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| <b>STATION</b>        | ABC National Radio   |
| <b>PROGRAM</b>        | "Early AM"   |
| <b>DATE</b>           | 9 July, 2004   |
| <b>TIME</b>           | 6.10am   |
| <b>PRODUCER</b>       | Kirsty Baird 03 9626 1600  |
| <b>SUMMARY</b>        | A fierce fight between Foxtel and the video rental industry landed in the Federal Court this week with Foxtel demanding video stores stop their campaign against the pay TV industry.<br><br>Interviews with Keran Wicks, Australian Video Retailers Association; Paul Budde, telecommunications industry analyst. |
| <b>REHAME CONTACT</b> | Cassandra Moore 02 9310 7999   |

**PRESENTER:**

A fierce fight between Foxtel and the video rental industry landed in the Federal Court this week with Foxtel demanding video stores stop their campaign against the pay TV industry. It's all about the movies, specifically how long consumers will wait to see new releases on pay television after they've appeared on the video store shelves. Ben Knight reports.

**REPORTER:**

Last month the Australian Video Retailers Association, or AVRA, began a publicity campaign in its shops using posters and pamphlets telling customers that they should rent the movie they wanted to watch now because on Foxtel they could be waiting up to one year to see it. The campaign's also criticised the cost

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of Foxtel's service compared to the costs of renting the same movies over a two year period.

Not surprisingly, Foxtel is not at all happy with this campaign, and this week the company went to the Federal Court to get an injunction and pull the posters out of the shops.

**UNIDENTIFIED MALE SPEAKER:**

Well, we need the materials to be withdrawn. We need a result in this. We can't allow people to be walking in to the stores and seeing this material, which is clearly misleading. .

**REPORTER:**

Foxtel says it has access to most movies six months, and in some cases, three months, after video release. It also says the claims about its cost of service are wrong. But this dispute is not new. In March AVRA complained to the ACCC about misleading information being given by some Foxtel operators about the same thing, that is, how soon movies would make it to pay TV after video release.

Foxtel made commitments at the time to stop that from happening again, but AVRA is not about to give up on its current campaign against the pay TV company. Keran Wicks heads up a major Australian video chain and is also on the board of AVRA.

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## **KERAN WICKS – AUSTRALIAN VIDEO RETAILERS ASSOCIATION:**

In pure terms, the new release product won't be available on pay TV, that is, the subscription only model, for twelve months. Some products are available in six months on FBO only, and you have to pay for FBO.

## **REPORTER:**

It might seem like a minor but bitter dispute between competitors, but industry analyst, Paul Budde, says this is just the beginning.

## **PAUL BUDDE – TELECOMMUNICATIONS INDUSTRY ANALYST:**

I think this is the start of the content battle and that will go on at least for the rest of this decade. What we see is that new distribution models are coming to the market. Pay television is one, the other one around the corner is broadband television, which will be, you know, 2005, 2008 period. Slowly these new distribution models are becoming more important and are going to push away traditional sort of outlets such as video stores.

So, you will see battles between broadband operators, pay television operators, video operators and once again they will drag on for at least the next five years.

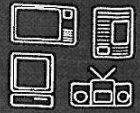
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**PRESENTER:**

Communications analyst, Paul Budde, ending that report by Ben Knight.

**END OF SEGMENT**

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