

Introduction

- 1.1 Television broadcasting in Australia is currently undergoing a fundamental revolution in its technology and viewing experience.
- 1.2 Not since the shift from black and white to colour has so radical a change in the nature of Australian television taken place. The 'revolution' is the introduction of digital television (DTV) and the planned switch-off of current analogue services.
- 1.3 DTV offers clearer, sharper pictures in widescreen format. As it requires less spectrum to broadcast, it also offers opportunities for many more channels, and additional features such as interactivity and datacasting.
- 1.4 DTV is already broadcasting in Australia – although not all the population is aware of its features and only a small proportion is equipped to view DTV. This is despite the scheduled switch-off of analogue services commencing in some metropolitan areas as early as 2008.
- 1.5 Australia has already commenced a rollout process for DTV. The Australian Government has legislated for the introduction of DTV broadcasting in Australia by enacting the *Television Broadcasting Services (Digital Conversion) Act 1998* (the Digital Act) as an amendment to the *Broadcasting Services Act 1992* (the BSA).
- 1.6 A key feature of the DTV regulatory framework was a requirement for commercial and national free-to-air broadcasters to commence DTV broadcasting on 1 January 2001 in capital cities, and in regional areas between 1 January 2001 and 1 January 2004.

- 1.7 Analogue broadcasting is currently scheduled to cease at the end of 2008 in the five main metropolitan markets. Analogue signals in many regional markets are scheduled to be switched-off by 2011.
- 1.8 During the implementation phase of DTV, analogue services are required to be simulcast with standard definition (SD) DTV and a mandated minimum of 1 040 transmission hours per annum for high definition (HD) DTV.
- 1.9 The purpose of the simulcast arrangements is to provide a transitional phase for broadcasters and viewers to minimise disruption during the conversion of free-to-air television services from analogue to digital.
- 1.10 With limited public awareness of the impending analogue switch-off, and given the small take-up rate of DTV by viewers, questions have been raised regarding the effectiveness of the current rollout plan and timetable.

Background to the inquiry

- 1.11 The Committee agreed on 16 March 2005 to conduct an inquiry into the uptake of digital television in Australia. The inquiry was referred by Senator the Hon Helen Coonan, the Australian Government Minister for Communications, Information Technology and the Arts.
- 1.12 The terms of reference for the inquiry call for the Committee 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; and
 - future options.
- 1.13 The inquiry was advertised in *The Australian* on 19 and 23 March 2005 and *The Australian Financial Review* on 22 March 2005.
- 1.14 The Committee sought submissions from relevant Australian Government Ministers and from state and territory governments. In addition, the Committee sought submissions from a wide range of business organisations, including professional associations, consumer advocates, major industry groups, academics, media organisations,

television broadcasters and television equipment manufacturers and retailers.

- 1.15 The Committee received 97 submissions including five supplementary submissions. These submissions are listed in Appendix A.
- 1.16 Submissions were received from all national and free-to-air television broadcasters in Australia, from all levels of government, manufacturers of digital receivers, retailers of digital receivers and independent advisory and research groups. In addition, a number of individuals recorded their personal views and experiences in relation to the purchase, installation or viewing experiences of DTV.
- 1.17 The Committee received five exhibits to the inquiry, which were provided in addition to written submissions, received during public hearings or sent to the Committee by other parties. These are listed in Appendix B.
- 1.18 The Committee held 11 public hearings across Australia in Canberra, Sydney, Melbourne and Perth. The Committee called 46 witnesses. These witnesses are listed in Appendix C.
- 1.19 The Committee carried out a number of inspections including visiting commercial television stations, a manufacturer of DTV equipment as well as a research institute for interactive television.

Structure of the report

- 1.20 The inquiry covered a range of issues from the analogue switch-off date, to content and definition issues for DTV, international experiences, and future planning for spectrum allocation in Australia.
- 1.21 The policy and legislative background to the introduction of DTV is set out in Chapter 2. Inquiries being undertaken by the Department of Communications, Information Technology and the Arts (DCITA) are reviewed. The roll out plan is discussed along with take-up rates of DTV in Australia and other countries. This chapter also describes the technical requirements for DTV including the difference between SD and HD and their associated spectrum usage.
- 1.22 Chapter 3 considers the imperatives for analogue switch-off and the shift to DTV. It examines options for the switch-off date and a phased

in or nationwide approach. It also discusses the suggestion of subsidies and general assistance to assist take-up and installation.

- 1.23 Chapter 4 reviews content and quality aspects of DTV. This includes examining the restrictions on multichannelling, HD transmission quotas and datacasting.
- 1.24 Chapter 5 discusses the Australian Standards for DTV transmission and receivers and proposed revisions to these Standards. Market readiness strategies to increase the take-up of DTV are examined, and the report sets out the respective responsibilities of the Australian Government and industry.