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REVIEW OF VIEWER ACCESS SATELLITE TELEVISION (VAST)

RBA Holdings Pty Ltd (RBAH) welcomes the opportunity to make a submission to the review by the Department of Communications and the Arts of the VAST service.

RBAH represents the commercial television broadcasters who hold regional and remote area television licences: WIN Network, Southern Cross Austereo, Prime Media Group, Imparja, Nine Entertainment Co, and Seven West Media.

RBAH has contributed to the submission to this review made by Free TV Australia, and concurs with the views expressed in the Free TV submission.

VAST is vital to delivering free-to-air television services to regional and remote Australia as well as other areas where terrestrial coverage is deficient. In addition to providing the free-to-air services of the commercial television broadcasters who hold regional and remote area television licences, the VAST service also carries the full suite of the ABC and SBS's standard and high definition digital television services.

Under Part 9C of the *Broadcasting Services Act 1992* (Cth) (**BSA**), it is a condition of holding a s.38C licence that commercial broadcasters develop conditional access schemes so that television viewers who do not have adequate reception of one or more terrestrial digital commercial television broadcasting services can apply to access VAST. The underlying policy of the conditional access scheme is to provide viewers in signal deficient areas with access to a broadly equivalent range of digital television services accessed by those in unaffected service areas.

The commercial free-to-air broadcast sector delivers a vital national public service to Australians, including news and current affairs, extensive coverage of sports events, iconic dramas and films, and entertainment and reality programs that each deliver enormous social and cultural benefits to viewers. These benefits are no less important in regional and remote parts of Australia, or in signal deficient areas. Indeed, many rural and remote communities find distinct value in services that connect them with their communities, and can assist in remedying the sense of distance or isolation that may arise in geographically remote locations. For this reason, it is extremely important that there is a viable alternative to terrestrially delivered commercial television services where there remains digital blackspots and service deficiency.

VAST is a significant and important service because it has closed the digital television divide between regional and remote Australians and those in the metropolitan areas, and it has, for the past eight years,

fulfilled its purpose to ensure that all Australians, regardless of their location, have access to reliable free-to-air television services.

Due to the remoteness and low population density of some regions in Australia, it remains uneconomical for commercial free to air broadcasters to invest in costly transmission infrastructure and deliver the terrestrial signal in some areas. VAST performs an important market failure function, by gap-filling using the VAST service for those areas. It is RBAH's submission that areas of market failure for nationally important services such as commercial free-to-air television services should receive the support and assistance of the Government. Viewers who are reliant on VAST to deliver their commercial free-to-air services are no less important than their metropolitan counterparts. In other similar areas of market failure, the Government has expended significant funds in supporting telecommunications networks, including through digital blackspot subsidies.

As at June 2018, close to 200,000 Australian households – and approximately 30,000 travellers (those who have VAST in, for example, their caravans, boats and campervans) rely on VAST to access their free-to-air television services.

WIN Network and Prime Media Group provide these services for the Western Australia TV3 licence area via a joint venture, WA Satco Pty Ltd (WA Satco). Southern Cross Austereo and Imparja have a joint venture to provide services for Southern Australia TV3 and Northern Australia TV3 licence areas, via an entity known as Eastern Australia Satellite Broadcasters Pty Ltd (EASB).

VAST has two key functions:

1. It delivers free-to-air television services in remote licence areas and in regional and metropolitan licence areas where reliable reception of free-to-air television is not possible – and therefore acts as a safety net for viewers in 'black spots'; and
2. It provides free-to-air television services in areas declared service deficient.

Under s.130ZE of the BSA, the Australian Communications and Media Authority (**ACMA**) maintains a register of the conditional access schemes for VAST, for each s.38C licence area, being Southern Australia TV3, Northern Australia TV3 and Western Australia TV3.

VAST – RBAH functions

In June 2010, the then Government required commercial broadcasters holding s.38C licences to develop conditional access schemes. RBAH was formed to take on the role of scheme administrator for the conditional access schemes for VAST, for each s.38C licence area.

Viewers seeking access to VAST follow an application process, which is managed by RBAH, under rules established by the three registered conditional access schemes.

On behalf of RBAH, Southern Cross Austereo (SCA) manages the day-to-day operations of the conditional access schemes, including co-ordinating receipt of applications for VAST and, if approved, arranging for the technical activation of access to the relevant service. RBAH's arrangement with SCA has enabled the implementation of all three conditional access schemes to be managed in one location, in a seamless, efficient manner. In addition to this, RBAH has a Sydney-based manager who, amongst other things, liaises with SCA, ACMA and broadcast engineers in the relevant licence area.

