

# Q & A

**WE ASK JOHN SOUTER, ASSISTANT DIRECTOR LICENSING, ABOUT NON-SATELLITE SUBSCRIPTION TELEVISION SERVICES, OR CABLE PAY TV.**

The ABA recently announced the allocation of non-satellite subscription television broadcasting licences to Paynet Telecommunications Pty Ltd ('Paynet'). Paynet proposes to provide pay television services, to be delivered via fibre-optic and coaxial cable, to the Townsville/Thuringowa and Cairns/Mulgrave Shire areas of North Queensland.

## **Are these the first pay TV licences to be awarded?**

Yes, these are the first subscription television broadcasting licences allocated under section 96 of the *Broadcasting Services Act 1992*. This section empowers the ABA to allocate pay TV licences delivered by means other than satellite or multipoint distribution system (MDS).

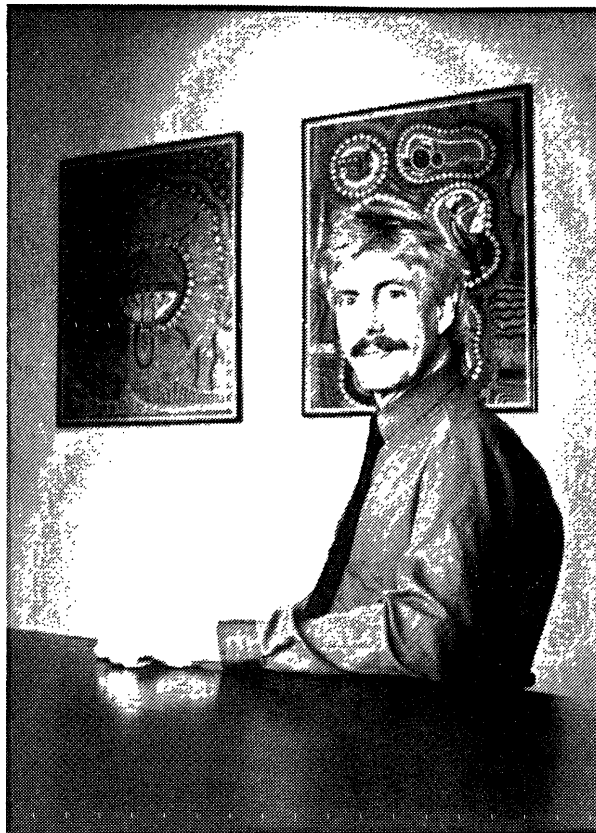
## **How will they differ from the narrowcasting pay TV services already operating?**

Narrowcasting pay TV services are limited in some form. They may target special interest groups, be intended only for limited locations (such as arenas or business premises), be provided during limited periods or to cover special events, or provide programs which are of limited appeal. Subscription television broadcasting services on the other hand are able to provide programs which have broad-based or mainstream appeal, such as drama, movies and sport.

## **How many licences have been allocated?**

The ABA has allocated eight licences to Paynet - one each for drama, education, music video and children's services, and two each for community and sports services for both Townsville and Cairns. Paynet has also proposed a news channel and a program directory channel however, as both these serv-

ices will be in text only, neither will require licences. Section 6 of the *Broadcasting Services Act* provides a definition of 'broadcasting service'. This definition excludes 'a service (including a teletext service) that provides no more than data, or no more than text (with or without associated still images) ...'



*John Souter, Assistant Director Licensing*

## **What is the ABA's definition of a service?**

For licensing purposes, the ABA has interpreted a 'service' to be a single stream or sequence of radio or television programs broadcast to an audience, rather than a package of different programs broadcast simultaneously to the same audience. Licences under the *Broadcasting Services Act* are expressed

only to authorise a limited number of services: one in the case of commercial, community and section 96 subscription television broadcasting licences, and up to four in the case of section 93 satellite subscription television broadcasting licences A and B.

## **Where can Paynet operate its services?**

Unlike commercial or community service licences, these licences do not have geographical limitations. In other words there is no defined licence area with which a subscription broadcasting television licence is associated. Therefore, a service licence is valid throughout Australia as long as the programming on that service is the same in all areas of reception. Where the service varies from location to location, separate service licences would be required.

## **Why have they targeted Cairns and Townsville?**

Paynet maintains that Cairns and Townsville are areas which fall on the fringe of the satellite footprint and that the people of Cairns and Townsville would require substantially larger and more expensive satellite dishes to be able to receive the service. Paynet intends to retransmit any satellite pay TV services via cable.

Paynet considers the provision of a pay TV service delivered via cable will be a more practical alternative for these communities than satellite dishes.

## **What is the level of foreign ownership in Paynet?**

Paynet has a total of 35 per cent foreign ownership. Foreign holdings allowed by the *Broadcasting Services Act* are a maximum of 20 per cent for an individual and 35 per cent in total.