

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON  
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS –  
INQUIRY INTO THE UPTAKE OF DIGITAL TELEVISION IN AUSTRALIA**

**ACT GOVERNMENT SUBMISSION**

**General comments**

The inquiry may wish to retest the key assumptions that supported the Commonwealth's decisions in 1997-98 on the Australian digital television framework, to confirm whether those factors are still relevant in 2005. For example, the following factors might be considered:

- content requirements - was ready access to US content a core requirement for domestic broadcasters? There has been an increasing preference by US broadcasters and pay TV operators for high definition (HD) rather than standard definition (SD) services;
- bandwidth requirements - to what extent was bandwidth a consideration? HD consumes more bandwidth than SD; this limits the capacity to offer multi-channelling and data casting services.
- issues which may have arisen from the adoption of the DVB (Digital Video Broadcast) (European) standard for Australian digital TV in preference to the ATSC (Advanced Television Systems Committee) (US) standard.

The primary reasons why consumers have been purchasing digital capable equipment (including HD capable) from 2000-05 would also seem to be an important factor:

- The purchase of large screen and wide screen TV receivers (including liquid crystal display (LCD), plasma, rear projection TV and conventional TVs) would primarily appear to be for home theatre purposes, that is, to watch digital video discs (DVDs) and not merely to watch digital TV programs (which generally in content are the same as analog) and therefore an incidental consumer need.
- If this is the case, then greater differentiation in digital content from analog is required to increase consumers' take up of digital TV services in their own right.

The ACT Government's comments against the terms of reference of the inquiry are below.

**(a) the rollout process for digital television, including progress to date and future plans**

*Free to Air TV*

The ACT, due to its classification as a regional area and not a capital city, has experienced a delay of at least one year in the introduction of digital TV services, compared to other capital cities.

Whereas digital TV services commenced in Sydney, Melbourne, Brisbane, Adelaide and Perth in January 2001, these services only commenced in Canberra on a progressive basis from December 2001. The commencement of the simulcast period

in the ACT was in April 2003. A summary of digital TV arrangements in Canberra for July 2003 is at [Appendix A](#).

Commensurate with the ACT's classification, expanded digital TV services including HD broadcasting have evolved in Canberra well behind the other capital cities. For example, two of the three commercial broadcasters (WIN, Southern Cross Ten) have only commenced broadcasting programs on their dedicated HD channels from April 2005; Prime is anticipated to commence by June 2005. A summary of digital TV arrangements in Canberra as at April 2005 is at [Appendix B](#).

Under the existing regulatory framework for digital TV, the simulcast arrangements for analog TV services are due to cease in the ACT in April 2011. In the other capital cities mentioned above, this cessation is in 2008.

#### *Subscription television services (Pay-TV)*

In March 2004, Foxtel launched a digital service which offers viewers the choice of more than 100 digital channels. Through 2005, services will be expanded including interactive features and provision of personal digital recorder, which enables pre-programming for viewing and recording of digital programs.<sup>1</sup> All free to air broadcasters can be received through Foxtel cable but not Foxtel satellite (which is the current standard ACT platform).

TransACT Communications provides an advanced broadband communications network to homes and businesses across Canberra and Queanbeyan (NSW). The package of services include TransACT's digital television service which offers over 30 digital channels including all free to air broadcasters. The digital television service is available in those areas where TransACT's own cable has been laid.

### **(b) options for further encouraging consumer interest in the uptake of digital television**

#### *Significant further potential in the ACT*

Given the ACT's high socio-economic status and its population's relatively greater capacity to purchase new technology, very significant potential for further uptake of digital TV appears to exist in our community. However, attracting this latent consumer interest is a major issue.

A continuing growth in consumer interest would be achieved by offering prospective purchasers of digital TV (at this stage, given the significantly higher price for digital TV receivers compared to analog TV, those who can afford to purchase the new equipment) an expanded choice of content and services.

