



MDS Used for Diverse Services

The role of MDS (multi-point distribution systems) in pay TV service delivery remains uncertain as court actions against the Government by MDS licensees Kerry Stokes and Steve Cosser.

The Government is proceeding doggedly with its plans for satellite as the primary initial delivery system, while the industry seems to have concluded that ideally, pay TV delivery will be a hybrid in which satellite, cable and MDS may all play a role.

MDS adherents are keeping their case on the boil. One way they have chosen to counteract criticisms of MDS as an inferior technology, is to point to the wide range of MDS narrowcast services that are already operating successfully, or are imminent.

At a Technology Training Corporation conference in Sydney in late March, Carl Johnson of Amsol Teletalia gave a useful sketch of the history and current operations of MDS in Australia. (It is worth noting that the April Issue of *ABA Update*, No.6., pp 9-11, also contains a straightforward outline of MDS, covering the nature of the technology, its history in Australia, possibilities for pay TV and satellite pay TV, by the ABA's Director of Planning, Colin Knowles.)

The first MDS transmissions were made by AAP-Reuters in 1984, and consisted of news and financial data delivered to subscribers, though in the form of alphanumeric data rather than pictures. The first MDS video licence was issued in 1985 under the VAIES regime, which specified that services must comprise non-entertainment video transmitted to non-domestic premises.

Services under this regime directed to business or the professions however, such as a real estate channel, a medical service and a business education channel, proved unsuccessful. The services which have succeeded are the tourist information services transmitted to hotels and similar outlets.

Johnson cited Cairns's Information Television (ITV) as a particularly good

example. This service has been widely accepted within its market so that 95 per cent of all tourist accommodation - over 6,000 hotel rooms, resorts and backpacker hostels are subscribers.

The Melbourne Fire Brigade has been operating a training channel over its MDS frequency for a couple of years. In Perth, one MDS station carries tourist information and the other delivers races to the city's TAB outlets.

In Sydney, Steve Cosser's Australis Media has been providing a 24 hour news and information channel, Newsvision, for nearly one year and will soon start operating this service in Melbourne. Though still restricted to business premises, this service is enough to make the mouth of any infomaniac water, providing, in real time, such offerings as the *NcNeil Lehrer News Hour* from PBS in the States, *NBC Nightly News*, *BBC Nine O'Clock News*, *ITN World News*, as well as our own SBS news.

Australis currently holds a total of 26 MDS licences for audio and video services.

Market Potential

Seventy per cent of Australians live in the top 13 population centres and another 15 per cent in 18 smaller centres, all of which are serviceable by MDS systems.

On the issue of serving niche markets, Johnson referred to the significant numbers of non-English speakers, particularly in the larger language groups, in Sydney and Melbourne. MDS 'fits perfectly' into a scenario where there is limited television specific to the needs and interests of these groups, because 'it would simply not be cost effective to provide a satellite service for two areas of only 100km diameter out of the entire Australian continent', Johnson said.

In September, Johnson's own company will launch Teletalia, claimed to be Australia's first operating domestic

pay TV service, delivered by MDS and directed to Melbourne's Italian community. Teletalia is a subscription narrowcaster under the Broadcasting Services Act, because it is targeted to Italian speakers. It has been test broadcasting since March last year and is currently available to 80 test subscribers.

Sample programs from Teletalia which were on show at the conference comprised material such as Italian music videos and beauty contests. The company appears to be buying wall-to-wall material from suppliers in Italy, and in the setting up stages at least, has no plans for a local component.

There are plans, however, for Greek and Chinese services in the future.

The Cost Question

In common with other speakers at the conference, Carl Johnson claimed that even a very small subscriber clientele can potentially generate good profits for an MDS operator. Communities with as few as 4,000 homes such as Victoria's Swan Hill are potentially profitable markets. An operation would need between 2000 and 2500 subscribers to be profitable, but any market can be viable if the number of subscribers attracted to the pay TV service, multiplied by the amount they are willing to pay, is greater than the cost of delivering the service.

Because of its comparatively low head-end cost (which he estimated as around \$65,000 per channel in Australia) and in-home cost (\$430 a home), MDS creates opportunities in markets that cannot be practically serviced by other technologies.

Not included in these estimates are studio equipment, which can be a significant expense if the wireless cable system itself is generating programming. ('Wireless cable' is the term used when several channels are deliv-

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ered through the same customer receiving equipment.) But a typical system would receive all or most of its programming from a program supplier who would deliver by satellite or Telecom bearer for MDS retransmission.

A simple but effective super-VHF transmission studio can be set up for under \$100,000 a channel, Johnson said, and would allow a franchised wireless cable operator to deliver channels specifically suited to its market.

If these costs are reasonably accurate, we could be seeing some interest in MDS very soon from the community TV sector.

Some Words of Caution

Barney Blundell of AAP, Australia's first MDS user, acknowledged the pluses of MDS like its cheapness, especially relative to satellite and cable, fast roll-out and the potential for inserting regional programs.

At the same time, he sounded some warning notes based on AAP's experience. He said he still needed convincing that digital signals would work on MDS, especially where there are conflicting signals from main transmitters.

In his view, MDS would never get near 100 per cent coverage in any city. Trees and rain present significant problems with reception, and small repeaters or 'beam benders' are not a solution for trees.

As for satellite, some local councils are already objecting to satellite dishes, on aesthetic grounds and this is an issue the industry has yet to come to terms with, Blundell said.

On the issue of cable, half a million houses a year would have to be passed by cable to achieve claims that are being made for cable roll-out, and the problem remains of getting the cable into the house. □

Press Council: Speaks for Itself

Letter to the Editor

Dear Madame/Sir*

I refer to your CU comment 'Another Look at the Press Council' (*Communications Update*, November 1992) which has come to hand.

I would like to draw your attention to some points which would balance or correct points of your report.

1. At the time of the Herald and Weekly Times takeover, the Council was divided not on concern about further concentration of media ownership but rather on the possible establishment of a statutory tribunal to deal with media takeovers.
In fact, the Council went on record expressing its concern over the further concentration of media ownership.
2. One of the AJA representatives did resign; however two (not one, as you report) of the three AJA representatives stayed on the Council.
3. You assert that the Council is dominated by the publishers. They, in fact, have 10 out of the seats of the present 21 member Council and could thus be out-voted by other members - although voting is rarely if ever along 'party lines'.
4. New public members are appointed after advertisement and they are not people of similar age and background. We have attempted to have a balance of representation on the Council so that there is a gender balance, a balance of readers of metropolitan and country newspapers, a geographical balance across Australia and a balance of the major segments of the Australian multicultural community.
5. The Council's annual reports have included brief summaries of the complaints which did not proceed to adjudication since the first annual report. This is **not** an innovation.
6. I do not believe that there is any contention between our two roles of a defender of freedom of speech and of the press, and of the need for a responsible press. These go hand in hand, they are two sides of one coin.

Yours sincerely
David Flint
Chairman

*For the record, the editor of CU is Ms Gil Appleton.