

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**BUDGET ESTIMATES 2011-2012**

**Finance and Deregulation Portfolio**

**Department/Agency: Department of Finance and Deregulation**

**Outcome/Program: 1/1.1**

**Topic: Digital Television Switchover program - Household Assistance Scheme Costing for set top boxes**

**Senator: Cormann**

**Question reference number: F15**

**Type of question: Hansard F&PA Page 108, 25 May 2011**

**Date set by the committee for the return of answer: Friday, 8 July 2011**

**Number of pages: 2**

**Question:**

**Senator CORMANN:** I am desperate to get to a couple of questions about set top boxes.

**Senator CORMANN:** Can you explain to us how this was costed?

**Mr Tune:** How it was costed? It was costed in the normal way that we cost policy proposals coming before government in the ERC.

**Senator CORMANN:** You are now telling me the process, but I am interested in the substance of the costings. What did you assess as part of your costings? What is involved in the costings?

**Senator Wong:** We will take that on notice.

**Senator CORMANN:** Why would you take that on notice?

**Senator Wong:** Because to be honest with you, I want to consider the extent to which we are going to get into—this is the path you were going—every assumption underpinning every Commonwealth costing.

**Senator CORMANN:** So why am I not allowed to ask about assumptions underpinning Commonwealth costings on a measure like this?

**Senator Wong:** I do not recall that generally being disclosed by governments and I would want to consider that. I am happy to consider it and we will take it on notice.

....

**Senator CORMANN:** I am interested in the costings of the measure done by Finance. What is involved? Which aspects are going to cost how much? What is the breakdown? Surely the department has involved themselves in how much is going to be paid for each set top box and how much is going to be paid for contractors to go into people's homes to set them up?

**Senator Wong:** Some of that is subject to tender, Senator, so again I will take that on notice if this is the sort of information you want.....

**Answer:**

- In the 2011-12 Budget, the Government announced funding of \$376.5 million over four years to facilitate the completion of switchover from analog to digital television. This includes the following elements:
  - o \$308.8 million to continue the Household Assistance Scheme (HAS) which provides in-home assistance for eligible households;

- o \$44.1 million for a targeted information and communications campaign focused on individual switchover areas;
- o \$21.3 million to continue the work of the Digital Switchover Taskforce for the remainder of the switchover process, which includes implementing the program framework, managing and information and communications campaign and working with industry stakeholders such as broadcasters and antenna installers; and
- o \$2.4 million for the Australian Communications and Media Authority (ACMA) to continue its coverage evaluation program to ensure that broadcasters are meeting their statutory obligations and to inform consumers of digital reception in their areas.

#### HAS details

- The \$308.8 million HAS has the following funding breakdown:
  - o \$242.1 million in administered funding for the Department of Broadband, Communications and the Digital Economy (DBCDE), to provide eligible pensioners with a suitable digital set top box and assist them to install it on their main television. This includes provision of a suitable high definition set top box and remote control, a callout fee, installation fees and, where required, provision of a satellite dish;
  - o \$24.5 million in departmental costs for DBCDE to manage the program; and
  - o \$42.2 million for Centrelink to assist in administering the HAS.

#### Set top box and associated costings

- The set top box was costed at an average cost of \$99.50 per unit. This is a reasonable estimate of a high quality, high definition box with the required additional accessibility features.
  - o While basic models of digital set top boxes cost less, they do not have all of the required features and may not be suitable for the elderly and the disabled.
- In addition, the HAS accommodates a broad range of different installation types across Australia, including in rural and remote locations. Consequently, the costing was not done on the basis of a simple average cost per household. Instead, a range of unit costs were agreed and various uptake assumptions were applied, reflecting the likely uptake of different installations in each of the digital switchover areas.
- The actual costs of some elements, including the installation of set top boxes, are subject to the outcome of tender processes in the remaining switchover areas.