#### *Improved services (choice, quality) – generic issues*

More consumer choice would be achieved in the Australian digital TV regime through:

- innovative content -- extra channels (multi-channelling and increased program choice from multi-channels) on SD

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<sup>1</sup> (Footnote: This device is similar to a personal video recorder (PVRs) which is now being made available for retail sale. PVRs coupled with electronic program guides provide a key consumer benefit from digital TV)

- extra viewer options (digital enhancements) on SD
- expanded high definition broadcasting – increase the 1040 hours annual quota for broadcast of HD programs and additional HD programs (from SD programs) to further differentiate HD service from standard definition service
- provision of data casting services.

Some key requirements to provide consumers with expanded choice and quality of digital service including adoption of electronic program guides and data casting services are addressed under (c) technological issues relevant to uptake of digital TV.

*Improved services - ACT specific issues*

Both the ACT and Capital Region would benefit from the removal of existing genre restrictions on broadcasters to enable improved local content and services. Removal of these would support the development of:

- local ACT/regional content
- improved Capital Region coverage
- community/cultural programs to assist social development of the community
- niche secondary markets (news, current affairs, drama, education, training and development).

The ACT Government also supports the proposition that the ABC should not be legislatively constrained from providing a Canberra originated TV service to the Capital Region (ie to Cooma-Monaro area) as exists under the current regulatory framework.<sup>2</sup>

*Digital divide target groups*

The needs of the lower socio-economic and disadvantaged groups will need to be considered both in terms of transition to digital TV and closure of analog TV services.

Key issues for these groups include:

- affordability to obtain digital TV equipment
- ability to understand digital TV arrangements
- maintenance of analog service if assistance not provided to convert to digital service.

Provision of federal government assistance to these groups to enable an earlier transition to digital TV (ie in the period before analog TV is due to be phased out) would further increase the growth in consumer interest, which is being sought by the Commonwealth government.

Subsidies for set-top boxes and purchase of digital capable TV may need to be considered to ensure that digital divide groups have access to TV broadcasting when analog is phased out.

Technical assistance may also need to be provided given that the set-top box (STB) concept is more like a personal computer (PC) than the current analog TV. There

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<sup>2</sup> (ABC submission [July 2004] – Review of Provision of Services other than Simulcasting by Free to Air Broadcasters on Digital Spectrum).

may be a significant level of lack of understanding of the new technologies by some members of these groups.

More importantly, consideration needs to be given to the requirements of these groups from the specific dates when analog TV is planned to be phased out. There must not be a circumstance where any member of these groups cannot receive access to normal TV programs after the close down of the analog service. If analog services are fully closed down, Federal government assistance must be provided to members of those groups who do not have access to digital TV equipment, to enable them to obtain a normal service.

Alternatively, other arrangements such as extending the duration of analog services need to be considered.

#### *Review of existing broadcasting regulations*

The existing regulatory framework for broadcasting (passed in 1998) was in part designed to encourage the growth of subscription television (ie pay TV) in Australia. The genre restrictions imposed on free to air broadcasters including those related to multi-channelling and data casting were for this purpose.

As the Commonwealth has observed, “the broadcasting landscape in Australia and overseas has since undergone substantial change and development. As a result, changes to the regulatory framework may be warranted to enhance the outcome for viewers, encourage greater diversity and competition and increase take up of digital services”.<sup>3</sup>

The primary intention of the Australian digital television framework is that digital services will ultimately be the standard service provided by both free to air (FTA) and subscription television.

Subscription television has evolved significantly since 1999; the various companies now offer a much wider and expanding range of channels and innovative viewer services. The technological capability to converge telecommunications and broadcasting services also enable these companies to offer bundled packages to consumers including phone, internet/broadband and pay/cable TV services.

In the current technological and regulatory environment it is considered that FTA broadcasters are becoming more disadvantaged in their ability to develop improved digital TV services to the broader community.

In the current review of broadcasting regulation, serious consideration should be given to removing the existing restrictions on FTA broadcasters, to provide a wider choice for FTA viewers and increase the take up of digital services in the wider community. In the context of ensuring the ongoing viability of subscription television services, restrictions on FTA broadcasters charging viewers to access new or additional channels and services may need to be provided for.

