Submission 002
Received 14 March 2013

Subject: The Impact of the Digital Dividend on the Fitness Industry
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To the Committee Members,

I am writing to you as the main supplier of wireless microphones to the Fitness Industry around Australia for over 20 years. We supply over 80% of the headset microphones and about 50% of the wireless transmitter/receiver sets used by fitness instructors to teach the various group fitness classes of aerobics, circuits, cycling, yoga and aquarobics. We are a Supplier Member of Fitness Australia and the Australian Fitness Network.

There are around 1500 Health & Fitness Clubs around Australia excluding Martial Arts and Personal Training Studios - the majority, 75%, are privately owned and 20% are owned by Local Government and Universities and open to the general public to attend. There is also a fitness facility in every Defence Force Base and on Naval Ships and rehab pools in some hospitals that use mic systems to communicate instructions to participants in noisy environments of indoor hydrotherapy pools. For every fitness instructor around Australia, and there are some 30,000 registered instructors, it is necessary for them to use a wireless mic system to teach, not only for the freedom of movement it gives them while communicating the moves to the participants but also to raise their voices over the motivational music they use. Without wireless microphones they would have to shout out and this leads to voice power problems and throat surgery to remove nodules.

In the 1500 clubs there are between 2 & 4 wireless receivers used and between 3 & 5 transmitters as many of them have duplicated headmics and transmitters for teaching consecutive classes. The vast majority of these have purchased their last wireless systems since 2000 and are using frequencies in the 700 band, mostly 800-820MHz when we've supplied them. We stopped importing 800MHz products at the end of 2010 and currently supply systems in the 630-650MHz range. We are encouraging the clubs to change over now rather than leave it until the last minute when they contact us on transmitter service issues but it's a slow process. A new sweat resistant transmitter and receiver package from us costs them $540 ex GST and an extra transmitter is another $270 ex GST. I estimate the cost to the industry to change over their mic systems to be in excess of $3,000,000 dollars ex GST as a result of the Digital Dividend. Furthermore, knowing the industry as well as I do, they will not stop using their current 700/800 systems until a) a component fails and they contact us for service or b) they receive interference from primary users and can no longer use it. I cannot guarantee that the spectrum from 694 to 820MHz will be free of secondary users by the end of 2014 let alone 2013 - it is their nature to follow the "if it ain't broke why fix it?" philosophy and spend nothing until they absolutely have to.

I believe a Government Funded Trade-in subsidy would be a motivating factor for them to make the switch sooner rather than later.

If you have any further questions on this subject please don't hesitate to contact me.

For Aerobic Microphones Australia P/L

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