

4.47 The only drawback of cable, a short-term limitation, is in respect of access and timing. Information provided by Telecom shows cable to the home would not be available before 1994 and then would be available only progressively.²⁸ This choice, of using cable as it becomes available as the only mechanism does not satisfy the criterion of universality of access and timing.

Selecting Delivery Systems: The Preferred Solution - Cable/MDS

4.48 In these circumstances the options are to use MDS in conjunction with either satellite or cable, or both, so that all the selection criteria can be satisfied. It should be recognised that MDS is only a stop-gap solution which will have to give way to cable when it becomes available. It is clear from the table on comparative advantages of delivery systems that cable should be the pay tv delivery system in the long-term. The superiority of cable is recognised by almost everyone. Care should be taken not to put in place short-term measures which inhibit the introduction of cable. The use of indirect broadcasting by satellite with MDS as the primary method of delivering pay tv, particularly with 'soft entry' pricing and long-term contracts for satellite delivery (see paragraph 7.10), would inhibit the introduction of cable. Therefore, the committee does not support the satellite/MDS option of primary delivery for pay tv.

4.49 There will be areas of Australia that cannot be serviced by cable-MDS. For these areas the system that is best able to meet the criteria should be chosen. This could be satellite-MDS or satellite-UHF or something else.

4.50 In view of the foregoing the Committee recommends that:

- (a) the primary method of delivering pay tv in Australia be cable/MDS;
- (b) for areas that do not have cable the system chosen should be the one best able to meet the criteria used by the Committee in its analysis; and
- (c) the progressive transfer to a full cable system be one of the conditions of the pay tv licence.

Telecom as Common Carrier

4.51 Unlike in 1982 when the Tribunal reported on pay television, Telecom Australia has made considerable progress in the laying of fibre optic cable. Telecom has informed the Committee of its decision to lay optical fibre on the main cable sections of the customer access network, that is between the local telephone exchange and the neighbourhood pillar. The objective of the investment is to provide the potential ability to connect 60% of Australian homes for broadband services commencing in 1994.²⁹

²⁸ Submission no 81.

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