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<sup>3</sup> ('Provision of Services Other Than Simulcasting by Free to Air Broadcasters On Digital Spectrum – Issues Paper' DCITA, May 2004).

### **(c) technological issues relevant to uptake of digital TV**

#### *Minimising set-top box requirements*

The requirement for a separate set-top box for digital TV adds a layer of technical complexity to arrangements for watching analog programs. There would appear to be advantages in requiring manufacturers to increase the production of integrated digital TV sets (ie receivers where the set-top box is incorporated into the TV) to minimise this complexity.

The operations of set-top boxes also are more complex, being compared more to a PC than an analog TV. This may scare off traditional non adopters of new technology; simple, easy to understand, user friendly specifications could be developed for set-top boxes for analog TV's, to assist with this.

#### *Electronic Program Guides*

Electronic program guides (EPGs) enable viewers to access on screen a station's TV program; favourite shows can be pre-programmed to access and or record digitally on personal video recorders (PVRs), PC hard drives, or integrated entertainment centres (media centres).

Some broadcasters are not developing full EPGs and are adopting the simpler 'now and next' program arrangement (this indicates on screen the program currently being watched and the subsequent program on that channel).

The ability of viewers to pre-program, access and record digitally their favourite shows and time shift is a key asset of digital TV. Consideration should be given to mandating that all broadcasters develop EPG arrangements within a specified period.

If there appears to be diversity between the EPGs developed by the different broadcasters, consideration should also be given to the adoption of consistent standards for EPGs to support consumer take-up and allow interoperability.

#### *Data casting requirements*

Data casting licences should be provided at nominal or no cost to state/Territory governments for the operation of government and public information and services.

Second generation set-top boxes will be required to enable access to the next level of interactive information and services which would be offered through data casting. This also has implications in respect of digital divide target groups (see term of reference (b) options for further encouraging consumer interest in the uptake of digital television).

Interactive TV standards for data casting should be developed in close consultation between Commonwealth, State and Territory governments to facilitate the provision of government information and services through data casting arrangements.

#### **(d) future options**

##### *Data casting of information and services including government material*

Digital TV allows the opportunity to data cast (ie directly provide information and interactive services through TVs). Data casting offers the potential for new types of services to be provided to consumers; such new services could include a range of government based information and services, business information, lifestyle, etc.<sup>4</sup>

Data casting is currently constrained under the genre restrictions; these limit data casting content to that which is not typically broadcasting content (ie not entertainment, allow for content which is information based but restrict capacity to transmit news and film video).

The removal of existing data casting restrictions on broadcasters could substantially increase the choice for consumers by providing access to data casting services in the categories of:

- government information and services (Commonwealth, States/Territories, local government)
- unrestricted news, entertainment and film video by broadcasters.

This removal could either be effected separately for the existing data casting provisions or in the context of removal of existing multi-channelling restrictions.

It is understood that the ability of governments to data cast government information and services is not of itself constrained by the existing genre restrictions. It is noted the NSW Government is currently undertaking a trial in the Sydney metropolitan area on the provision of government information including roads/traffic, public health and tourism and events information (Channel NSW pilot).<sup>5</sup>

There may however be a residual issue, if digital spectrum is reallocated in the future, in terms of adequate spectrum being available for governments to use for core data casting purposes. This aspect could require further consideration.

A number of technical issues also apply in respect of data casting. These are outlined under term of reference (c) technological issues relevant to uptake of digital TV.

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<sup>4</sup> ("Data casting in Australia", paper by Clive Morton, [Director of Broadcast Services, Broadcast Australia] to Australian Broadcasting Summit, Feb 2003)

<sup>5</sup> ("Response to Review of Provision of Services other than Simulcasting by FTA broadcasters on Digital Spectrum", NSW Department of Commerce, August 2004)



**Digital TV in Canberra, ACT  
Broadcaster Features and Enhancements**

**July 2003**



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**April 2005**