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The Parliament of the Commonwealth of Australia

# Digital Television: Who's Buying It?

**Inquiry into the uptake of Digital Television in Australia**

House of Representatives

Standing Committee on Communications, Information, Technology and the Arts

February 2006  
Canberra

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## Foreword

In my first job, as a probation and parole officer, I visited many homes and was struck by the diversity of tastes at all social levels and also the consistency of the lounge set-up around the television and the VCR. Most often this was in the central living area of the home and where interviews were conducted. I quickly formed the personal view that television was a lot like carbohydrates – extremely bad in large quantities.

In my current job, I visit many constituent homes and television is still the central focus of major living areas. Now, the screens are getting larger and flatter and things like DVDs, gaming consoles, PVRs and PCs are being added.

My mother used to suspend television as a punishment; today I ban ‘all screens’. To my surprise I agree with the Committee that these days television is an essential service. Lack of access to a colour television is a marker of poverty and some state governments require landlords to connect television for tenants. If the analogue broadcast signal were to cease tomorrow there would be outrage – but the analogue signal is going to cease as the Australian Government takes advantage of digital technologies to better manage Australia’s broadcast spectrum.

The title of this report asks Digital Television – Who’s Buying It? Until now, the answer has been that few Australians have bought into this new technology and a low market base has limited the features and programming that are offered on digital – which has in turn reduced its appeal for many viewers.

In 2006, it is apparent that if Australia is to keep pace with international production trends and to provide viewers with the range and quality of television experienced around the rest of the world, then now is the time to ‘get serious’ about ‘getting digital’.


This report has examined the options for ensuring the smooth transition to digital television in Australia, taking into account the cost of continued simulcast and in particular the impost this places on regional broadcasters. It has considered the financial burden the conversion to digital may place on the community from the purchase of set-top boxes, and how to minimise the cost over an appropriate

timeframe. It has also sought to consider the needs and responsibilities of manufacturers and retailers in providing lead times and adequate product information.

Digital also brings with it the opportunity for multichannelling and high definition broadcasting. These options have been tightly regulated until now. In line with the move to digital, the report makes a number of recommendations to lift these restrictions. Ultimately, these programming and broadcasting choices will be determined by market demand.

During the course of this inquiry the Committee spoke with a number of peak bodies and to national and commercial broadcasters. I thank those who prepared submissions for the inquiry and who spoke to us during public hearings and inspections. I extend my thanks to the members of the Committee for their commitment and interest in this inquiry. I also thank the Committee secretariat for their hard work and dedication to ever changing timetables and deadlines.

The Hon Jackie Kelly MP  
Chair



## Membership of the Committee

Chair           The Hon Jackie Kelly MP

Deputy Chair   Ms Julie Owens MP

Members       The Hon Bronwyn Bishop MP

Mr Alan Griffin MP

Mr Michael Johnson MP

Mr Andrew Laming MP

Mr John Murphy MP (from 2 December  
2004 - 10 May 2005)

Mr Peter Garrett MP

Mr Chris Hayes MP (from 10 May 2005 -  
present)

Mr Michael Keenan MP

Mr Ken Ticehurst MP

## Committee Secretariat

Committee Secretary    Dr Anna Dacre

Inquiry Secretary      Mr Anthony Overs

Administrative Officer   Ms Emma Martin



## Terms of reference

Terms of Reference for an inquiry into the uptake of digital television in Australia.  
The Committee is to inquire into and report on:

- The rollout process for digital television, including progress to date and future plans.
- Options for further encouraging consumer interest in the uptake of digital television.
- Technological issues relevant to the uptake of digital television.
- Future options.





## List of abbreviations

ABA	Australian Broadcasting Authority
ABC	Australian Broadcasting Corporation
ACA	Australian Consumers' Association
ACCC	Australian Competition and Consumer Commission
ACMA	Australian Communications and Media Authority
ACT	Australian Capital Territory
AFC	Australian Film Commission
ASTRA	Australian Subscription Television and Radio Association
BAND	Beautiful Analogue Not Digital
BBC	British Broadcasting Corporation
BSA	<i>Broadcasting Services Act 1992</i>
CBAA	Community Broadcasting Association of Australia
DBA	Digital Broadcasting Australia
DCITA	Department of Communications, Information Technology and the Arts
DCPs	Digital Channel Plans
DEH	Department of the Environment and Heritage
DTT	Digital terrestrial television

