



12 May 2005

The Secretary
Standing Committee on
Communications, Information Technology and the Arts
House of Representatives
Parliament House
CANBERRA ACT 2600

Attention: Dr Anna Dacre

Dear Dr Dacre

DIGITAL TELEVISION INQUIRY

Southern Cross Broadcasting (Australia) Limited welcomes the opportunity to make a submission to this Inquiry.

About Southern Cross Broadcasting

Southern Cross Broadcasting's media interests extend from metropolitan and regional television to metropolitan radio, together with Australia's largest independent film and television production and distribution house. Southern Cross Broadcasting is unique in Australia, having program affiliations with each of the Ten, Nine and Seven Networks, as well as being a supplier of programming to each network through Southern Star. Our television operations include:

Regional Television Network:

Southern Cross Ten Northern NSW
Southern Cross Ten Queensland
Southern Cross Ten South Australia
Southern Cross Ten Southern NSW and ACT
Southern Cross Ten Victoria
Southern Cross Television Tasmania
Central GTS/BKN Television (Spencer Gulf and Broken Hill)
Southern Cross Television Central
Southern Cross Television Darwin

Metropolitan Television Station:

Channel Nine Adelaide

Support for Free TV submission

As a member of Free TV, SCB endorses the submission made by Free TV to the Inquiry.

FUTURE OPTIONS

Mandating digital tuners

In August 2002 the United States decided to mandate digital tuners in new television receivers to help stimulate take-up of digital technology in the free-to-air television market. The Federal Communications Commission (FCC) set out a series of staged targets and timeframes for consumer electronics suppliers to incorporate digital tuners into new television receivers, starting with larger sets and moving onto smaller sets over time.

There are several good reasons for mandating digital tuners in the Australian market including:

- There were 1.5 million television sets sold last year in the Australian market. With digital tuners in all of these sets a natural replacement cycle would automatically be established ensuring that digital television could be received automatically in a home buying a new television set;
- The inclusion of digital tuners in all televisions simplifies consumer choice in that a digital television solution is available in one package without having to purchase a separate device and needing to worry about cables and complex interconnections between television devices; and
- The move to digital worldwide should create economies of scale for the production of digital tuners lowering the price differential between analogue and digital sets.

Southern Cross Broadcasting therefore suggests that the Committee recommend that the government conduct a consultation with stakeholders on mandating digital tuners to assist in driving digital free-to-view take-up in the Australian market. The US model of phasing in the mandate should be considered as part of the consultation.

Promotion of widescreen televisions

SCB considers that further effort needs to be made to promote the takeup of widescreen (16:9 aspect ratio) televisions. As noted in Free TV's submission, retailers report a correlation between uptake of widescreen television and sales of set top boxes. Accordingly, further promoting the sale of widescreen televisions should promote the take up of digital television technology. Government funded education campaigns on the benefits of widescreen televisions, rebates or concessional tax treatment for manufacturers or retailers of widescreen televisions might be considered to promote sales.

Yours faithfully,



Tony Bell
Managing Director