texas Chainsaw Massacre: The Beginning	Roadshow	4-Jul-07	3-Oct-07	R 18+ (V)
Smokin' Aces	Universal	6-Sep-07	4-Dec-07	R 18+ (V)
Turistas	Fox	13-Nov-07	12-Feb-08	R 18+ (V)
Hostel 2	Sony	25-Jan-08	24-Apr-08	R 18+ (V,L)
The Hills Have Eyes 2	Fox	29-Jan-08	28-Apr-08	R 18+ (V)



Shoot 'Em Up	Roadshow	2/04/2008	4/07/2008	R 18+ (V)
Eastern Promises	Roadshow	19/06/2008	18/09/2008	R 18+ (V)
Halloween	Roadshow	3/07/2008	2/10/2008	R 18+ (V)
Lust, Caution	Universal	15/08/2008	12/11/2008	R 18+ (S,V)
Rambo	Sony	10/10/2008	9/12/2008	R 18+ (V)

As we mentioned during our live AUSTAR presentation on Tuesday, our BOX OFFICE Movies channel is designed to showcase movies that have been successful at the cinema box office or are otherwise likely to be of interest to a large segment of AUSTAR's customer base (e.g. horror movie fans).

Over the 18 month period covered in the table above, explicit sexual content has only been relevant to the R18+ classification given to 'Lust Caution'. This film has not, however, been included in the BOX OFFICE Movies service for this reason but rather for its artistic merit and the success of its theatrical release.

We will send through our analysis of AUSTAR customers in 'prescribed areas' as soon as possible.

In the meantime, please do not hesitate to call me or Debra Richards if you have any further questions. My direct numbers are (02) 9295 0153 or 0404 020 604 and Debra's are (02) 9776-2685 or 0418 236 174.

Yours sincerely

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Corporate Counsel