DTTB	Digital terrestrial television broadcasting
DTV	Digital television
ESR	Eureka Strategic Research
FCC	Federal Communications Commission (United States)
FOXTEL	Foxtel Management Pty Ltd
HD	High definition
HDTV	High definition television
IEA	International Energy Agency
iTV	Interactive Television
ITRI	Interactive Television Research Institute
LCC	Lithgow City Council
LCN	Logical Channel Numbering
LG	LG Electronics Australia Pty Ltd
MCE	Australian Ministerial Council on Energy
MEPS	Minimum Energy Performance Standards
MHz	Megahertz
NAEEEC	National Appliance and Equipment Energy Efficiency Committee
NSW	New South Wales
NT	Northern Territory
OECD	Organisation for Economic Co-operation and Development
Ofcom	The Office of Communications (United Kingdom)
Optus	Singtel Optus Pty Ltd
Panasonic	Panasonic AVC Networks



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PDR	Personal digital recorder
PVR	Personal video recorder
Retravisio	Retravisio Pty Ltd
Samsung	Samsung Electronics Australia Pty Ltd
SBS	Special Broadcasting Service Corporation
SCB	Southern Cross Broadcasting (Australia) Ltd
SD	Standard definition
SDTV	Standard definition digital television
Sony	Sony Australia Ltd
SYR	Shire of Yarra Ranges
TCC	Testing and conformance centre
The Code	Digital Television Marketing Code
The Digital Act	<i>Television Broadcasting Services (Digital Conversion) Act 1998</i>
TPA	<i>Trade Practices Act 1974</i>
UK	United Kingdom
US	United States
UTSPS	University of Technology, Sydney Programmers' Society
WA	Western Australian
WADIR	Western Australian Department of Industry and Resources
WIN	WIN Corporation





# List of recommendations

## 3 Driving digital and switching off analogue

### Recommendation 1

The Committee recommends that the Australian Government switch-off analogue television nationwide on 1 January 2010.

### Recommendation 2

The Committee recommends that the Australian Government commission an independent study into Australia's current spectrum allocation and future requirements, reporting by 1 January 2008, and taking into account:

- options for the utilisation of returned spectrum following analogue switch-off;
- re-allocation of television network spectrum to group together broadcasters and provide a more consolidated width of returned spectrum for future allocation;
- additional television networks, including community broadcasting stations offering a range of programming aimed at indigenous and minority ethnic and community groups; and
- the spectrum needs of future technologies, in particular wireless and other emerging technologies.

## 4 Content and quality

### Recommendation 3

The Committee recommends that the Australian Government remove the programming restrictions on multichannelling for national free-to-air networks as soon as possible and no later than 1 January 2007.

**Recommendation 4**

The Committee recommends that the Australian Government remove all restrictions on multichannelling for commercial free-to-air networks on 1 January 2008.

**Recommendation 5**

The Committee recommends that the Australian Government maintain the prohibition on free-to-air networks offering subscription multichannelling.

**Recommendation 6**

The Committee recommends that the Australian Government maintain the current minimum High Definition broadcasting quota for free-to-air networks until 1 January 2011.

**Recommendation 7**

The Committee recommends that, prior to 1 January 2011, the Australian Government undertake a review to determine whether current High Definition quotas for free-to-air networks should be removed, increased or decreased.

**Recommendation 8**

The Committee recommends that the Australian Government reconsider current restrictions on datacasting with a view to lifting restrictions on 1 January 2008.

**5 Selling digital****Recommendation 9**

The Committee recommends that the Australian Government ensure that the One Watt initiative and the MEPS standard are fully operational by analogue switch-off at 1 January 2010.

**Recommendation 10**

The Committee recommends that the Australian Government

- work with industry stakeholders to establish a testing and conformance centre for digital television equipment; and
- provide A\$1 million as seed funding in the first year for the establishment of a testing and conformance centre.

**Recommendation 11**

The Committee recommends that the Australian Government coordinate the establishment of a mandatory labelling scheme that will accurately identify television and digital reception products. The scheme should be based on the industry's Digital Television Marketing Code.

**Recommendation 12**

The Committee recommends that the Australian Government terminate the analogue Television Black Spot program as a priority, and implement a Digital Television Black Spots Program.