Category A and B applications are automatically processed as viewers located in these areas are deemed to be service deficient. Category C applications require an assessment. RBAH uses computer generated coverage prediction maps and has regard to visual data such as the presence of trees, terrain, topography, nearby premises with high antennas, and satellite dishes that may impact reception. Assessments are provided to commercial broadcaster engineers located in the relevant licence area who review the applications based on their extensive knowledge of the coverage conditions in the licence area.

In the case of applications that are rejected because they do not meet the criteria, RBAH provides viewers with information about the best tuning options that are available in relation to nearby transmitters.

Unsuccessful applicants can appeal to the ACMA regarding the decision. ACMA then notifies RBAH of the appeal and invites submissions within 15 business days. If an appeal is successful, the ACMA then advises RBAH that, under s.130ZF(5) of the BSA, a reception certificate is to be issued to the viewer.

All work undertaken and costs associated with the implementation of VAST are managed by the commercial television licensees: WIN Network, Southern Cross Austereo, Prime Media Group, Imparja, Nine Entertainment Co., and Seven West Media. ABC and SBS television services form part of VAST but the national broadcasters make no contribution to this function, or to the costs and resourcing of RBAH.

RBAH supports VAST

RBAH believes that all Australians should be able to enjoy the benefits of digital television no matter where they live.

RBAH believes that satellite delivery remains the best and most reliable option. As a one-to-many service, it is technically provisioned for delivery of free-to-air television services. On the contrary, one-to-one internet satellite services, such as Sky Muster, are unlikely to be able to cope with the amount of congestion that would arise during events such as the FIFA World Cup, an AFL Grand Final or a State of Origin match. In addition to RBAH's concerns about quality of services delivered via the internet, it is unreasonable to expect viewers located in regional and remote areas to risk breaching their data caps to watch content that viewers located in metropolitan areas can receive terrestrially and free of charge.

Although RBAH agrees that alternative technical standards have been mooted and are being trialled, there is no concrete alternative yet, or indeed likely to be in operation for many years that could deliver the services to viewers located in the areas that the VAST service currently covers. Decisions to transition to another delivery mechanism would need to be thoroughly and carefully tested before proceeding.

RBAH supports the continuation of the VAST service – and the continued funding of the VAST service by the Government from the end of the current funding period (30 June 2020) and for a further ten years. As noted in the Issues Paper, RBAH agrees that delivery of broadcast services in isolated areas of Australia is difficult and expensive to cover with a terrestrial transmission. It puts an unreasonable financial impost on (primarily) regional broadcasters and the potential advertising revenue from these markets, which is declining year on year, and is not sufficient to justify commercial investment. These special arrangements – that deliver equal services regardless of location in Australia – provide a safety-net for viewers in these areas and are justified and should continue.

RBAH also supports the continued funding of the My Switch website by the ACMA. This has been, and will continue to be a vital tool used by both viewers and RBAH to determine coverage of digital television services across Australia. It must be maintained.

Currently commercial broadcasters are bearing the cost of RBAH managing the customer access system for VAST, which is not an insubstantial amount. We would like the Government to consider allowing the scheme administrator to impose a small administrative charge for new connections to travellers (who now make up the majority of contact with the scheme administrator), to contribute towards some of those administrative costs. A one-off fee could be levied on any new applications for VAST.

As recently as 10 June 2018, the Australian Government announced a commitment of \$25 million for a fourth round of the Mobile Black Spot Program, to deliver improved mobile coverage to more regional and remote communities across Australia. This is part of a Federal Government commitment of \$220 million for blackspot funding that was announced in 2016. RBAH welcomes investment in improved mobile communications services for people located in remote and regional areas of Australia and notes that provision of a full suite of free-to-air television services should be treated as an equally valuable communications service to viewers and therefore should continue to be funded by the Federal Government.

RBAH believes that VAST is the most economically efficient manner by which to provide television services in remote areas or supplement areas that are signal deficient. We are in a unique position to comment on this because RBAH administers both the VAST program and the gap-filler sites that have been established to provide signal in black spot areas.

We thank the Department for the opportunity to provide our views to the review of this vital service.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Emma McDonald', written in a cursive style.

Emma McDonald
Chair, RBAH