SBS submission to the Review of the Viewer Access Satellite Television (VAST) service – issues paper June 2018

Introduction

SBS welcomes the opportunity to provide a submission to the *Review of the Viewer Access Satellite Television (VAST) service – issues paper* (the **Issues Paper**).

SBS is unique in the Australian media environment, providing multilingual, multicultural and Indigenous radio, television and digital media services that inform, educate and entertain all Australians and, in doing so, reflect Australia's multicultural society.

SBS reaches almost 100 per cent of the population through its six free-to-air TV channels (SBS, SBS HD, SBS VICELAND, SBS VICELAND HD, Food Network and National Indigenous Television (NITV)) and seven radio stations (SBS Radio 1, 2 and 3, SBS Arabic24, SBS PopDesi, SBS Chill and SBS PopAsia). This reach is being significantly extended through SBS's digital services, including SBS On Demand and portals which make online audio programming and information available in nearly 70 languages other than English.

Terrestrial transmission on free-to-air (**FTA**) platforms reaches around 96–97 per cent of the population. The Viewer Access Satellite Television (**VAST**) service infills the balance, providing near-ubiquitous coverage across Australia. Whilst internet-enabled delivery technologies and platforms are developing, there are capacity issues which are likely to lead to a significant time lag before they reach the same proportion of the population at requisite speeds, particularly in remote areas.

Feedback on VAST

<u>VAST remains an important platform for audiences</u>

VAST will continue to be an important platform for the delivery of FTA television in those geographical areas which lack reliable reception from terrestrial transmission facilities in the medium- to long-term. SBS operates a Reception Advice Line to assist its audience to receive SBS services; most inquiries relate to reception difficulties or issues with off-air reception of digital television services. Of the few inquiries received in respect of VAST reception, these mostly relate to procedures such as retuning. The general feedback SBS

receives from VAST users is that they are extremely satisfied with the quality of service (**QoS**), coverage, and reliability of the service.

Picture definition of services on VAST

SBS currently replicates its terrestrially-delivered services on the VAST platform, although, in some cases, an SBS service may be carried on VAST as a single national source without time-zone adjustment (e.g. Food Network). In addition, currently the SBS VICELAND service on VAST is presented as standard definition (**SD**) only, whereas a high definition (**HD**) version of the channel is also available terrestrially.

Over time, we expect that the QoS expectation of audiences will be for increasing HD services on all FTA delivery platforms. SBS is currently the only FTA broadcaster to provide two HD services on its terrestrial platform. As technology evolves, VAST should continue to provide high quality services to audiences in regional and remote areas, even if they are a small percentage of the total population.

Industry and audience feedback

There are currently three manufacturers of VAST-certified set-top boxes (**STBs**), with a number of variant products from each.[1] Industry and user feedback suggest that the lower-cost, generic STBs are less user-friendly and of lower reliability.

Further audience feedback is provided by the *Remote Indigenous Communications and Media Survey*[2], which reports on the usage of VAST. The report noted that 11 per cent of Aboriginal and Torres Strait Islander (**ATSI**) respondents reported that their VAST television access 'doesn't work or is not in use' and a further 23 per cent did not own a VAST service.

The report considered the reasons for VAST television not working, the most common responses being:

- 'set top box (UEC box) missing or damaged';
- 'satellite dish on roof damaged or missing'; and
- 'smartcard missing or damaged'.

This research demonstrates the significant barriers to VAST access for ATSI people in remote Australia. SBS recommends that particular consideration be given to ensuring continuing access to VAST in regional and remote, including ATSI, communities. Equitable access for ATSI communities to VAST is particularly important for SBS given that we are the home of Indigenous broadcasting, with NITV being an integral part of the SBS network.

Changes in the media landscape – 2010 to now

The Australian film and television industry is experiencing a period of significant change. Local and international subscription video on demand and other FTA television catch-up services disrupting traditional television viewer behaviour and gaining a further foothold with audiences.

The *ACMA Communications report 2016–17* highlighted these changes in delivery of audio and video content, including viewing behaviours for television, subscription and online content. Although television remains a dominant form of viewing, the report

[1] UEC, Humax and Phoenix.

