

Competition and confusion in digital satellite television

Competitive satellite platforms are reducing costs for remote area broadcasters but consumers have been left with a bizarre choice

Some half a million Australians live in remote areas that do not receive normal terrestrial television broadcast services. Much of the demand for TV services in these areas is met by remote area broadcasting which provides the ABC, SBS and a commercial channel on a free-to-air basis. These are currently delivered by B-MAC analogue transmission on zonal beams (e.g. Western Australia, central and north-eastern zones) using several Optus satellites including B3.

In regional Western Australia, the commercial television service is provided by a Prime Television Holdings company, Golden West Network (GWN) which broadcasts four regional services. Until recently, GWN's analogue service beamed off Optus B3 along with national broadcasters the ABC and SBS. Then in February 1997, Optus announced that it was converting its transmission facility to the digital Aurora platform (commencing July 1998 but fully operational from October 1998), offering a digital broadcast service for remote areas. (Digital compression allows transmission of a number of services off one transponder rather than using several, thus freeing up capacity, for example, for other data and information services).

In order to receive the digital broadcasts, viewers would need to buy a digital decoder. Terrestrial broadcasters retransmitting satellite signals would also need to invest in digital decoding equipment.

In June 1997, the ABC signed a five-year contract with Optus to deliver its remote area television broadcasting services using Aurora. It was followed by regional Queensland broadcaster, Telecasters Australia, the Seven Network (for its satellite broadcast and video interchange services), SBS and Network 10 (for turnkey satellite video services).

Optus rival Telstra, acting quickly to seize a business opportunity in what could prove to be a lucrative market for subscription television services delivered via satellite, signed an agreement with PanAmSat (PAS) providing for a digital satellite platform to compete with Aurora in remote Western Australia. GWN, then Western Australia's sole commercial television network, signed with Telstra and PAS.

The subsequent problem, of course, was that to watch national public television (the ABC) and commercial television (GWN), viewers would need to receive digital broadcast signals from both PAS and Aurora satellites - and each requires a separate decoder.

But viewers who invested in the PAS decoder can receive the ABC because Telstra is picking up the signal from Optus/Aurora, beaming it to the PAS satellite then retransmitting it. Optus

wanted to do the same thing for GWN's digital broadcasts by taking the signal off PAS, beaming it to Aurora then retransmitting it. But while there are no restrictions on retransmitting the national public broadcaster, a host of licence restrictions for commercial television prevented Optus from doing what Telstra had already achieved.

The ABC service has to be available countrywide so there are no "licence area" restrictions of the kind that apply to licensed commercial services such as GWN. The GWN service is only licensed for remote areas and is not allowed to be received by viewers in other areas such as Perth and some major regional centres. It is impossible to prevent the signal being transmitted into those parts of the footprint but it is possible to prevent it being seen by viewers by not enabling decoders outside the service areas.

The only problem for Telstra's retransmission was that it was unable to transmit the ABC digital signal from PAS at the six megabit strength required for the kind of broadcast picture quality that Western Australian viewers were used to from an analogue service. Its two megabit output meant that viewing of anything other than newscasts was less than perfect. To overcome the problem, Telstra agreed to lift the bit rate while broadcasting certain events such as sport. But to achieve this it had to drop the bit rate on its other services, meaning that other services on the platform would suffer some loss of picture quality.

Telstra went digital on PAS in November 1997 and Optus commences next month. The six-month gap between the two services in Western Australia meant that viewers were not sure whether to go out and buy the PAS equipment or wait for Optus' Aurora

platform to come online and then buy the necessary technology. This confusion raised another issue: how long to prolong GWN's analogue service given that it now existed as a digital broadcast off PAS?

On February 27, 1998, the day before the GWN analogue satellite signal was to be turned off, Optus applied for permission to rebroadcast the signal outside the GWN licence area (given its signal "splash over" into non-licensed areas, Optus had to apply for Australian Broadcasting Authority (ABA) permission). Negotiations between Optus and Prime Television to continue uplinking the analogue signal to the Optus B3 satellite failed and at midnight on February 28, the television screens went blank in some 3,500 direct-to-home households in regional Western Australia. Commercial television as an analogue service dispersed by Optus simply disappeared.

But on March 5, Optus began retransmitting the GWN service by taking the digital signal off PAS and rebroadcasting it in analogue format. Ultimately the signal was disabled by Prime which managed to isolate the decoder responsible and disable the transmission. The service stopped - again.

Whatever the motives behind turning off the analogue signal, then retransmitting it before its further disabling, all parties involved were guilty of leaving no provision for a commercial television service for a sector of Western Australian television viewers who could only view an analogue signal.

So, on March 11, the ABA granted Optus permission to rebroadcast by satellite for three months an analogue signal for the commercial television service WAW Remote Western Australia, one of the four similar but separate services provided by GWN

to different parts of regional Western Australia.

Just before the three-month deadline - May 15, 1998 - Optus and Prime Television reached a commercial settlement regarding transmission of the analogue B-MAC GWN signal. The agreement allows Optus to continue transmission of the analogue signal until the termination of the ABC analogue transmission at the end of September 1998.

A WIN for which telco?

OPTUS and Telstra will both be hoping to secure Western Australia's second commercial television licensee holder as part of the services offered from their respective digital platforms.

WIN International, which bid \$36 million for the second commercial licence at a licence allocation exercise conducted by the Australian Broadcasting Authority in Perth on April 1, is required to commence broadcasting by the end of March 1999.

Western Australia's only regional commercial broadcaster at present, Golden West Network, is owned by Prime Television, the Seven Network affiliate headed up by Paul Ramsay. WIN International is a Nine Network affiliate and is managed by Bruce Gordon.

"Optus and Prime have reached a commercial settlement which will provide certainty for those people in Western Australia who are still dependent on an analogue GWN transmission," said Dr Mark Harwood, manager of Optus Media & Satellite.

Digital decoders - at about \$250 each (subsidised by the federal government which is providing \$750 of the total \$1,000 cost) - have been available to Western Australian viewers for some

months prior to the start of Optus' digital transition in July, and analogue and digital services will run concurrently throughout the transition period. So viewers have about four months to make up their minds which digital delivery platform to align with.

Despite the agreement, the fact remains that Optus probably wants to broadcast the GWN digital signal and is in the process of meeting with the ABA to discuss the various options available. It hopes that the authority will intervene and give it permission to carry GWN on Aurora, just like Telstra is doing with the ABC. But while there are provisions in the Broadcasting Act and Copyright Act which allow for retransmission of the ABC's signal, GWN's licence conditions restrict it to broadcasting in a specific geographic area. Carrying the signal and retransmitting it from Aurora would hold no guarantee that the signal wouldn't splash over the geographic boundaries and hence break the licence conditions.

But privately, sources say there is no hope that GWN will strike a commercial deal with Optus for digital broadcasting, so asking the ABA to intervene is probably the only course of action left.

At the crux of what is a rather ludicrous situation is the uncomfortable feeling that viewers are being forced to make hasty decisions about technology which may ultimately be inappropriate. With anecdotal evidence suggesting that there are still problems with the broadcast quality of digital platforms, with any luck, commonsense will prevail and viewers in regional Western Australia will be able to receive quality digital broadcast pictures for all free-to-air and subscription services, no matter what digital satellite technology they decide to use. <

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