

# Q & A

## What sort of satellite dishes can we expect to see?

On average the satellite dishes will be 60cm. in diameter. So that everybody gets a consistently good picture, some may be bigger. The last thing we want is for local installers to go out and install a 60cm. dish and for customers to get the worst picture they have ever seen because, for the area they are in, they need a 1.2m. dish.

## The size of the dish depends on the area it is going into?

Yes. The high powered beam on Optus, which is basically the pay TV beam, is designed to concentrate on the population areas, so it is really banana-shaped between Melbourne and Brisbane. When you move away from there, spot beams are concentrated on the main population centres. Remote cities like Darwin and Hobart, for example, will never have DBS satellite from the Optus satellite. They are covered, but a Sky Channel sized dish is required for adequate reception. In areas like that you need to use other technologies such as MDS and cable.

## What is the largest size dish?

In remote areas it is 3.7m. There are already a lot of these receivers in remote areas.

## What can consumers expect to look at?

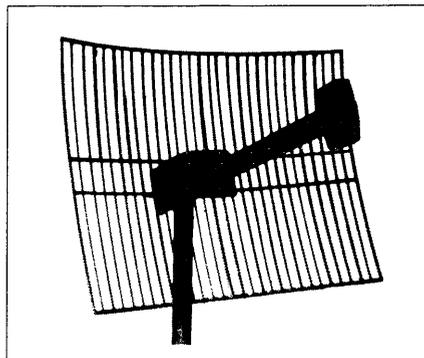
The 60cm. dishes can go on rooftops. Its position depends on the location of the house. Direct broadcast satellite (DBS) is similar to MDS in that it is a line of sight technology. The dish needs a direct line to the satellite. Throughout Australia, the 'look' angle of the satellite changes. In Perth it is 23 degrees [from the horizontal]. In Sydney and Melbourne the dish is much more erect. The differing requirements mean it is good to be able to use the different technologies, and the Broadcasting Services Act allows for this. This means that when there is a reception problem in particular areas, different distribution methods can be used. The Act also allows us to use other beams on Optus. We could also use a national beam which needs a 1.2m. dish which may be appropriate in the bush, but not necessarily in the city. There will be a range of dishes. There are different sizes, prices and designs. There is the

**SATELLITE PAY TV IS COMING SOON FOR THE CONSUMER. THIS MONTH WE TALKED TO JIM HOGGETT, CORPORATE AFFAIRS, AND ROSS MCCREATH, MANAGER, NEW PROJECTS, TWO OFFICERS OF AUSTRALIS MEDIA LIMITED, WHICH WON SATELLITE LICENCE B, ABOUT WHAT THE CONSUMER CAN EXPECT AFTER SIGNING UP FOR PAY TV DELIVERED BY SATELLITE.**

traditional parabolic dish. Others are almost flat and can be placed on the wall, in much the same way the clothes line is, and which are a bit more expensive.

## Who decides what dish the customer can buy?

We do. Or to put it another way, to receive our signal, the customer needs to talk to us, pay us and then they will get a set top unit (a black box). We will be offering the customer a package that includes the dish, installation, the cabling, the set top unit. We will package it up and make it easy. In other words it is all done for the customer. On the other hand, if the customer already has a dish and it is pointed towards the right satellite, or if the customer went out and bought one and put one in, then it is likely we would be happy to use the existing dish as long as it gave good quality reception. We will specify brands and styles because we do not want customers to buy junk.



A lot of people will not use dishes at all. Some will use a microwave aerial and some will use cable. We will use whatever system of transmission best suits the customer. So what the customer gets will depend on what suits his pocket and the terrain. The philosophy is technology neutrality. If they are in a DBS region that's fine. If they are in an MDS region they may then have a choice between DBS and MDS, but not all regions will have MDS. And if there is cable and we are on the system, be it a private network or the Telecom network and we are also supplying via that network, then that is another option for the customer.

We expect the customer will mainly be concerned with programming. The means of delivery will depend on where they live and what is available there and what choice they make. There

will be areas when they will have a choice of all three - satellite, MDS or cable. Their decision can be based on price and personal preference.

## What will happen in blocks of units?

The whole block of units could be wired up from one satellite dish but what the block chooses to do would be negotiated through the corporate body. In fact, most people in units share existing television reception through a common cable so in that regard it would not be very different.

## Supposing a customer wanted to subscribe to all three systems, would that result in three black boxes on top of the television set?

Yes, it would. Not that you would get three different programming sets - they would all be the same. At the moment, because the satellite system is a digitally compressed system, the box does two jobs - one, it decodes and two, it decompresses. The MDS box just descrambles. It could be the same box for cable but it depends on whether Telecom lets us use the encryption system we want to use or whether they will insist that we use the one they nominate. If they let us use our own one, then yes, the MDS and cable boxes will be the same. We would prefer to use our own one because we want to maintain consistency.

Most customers won't really care about the technology — our position is that they will really only care about the programming that comes through their screens, whether it is good quality and whether they are happy with it.

## Will you and Continental Century [holder of licence A] be using the same satellite dishes?

There is a requirement under the Act that satellite pay TV can be received by common equipment. We are working together to share the transmission system and the subscriber management system and use joint reception facilities. All the pay TV licensees will be on the same satellite. The signals from A, B and C licensees will all be encrypted and come through the one box. One licensee is not able to block another one out.

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We may not necessarily use the same commercial product as the other licensees but whatever one we choose will work for all systems.

