



**SUBMISSION TO THE INQUIRY INTO THE UPTAKE OF DIGITAL
TELEVISION IN AUSTRALIA**

**House of Representatives Standing Committee on
Communications, Information Technology and the Arts**

**Prepared by
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Submission to Standing Committee On Communications, Information Technology and the Arts by Interactive TV Pty Ltd

RE: Inquiry into the uptake of digital television in Australia

1 Introduction

This submission responds to previous submissions regarding the introduction of digital television into Australia.

Interactive TV submits that the analogue signal should be switched off in line with the Government's original estimates, as the technology exists now at the right price to encourage take-up of digital television by Australian households.

We are an Australian company that has developed a range of innovative hybrid set-top boxes which offer a choice of Digital Video Broadcasting-Terrestrial (DVB-T) and/or Internet Protocol TV (IPTV) with or without Multimedia Home Platform (MHP) in both standard and high definition (SD and HD).

The products are standards-based and address many if not all of the technological issues relevant to the uptake of digital television, both in Australia and worldwide.

The vast majority of set-top boxes available in Australia today are based on legacy satellite receiver technology. We have designed a true digital set-top box as a completely flexible platform for future development.

Using the latest SoC (system on a chip) technology, we can quickly reprogram the chipset and add different communication platforms such as Bluetooth, wireless LAN and 3G, according to each network operator's specifications. The chipset facilitates MPEG-2 and MPEG-4 AVC/H.264 compression decoding, and the products' extremely low energy consumption offers another significant advantage over existing technologies.

Interactive TV's 'Zimon' series of set-top boxes will be available at prices starting from AUD\$149 for the entry level unit, through to the fully featured model with twin hard drives with up to 400 GB of storage for less than \$1,000 AUS.

Instead of running behind in the technology race, the availability of this technology on our doorstep could enable us to lead the world. It is future proofed and cost-competitive.

All the research and development has taken place in Australia, and manufacturing will take place in Western Sydney, immediately creating more than 600 jobs for Australians.

2 Where Australia stands globally with regards to European leaders in interactive DTV adoption

From the adoption viewpoint, Australia is currently assumed to be approximately three years behind the leaders.

Italy leads the world in two-way, return channel MHP applications that enable true interactivity, such as government services, travel bookings, voting and so on. The analogue signal in Italy will be turned off on December 31, 2006.

The UK leads the world in interactive "red-button" technology but does not provide a return path and is restricted to standard definition TV, due to the use of available bandwidth for multichannelling.

We agree with the submission to the committee made by the NSW Government that regulatory certainty would be a catalyst for further investment.

However, with no clear direction as to when digital TV will be introduced en masse in Australia, Interactive TV has been responding to many requests for its technology from countries such as Italy, UK, Spain, and Belgium.

The technology is attractive because it enables free to air, satellite and cable broadcasters and internet service providers to deliver interactive, on-demand, triple-play services (voice, video, data), to an ordinary TV set.

Interactive TV has established commercial relationships with the leaders in digital TV in the UK and Italy, where there is a huge pent-up demand for MHP boxes that combine IPTV and DVB-T.

Our receivers have been selected by one of Europe's leading interactive TV application developers, DigiSoft, to demonstrate its applications at the media and broadcasting tradefair, IBC 2005, September 9-13, in Amsterdam.

In Australia, Interactive TV has demonstrated its technology capabilities to television operators and to educational organisations, including TAFE New South Wales.

3 Benefits to Government and the Community

The benefits of digital TV have already been discussed in these hearings.

Consumers: As well as better picture and sound quality, interactive DVB-T MHP set-top boxes offer features such as record, pause, playback, zoom, time shifting, split screen and interactivity, to enhance the free-to-air viewing experience.

Government: All levels of Government – local, State and Commonwealth – can benefit from interactive DTT technology, which provides a cost-effective channel for Government and public information, enabling T-government MHP applications that can send information directly to MHP-compliant set-top boxes. These include government information services, health and educational materials, through to critical public alerts delivered on a 'video overlay' in real-time. For example, "Be Alert, Not Alarmed" literature was mailed at great cost to Australian homes. Instead, regular security notices could be updated in real time to MHP-compliant set-top boxes. Citizens could request information via their set-top box, or opt to have a hard copy delivered by mail.

Regional/rural Australia: A digital receiver would deliver Internet access to regional Australia, without the need for a computer, helping to close the digital divide.

Educators/students: Education can be delivered on a dedicated channel: students would need only an MHP set-top box and generic wireless keyboard/mouse. Educators would need no more than an ordinary handheld digital camcorder to broadcast a lecture, for example.

4 Environmental Features of Zimon DTT Technology

- In operation, a Zimon set-top box consumes 70 milliwatts of power; on standby it consumes 7-10 milliwatts, which is less than an electric alarm clock. This is more than 30% below the recommendations of the Group for Energy Efficient Appliances (GEEA), which is made up of representatives from a number of European national energy agencies and government departments.
- The Zimon units will be made from Australian steel, and we are assessing whether or not to use recycled steel.
- All the packaging is recycled. The whole product is lead free, and no polypropylene is used in its manufacture or packaging. This enables us to comply with all EU standards.

5 Options for encouraging consumer interest in uptake of DTT

In Germany, the rapid uptake of digital TV was achieved by turning off the analogue signal in selected cities such as Berlin, Brandenburg and Hamburg.

In Italy, consumer adoption has been encouraged by a government rebate scheme, initially at 150 euros per household, which has since been reduced to 70 euros. The uptake was 10 percent of all households within three months. The Italian standard, the "D-Book", stipulates the technical specifications required in a digital set-top box with MHP and a smartcard reader. Today there are more than 3 million digital MHP boxes in the Italian market.

In the US there are approximately 25 million households without cable. They are recognized as the "digital poor". US Congress is currently debating whether to introduce a scheme to introduce a US\$50 rebate for the purchase of one digital set-top box per household.

The main driver behind this move is to make government and educational information available to the community – including pensioners and the 'digital poor' using the most popular medium of all time – the television set.

Interactive TV has developed its products to meet the timelines announced by the Australian Government. We would strongly support the rebate approach, with due consideration to the economically disadvantaged, as the most effective way to encourage the uptake of digital TV in Australia.

Our mission is to manufacture a series of environmentally friendly products to fulfill worldwide demand for multi-featured digital receivers. Our vision is to maintain our manufacturing base in Australia, producing exports that would considerably reduce the IT deficit, and meanwhile to close the digital divide that exists between regional and metropolitan Australia. ##Ends##