[2] McNair Ingenuity Research, *Remote Indigenous Communications and Media* Survey, 25 November 2016 – available at https://irca.net.au/sites/default/files/files/Public-2016-Remote-Indigenous%20Media%20and%20Communications%20Audience%20Survey-Aggregated%20Results.pdf [Accessed 8 June 2018].

observed a steady decline in FTA viewing over the last six years,[3] accompanied by an increase in availability and consumer enthusiasm for subscription video on demand services.[4]

SBS has been a continuous leader in adapting to the evolving media consumption preferences of Australian audiences in the delivery of content, and utilising the latest technology advancements to create a deeper audience experience. SBS On Demand, as well as SBS's digital audio streaming services and podcasts, continue to experience strong growth year-on-year, engaging more audiences than ever before. However, in regional areas, SBS On Demand does not have the same uptake level. While there may be a number of contributory factors, including the availability and reliability of high-speed internet services in regional and remote areas, this suggests that broadcast television, and in particular, VAST, continue to be vital to serving audiences in regional Australia.

Changes in technology and distribution networks

The Issues Paper notes the progress of the rollout of the National Broadband Network (**NBN**).[5] The expected capacity of the NBN in regional and remote areas is less than half that of the current DVB-T technology for FTA broadcast.[6] As such, this may not at this time provide a suitable alternative to VAST services for audiences outside of metropolitan areas.

SBS recommends that VAST continues to be seen as the primary service for Australians in regional and remote areas who cannot access terrestrial FTA broadcasts. Equally, we agree with the description in the Issues Paper that '[w]hether or not developments in mobile will be able to provide or substitute TV services in some areas is, at this stage, unknown'.[7]

The Issues Paper further notes that '...the DVB-S2X standard developed in 2014 offers a number of improvements to the DVB-S2 standard currently used by VAST'.[8] As is the case for the terrestrial delivery platform, the introduction of leading-edge encoding technologies such as HEVC would provide material spectral efficiency and picture quality benefits compared with the MPEG-4 encoding as currently deployed.

DVB-S2X provides a number of 'fine tuning' enhancements over the currently deployed DVB-S2 standard; it offers some spectral efficiency benefit, improved reception continuity during heavy rainfall and other operational benefits in respect of higher aggregate data rates and statistical multiplexing.

However, currently available VAST receivers are not capable of receiving/decoding DVB-S2X signals. The upgrade to DVB-S2X is a hardware upgrade, so an over-the-air upgrade would not be possible. Any future transition to DVB-S2X and/or HEVC would need to address the current legacy of over 330,000 STBs.

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[3] "There has been a gradual decline in audience reach of FTA television over the last six years, with 82 per cent of Australian adults in the five major cities watching at least five minutes of FTA television in an average week in 2016–17, compared to 89 per cent in 2010–11. Regional markets have also seen a decline in audience viewing, decreasing from 87 per cent to 79 per cent" – *ACMA Communications report 2016–17*, page 71 – available at https://www.acma.gov.au/-/media/Research-and-Analysis/Report/pdf/Communications-report-2016-17-pdf.pdf?la=en.

[4] *ACMA Communications report 2016–17,* pages 4 and 5.

[5] Issues Paper, page 11.

[6] FTA DTV services at 23Mbps each (5 off) = TOTAL 115Mbps continuous; NBN 'Sky Muster' satellite download speed of up to 25Mbps (https://www.whistleout.com.au/Broadband/Guides/nbn-satellite-everything-you-need-to-know); NBN 'Fixed Wireless' download of up to 50Mbps (https://www.whistleout.com.au/Broadband/Guides/nbn-fixed-wireless-everything-you-need-to-know).

[7] Issues Paper, page 10.

[8] Issues Paper, page 10.

As such, SBS recommends the establishment of a pan-industry group to determine the minimum functional requirement specification for 'next generation' VAST receives. This would aim to mitigate technology standards obsolescence. The establishment of these specifications would mirror the current process of pan-industry development of next-generation specifications for digital (terrestrial) receivers.

Funding

In 2010, the Australian Government entered into a ten-year agreement with Optus to provide SBS (and ABC) services on VAST.

It remains important that SBS retain its current capacity on the VAST platform. SBS is consistently reviewing content and quality thresholds of services provided across all platforms, including VAST. SBS needs to ensure it provides services valued by consumers, whose options for access to content are constantly expanding.

As noted above, should upgrades be made to technology which provides material spectral efficiency, SBS would still be required to run concurrent services while receivers are upgraded. As such, current SBS capacity on the VAST platform must be retained.