We will use the same encryption systems as those used by the holders of licence A. Whatever we choose to do we are doing together. In a sense the Act provides for that just as it provides for access to the same subscriber management system. This process is designed to protect the customer, to avoid multiple systems and boxes.

**What about brands of satellite dishes?**

We expect to nominate one or two brands of dishes - as long as they are of decent quality it doesn't really matter.

**How much choice will there be?**

Dishes can range from titanium to plastic - so yes the consumer will have choice as to the dish. We will offer a 'vanilla' type dish, so if someone wants our standard package that will be fine. We expect most people will have the same type of dish.

All of this is part of the start up so it is an attempt by the Government and ourselves to make it as simple as possible. We also assume that once pay TV rolls out, people will want it in a hurry. Giving people an immense choice tends to slow the process down.

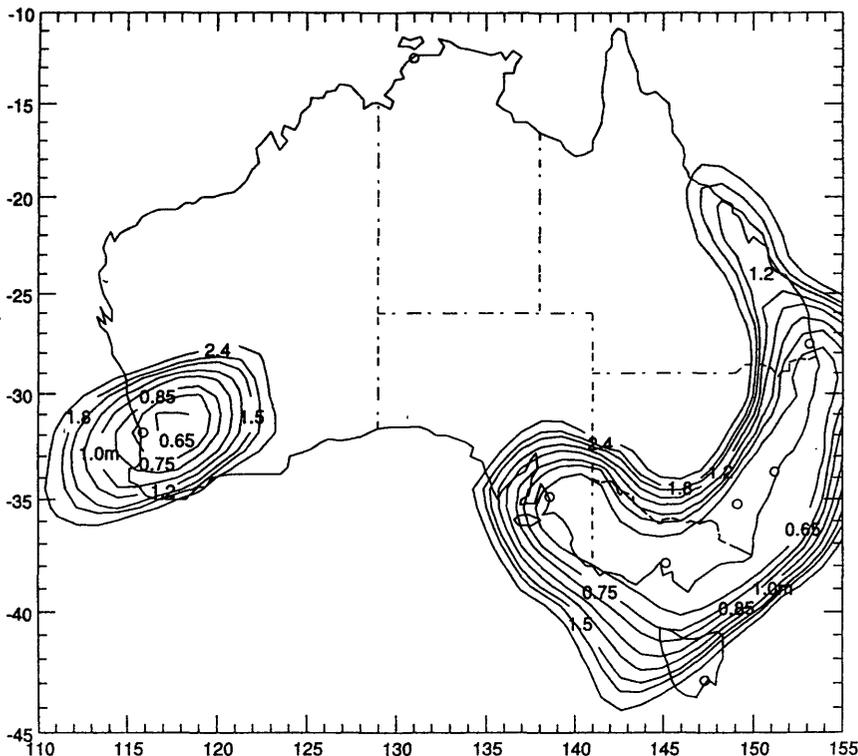
**Will there be a price differential for the customer between the three types of service delivery?**

There will be a price differential to us because of the cost of the equipment. There is likely to be a price differential in the ongoing monthly fees between MDS and satellite. Satellite is more expensive, although less so now that technology has improved and we can order in volume (as part of the Lenfest connection.)

The customer pays two fees: one is the ongoing monthly payment, a subscription fee; and one is installation fee which covers labour and parts. Whether there will be a difference in that has not been decided yet - it will be a marketing decision as well as a financing decision. In the first year or so, I'm not sure if the equipment will cost more.

**Will different areas in Australia have to pay more?**

In an area like Sydney, costs for MDS and satellite may be similar, but for example, for those in remote areas who require larger dishes can expect to have to pay more, if only because of the handling requirements of larger dishes. Pricing within particular regions will need to be fairly consistent.



Optus Satellite Footprint

**What sort of price can the consumer expect to pay?**

While we cannot comment on an exact price, we will be competitive with the other delivery means including cable. People will need to look carefully at what is being offered by all pay TV operators and make sure they understand what the total price is.

**When do you expect to launch?**

We will launch in the second half of this year which means we will begin transmitting programs to subscribers by the end of this year. What is still undecided is phasing, channels and areas, and programming.

**What can you tell me about the roll out plan?**

We will get out as fast as we can.

**Is the rollout likely to concentrate on the eastern seaboard, because of the population concentration there?**

We will concentrate to a certain extent on the eastern seaboard but some customers in remote areas are good customers so we want to service them as quickly as possible. There are a number of agents already dealing with satellite reception in those areas, so they would help with the roll out.

**Will there be local council regulations which need to be looked at?**

Most of what we are proposing is not more intrusive than existing aerals. Whether people will need to get approval for satellite reception dishes to go on rooftops will probably depend on their size. In most areas, the answer is probably no. Those areas where a big dish is needed are probably remote areas where size is not a problem. We will establish what local council policy is before we start marketing our product. Australians have regarded free to air television as a basic right and have already erected fairly offensive aerals so the 60cm. dish should not look too bad. It should be a lot less offensive than most UHF aerals it is smaller than most UHF aerals. It is just more solid.

**Does Australis also have MDS affiliations?**

Australis also has other subsidiaries which own MDS licences, mainly in Sydney and Melbourne. We can use them today for narrowcast purposes and we can use them for broadcast purposes once the satellite has started operating. We are also applying for cable licences. As Telecom is a common carrier, we can apply to use one of their lines for delivery to the home. The cable system does not exist today but it will roll out over time. It will be heavily concentrated in Sydney and Melbourne especially in the first three years.

