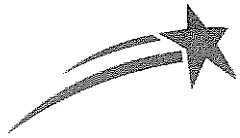




NT Emergency Response Legislation – Summary of ASTRA & AUSTAR Position

ASTRA & AUSTAR

- ★ ASTRA is the peak industry body which represents the interests of subscription television operators and channels in Australia
- ★ AUSTAR is the leading provider of subscription television to customers in regional and rural Australia; the television channels that AUSTAR offers are set out in Appendix 1
- ★ An overview of AUSTAR customers in the Northern Territory and their subscription patterns is set out in Appendix 2
- ★ ASTRA and AUSTAR are keen to work in partnership with Government and Indigenous communities to stop the misuse of AUSTAR programming in ways that are harmful to Aboriginal children



NT Emergency Response Legislation – Summary of ASTRA & AUSTAR Position

Issues raised by banning R18+ content program by program

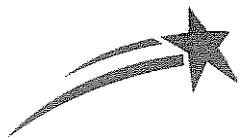
- ★ The aim of the R18+ legislation appears to be to stop sexually explicit 'AO' programs (per ASTRA / AUSTAR discussions with Government, House of Representatives debate)
- ★ There is, however, confusion surrounding what kind of programs the R18+ content legislation is intended to capture; not all R18+ rated programs are 'pornography' e.g. occasional R18+ movies on SBS, the World Movies channel and BOX OFFICE movies
- ★ AUSTAR has one 'Adults Only' service, called BOX OFFICE 'Adults Only', which comprises R18+ rated movies offered to customers on a per session basis or by monthly subscription. All 'Adults Only' movies are in pay per view format (i.e. they are specifically ordered by the customer and do not take the form of a normal 'linear' channel)
- ★ AUSTAR technology does not permit AUSTAR to stop access to R18+ rated content on a program by program basis, other than through use of parental control PIN protection
- ★ PIN protection is - by its nature - controlled by adults in the home
- ★ A detailed description of the different layers of PIN protection surrounding 'Adults Only' movies on AUSTAR is attached as Appendix 3
- ★ A PIN number is required in order to start watching **any** 'AO' movie on the 'Adults Only' service; You can't just land on an 'AO' channel and start watching; Customers cannot change the configuration of their AUSTAR equipment to get around the PIN requirement



NT Emergency Response Legislation – Summary of ASTRA & AUSTAR Position

Program by Program ban captures unintended content

- ★ The only way AUSTAR is able to implement a total ban on all R18+ rated programs would be to stop access to all channels on the AUSTAR platform that ever include R18+ rated content
- ★ This would mean stopping access to the World Movies channel and all R18+ rated movies on BOX OFFICE movies service (e.g. the black comedy crime thriller 'Smokin' Aces'); It appears to us that no one intends movies of this kind to be captured
- ★ If the legislation targets offending **channels** rather than offending **programs**, this will allow AUSTAR and other subscription television operators, to stop the supply of sexually explicit R18+ rated services (such as BOX OFFICE 'Adults Only' service) into Indigenous communities while at the same time respecting the right of Australians in those communities to continue to receive television programs that are not intended to be caught - in the same way that people elsewhere in Australia can
- ★ The 35% R18+ rated threshold is a mechanism for separating the channels that Parliament wants to stop (like the AUSTAR 'Adults Only' service – which will definitely be caught) from channels or services that are not intended to be captured (e.g. World Movies, BOX OFFICE movies)
- ★ The 35% threshold applies on a channel by channel basis - not across all AUSTAR channels collectively; It was set after in depth analysis of how content is scheduled across different services, including the BOX OFFICE Movies service (involving multiple channels running the same selection of movies around the clock)



NT Emergency Response Legislation – Summary of ASTRA & AUSTAR Position

Identifying AUSTAR Customers in 'prescribed areas'

- ★ AUSTAR uses residential and billing addresses to identify its customers
- ★ The NT emergency response legislation identifies 'prescribed areas' by reference to coordinates and maps
- ★ The difference in approach means that it is not possible for AUSTAR to know with certainty which of its customers are located in 'prescribed areas'; illustrations of the difficulty correlating AUSTAR addresses and Government maps is set out in Appendix 4
- ★ AUSTAR and ASTRA strongly support the community consultation process built into the current Bill, for the reasons that:
 - it will help AUSTAR locate with certainty the AUSTAR customers that are in any given prescribed area
 - it will help resolve any confusion about what programs are causing concern in Indigenous communities (which might vary per Community), and their source (e.g. free-to-air TV, subscription TV, DVDs, videos)
 - it will allow AUSTAR to better coordinate the community education programs it is planning with FaHCSIA, to help Indigenous communities better understand PIN protection and how they can take control of the way AUSTAR's service is used in their communities
 - it will help AUSTAR identify any AUSTAR customers who are misusing the AUSTAR service by giving children access to R18+ rated programs; AUSTAR will not hesitate to cancel these customers' services, for breach of their customer agreement with AUSTAR



NT Emergency Response Legislation – Summary of ASTRA & AUSTAR Position

A ban across all ‘prescribed areas’ simultaneously creates great technical difficulties

