

Overs, Anthony (REPS)

From: Alex Encel [aencel@internationaldynamics.com.au]
Sent: Wednesday, 25 May 2005 11:36 AM
To: Committee, CITA (REPS)
Subject: Additional Material related to DTV Submission. Free Set-Top Boxes and European Material

Dear Mr Overs,

I have done some additional research on the potential price of set-top boxes and if we start with the premise of supplying every TV in Australia not connected to digital we are getting into the \$10 per unit price area, (I can supply how I got to this figure if required). On this basis we could close down analogue in 2006 as TV owners would have little cause for complaint if a DTV box was supplied free.

Let's assume a one-off cost of \$130 million. To offset this cost, each year there would be considerable economic benefits. For example, no need for dual broadcasts means no dual maintenance costs are involved. Presently there are some restrictions due to potential interference with analogue broadcasts. Increased transmission power on digital would mean better reception of digital and increased usability of indoor antennae to receive digital.

If this proposal was a possibility more detail could readily be provided.

The realisable value of the analogue spectrum no longer required for TV broadcast would depend on what is allowed to be done with it and how it was sold, but obviously there are substantial benefits involved otherwise there would have been no point into getting into closing down analogue in the first place.

There would still be a minority of people with access problems of one kind or another. The vast majority of people are able to walk into a shop, buy a set-top box and connect it themselves, but a few will need help. From experience there is usually someone around who will help them without charge. Some people's old and tired antennas would need to be replaced but this is simply bringing forward what should be done anyway. I can't claim there would be zero complaints with this scenario but I believe the vast majority would be small and manageable compared to those that would be encountered with alternative strategies.

I think it is worth looking at how other countries have handled the general introduction of DTV, I have attached a website address which I found interesting, particularly the case study on Germany by Ed Wilson. http://www.digitag.org/events/sspublicevent_paper.htm

Best Regards

Alex Encel