



3 February 2016

The Hon Bronwyn Bishop MP and Mr Tim Watts MP
Chairman and Deputy Chairman
House of Representatives Standing Committee on Communications and the Arts
PO Box 6021
Parliament House
Canberra ACT 2600

Submitted online via My Parliament website.

Dear Chairman and Deputy Chairman

COMMENTS ON THE INQUIRY INTO THE IMPORTANCE OF PUBLIC AND COMMERCIAL BROADCASTING, ONLINE CONTENT AND LIVE PRODUCTION TO RURAL AND REGIONAL AUSTRALIA, INCLUDING THE ARTS, NEWS AND OTHER SERVICES.

Optus appreciates the opportunity to provide comments on the Inquiry into *the importance of public and commercial broadcasting, online content and live production to rural and regional Australia, including the arts, news and other services* (the Inquiry).

This letter provides some observations and commentary for the Committee's consideration, and details the role of Optus in ensuring that rural and regional Australians have good access to television and radio broadcasts, online content and live productions.

Background

Optus is firmly established as a leader in integrated communications in the broadcast and telecommunications industry in Australia.

Optus Satellite has been providing premium satellite services for over 30 years. We are the only network provider in Australia to own and operate our own fleet of satellites, and have the largest fleet of satellites in Australia and New Zealand.

By incorporating optical fibre, wireless and satellite technologies into a single network, Optus can provide 100% coverage across Australia and New Zealand. Optus is the only carrier in Australia to own and operate network infrastructure across these three platforms, giving us a unique network platform.

The Optus Satellite Fleet

Since 1985, Optus has successfully launched ten satellites and operated thirteen spacecraft. The Optus Satellite fleet currently consists of six geostationary satellites providing satellite services across Australia and New Zealand, and to McMurdo Sound in the Antarctic. The Optus 10 satellite is the most recent satellite to launch, built by Space Systems/Loral and launched by Arianespace in French Guiana in September 2014.

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Optus provides a number of major satellite services including:

- Voice and data services
- Free to air television
- Pay television
- Radio broadcast
- Consumer Broadband IP
- Video conferencing
- Mobile satellite to all of Australia and New Zealand

Our satellite customers use their services in remote areas of Australia, NZ and surrounding islands. These services are supported from Optus' major earth stations at Belrose (New South Wales), Hume (Canberra/ACT) and Lockridge (Western Australia). The Optus D1, D2 and Optus 10 satellites have even been configured to provide services to customers in Antarctica.

Optus' role in providing Viewer Access Satellite Television

The Viewer Access Satellite Television (VAST) services are provided on the Optus Satellite Aurora Digital platform, on behalf of the national and regional commercial broadcasters as well as several narrowcasters. Optus is contracted to provide the VAST services until June 2020.

Optus Satellite established the Aurora Digital platform to carry VAST in response to the requirements of the government and broadcasters to support the switchover from analogue to digital television. VAST was designed to provide digital television and radio services direct-to-home to users who were unable to receive these services from local terrestrial transmission.

Under significant schedule constraints, Optus was able to design, build and deliver a state of art satellite solution required for the first analogue to digital television switchover in Mildura, NSW in June 2010. This included the development of a satellite set-top-box suitable for receiving the service. For the first time, rural and regional Australians had access to multi-channel metro equivalent digital television and radio services.

Since 2010, Optus has been successfully managing the VAST services on the Aurora Digital platform and supporting our media customer's growth requirements. VAST now has over 260,000 activations with approximately 600 new activations per week. We also have agreements in place with several set-

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top-box manufacturers to supply certified VAST set-top-boxes into the Australian retail market. Access to these VAST services is restricted by a state of the art conditional access system that Optus Satellite manages, which protects the licensing requirements of the commercial broadcasters.

In order to receive the VAST service, a user is required to procure a VAST certified set-top-box and small satellite dish. The user then applies for access to the VAST Call Centre which is operated by the Regional Broadcasters Australia Pty Ltd.

The ABC and SBS television and radio services are available to all VAST users anywhere within Australia, and access to the commercial broadcast services is dependent on where the VAST user is located.

In 2014, Optus implemented a new Viewer Management System to ensure that the future population of VAST viewers can be supported along with new models of operation in the long term.

Issues for Inquiry Consideration

Optus believes there are two key areas that the Committee may wish to consider when assessing the future of online content and live production to rural and regional Australia:

1. Accessibility

Rural and regional consumers and businesses should not be excluded from what their equivalent counterparts in metro areas can access, in regards to a wide range of online and live content. However making this a reality can often have its challenges in these areas. Optus Satellite as a satellite technology enabler can support this, but it must have Government and industry backing to make it a reality.

2. Innovation

Optus welcomes the bi-partisan approach to, and focus on, innovation. Innovation is part of Optus' wider corporate strategy and, of particular relevance to the Inquiry, is evidenced through our management of the Aurora Digital platform and plans for how innovative delivery of technical solutions could be applied to VAST in the near future.

By way of example, Optus Satellite is working with VAST Set-Top-Box manufacturers in designing the next VAST satellite set-top-box, which is currently planned to include the following features:

- More efficient use of satellite capacity;
- Multi room viewing / recording support;
- Ultra HD for a superior viewing experience;
- Internet Ready - to support online platform solutions and interactivity;
- Support Freeview and catch up TV; and
- Large hard drive for local storage.

Finally, it is important to note that the availability of the NBN's "Sky Muster" satellite in 2016 will have an important impact on the delivery of services to some of the more remote parts of Australia. Optus will continue to watch with interest as NBN Co considers offering corporate and government services, in addition to their primary consumer internet services. Getting the mix right between capacity, contention ratios, service levels, fair-use policies and pricing, when offering services to both consumers and corporates, will be critical to ensuring a satisfactory customer experience.



Optus welcomes competition in the corporate and government space, but expects that any NBN corporate service would be offered on a commercial basis, and will not compete in the marketplace by offering tax-payer subsidized capacity. Further, any offers must remain consistent with NBN Co's wholesale-only status and should not be delivered direct to market.

We can be available at your request to discuss or elaborate on any of these comments.

Yours Sincerely

Mr David Epstein
VP, Corporate & Regulatory Affairs