- ★ A blanket prohibition on R18+ rated content across multiple prescribed areas, without Community consultation:
 - Will involve extensive technical changes to AUSTAR IT systems and business processes
 - Will therefore involve substantial expense for AUSTAR and take time to implement
 - Will necessarily involve guess work and mistakes
 - May mean that the only way for AUSTAR to manage the risk of incorrectly blocking customers' receipt of R18+ rated programs, or of failing to block receipt of that content in prescribed areas, will be to stop supplying channels on which R18+ content is ever used (*i.e.* the 'Adult Only' service, as well as World Movies, R18+ rated movies on the BOX OFFICE Movies service) on a Territory-wide basis

Conclusion

- ★ Any call for a blanket ban on 18+ rated subscription television programs does not reflect the extensive work that FaHCSIA and DBCDE have done to shape the legislation so that it is capable of achieving maximum benefit

Appendix 1 - AUSTAR channel lineup

STARTER PACK **\$39.95**

<p>Entertainment</p>	<p>Music</p>	<p>News And Weather</p>
<p>Kids</p>	<p>Special interest</p>	<p>Documentaries and Learning</p>

Pay Per View Access for: FOX OFFICE, FOX OFFICE HD, FOX OFFICE HD2, FOX OFFICE HD3, FOX OFFICE HD4, FOX OFFICE HD5, FOX OFFICE HD6, FOX OFFICE HD7, FOX OFFICE HD8, FOX OFFICE HD9, FOX OFFICE HD10, FOX OFFICE HD11, FOX OFFICE HD12, FOX OFFICE HD13, FOX OFFICE HD14, FOX OFFICE HD15, FOX OFFICE HD16, FOX OFFICE HD17, FOX OFFICE HD18, FOX OFFICE HD19, FOX OFFICE HD20, FOX OFFICE HD21, FOX OFFICE HD22, FOX OFFICE HD23, FOX OFFICE HD24, FOX OFFICE HD25, FOX OFFICE HD26, FOX OFFICE HD27, FOX OFFICE HD28, FOX OFFICE HD29, FOX OFFICE HD30, FOX OFFICE HD31, FOX OFFICE HD32, FOX OFFICE HD33, FOX OFFICE HD34, FOX OFFICE HD35, FOX OFFICE HD36, FOX OFFICE HD37, FOX OFFICE HD38, FOX OFFICE HD39, FOX OFFICE HD40, FOX OFFICE HD41, FOX OFFICE HD42, FOX OFFICE HD43, FOX OFFICE HD44, FOX OFFICE HD45, FOX OFFICE HD46, FOX OFFICE HD47, FOX OFFICE HD48, FOX OFFICE HD49, FOX OFFICE HD50, FOX OFFICE HD51, FOX OFFICE HD52, FOX OFFICE HD53, FOX OFFICE HD54, FOX OFFICE HD55, FOX OFFICE HD56, FOX OFFICE HD57, FOX OFFICE HD58, FOX OFFICE HD59, FOX OFFICE HD60, FOX OFFICE HD61, FOX OFFICE HD62, FOX OFFICE HD63, FOX OFFICE HD64, FOX OFFICE HD65, FOX OFFICE HD66, FOX OFFICE HD67, FOX OFFICE HD68, FOX OFFICE HD69, FOX OFFICE HD70, FOX OFFICE HD71, FOX OFFICE HD72, FOX OFFICE HD73, FOX OFFICE HD74, FOX OFFICE HD75, FOX OFFICE HD76, FOX OFFICE HD77, FOX OFFICE HD78, FOX OFFICE HD79, FOX OFFICE HD80, FOX OFFICE HD81, FOX OFFICE HD82, FOX OFFICE HD83, FOX OFFICE HD84, FOX OFFICE HD85, FOX OFFICE HD86, FOX OFFICE HD87, FOX OFFICE HD88, FOX OFFICE HD89, FOX OFFICE HD90, FOX OFFICE HD91, FOX OFFICE HD92, FOX OFFICE HD93, FOX OFFICE HD94, FOX OFFICE HD95, FOX OFFICE HD96, FOX OFFICE HD97, FOX OFFICE HD98, FOX OFFICE HD99, FOX OFFICE HD100

SPORTS **\$12.95**

SPORTS EXTRA **\$6.00**

LIVING **\$12.95** **CHOOSE 1**
\$12.95

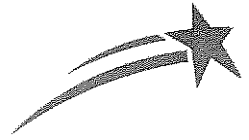
FUN **\$12.95** **CHOOSE 2**
\$17.95

QUEST **\$12.95** **CHOOSE 3**
\$22.95

MOVIE NETWORK **\$13.95** **CHOOSE 1**
\$13.95

SHOWTIME **\$13.95** **CHOOSE 2**
\$27.90

- ★ Nationally, the average subscriber takes 3.2 options
- ★ ARPU is \$78

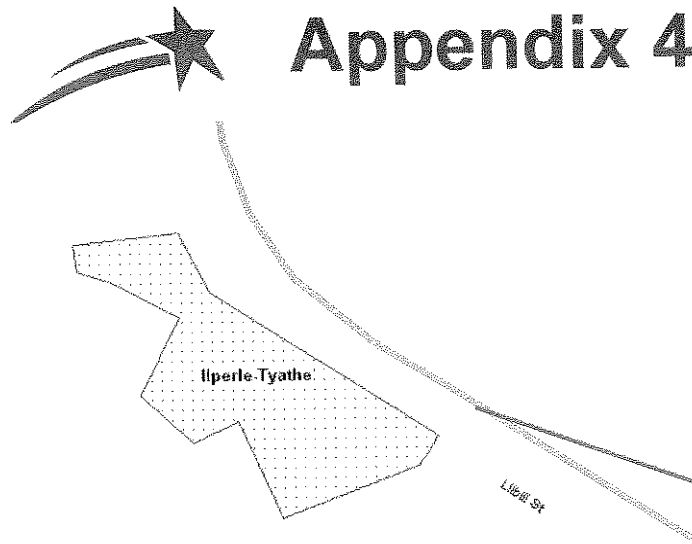


Appendix 2 - Northern Territory Overview

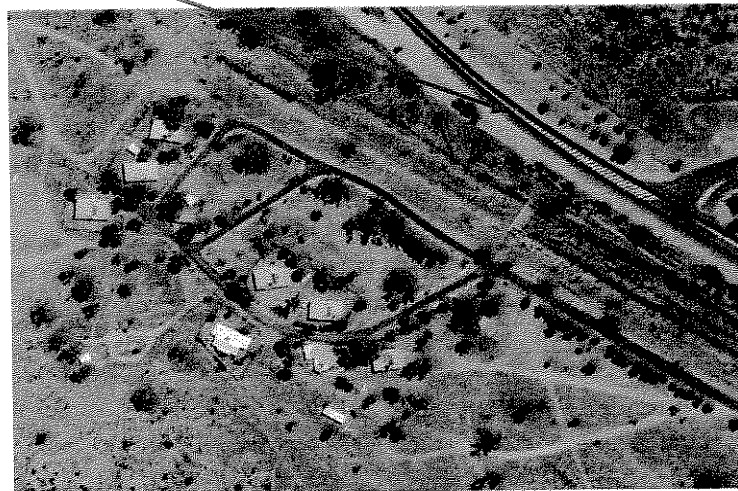
- ★ Customers: 21,000
- ★ Darwin - highest penetrated AUSTAR market: 35% of TV households
- ★ World Movies Subscribers: 14,000 (71%)
- ★ BOX OFFICE MOVIES purchases/month: 7,500 (38%)
- ★ Adults Only Single Session purchases/month:
 - Subscribers - 332 (1.6%)
 - Purchases - 567 (2.7%)
 - 1.7 purchases/subscriber/month
- ★ Adults Only Monthly Subscribers: 470 (2%)

Figures correct at March 2008

Appendix 4 - Current Mapping issues

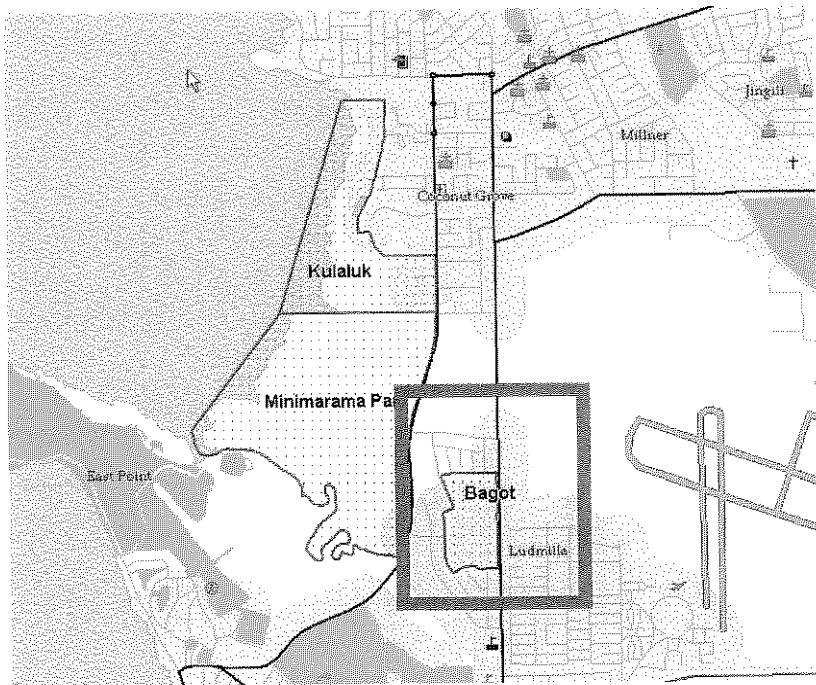


Government GNAF map



AUSTAR satellite image

Appendix 4 - Current Mapping issues (cont)



Government GNAF map

AUSTAR satellite image

