

24 October 2008

The Secretary  
Senate Standing Committee on Environment, Communications and the Arts  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600.

BY POST AND BY EMAIL: [eca.sen@aph.gov.au](mailto:eca.sen@aph.gov.au)

Dear Secretary

**INQUIRY INTO THE BROADCASTING LEGISLATION AMENDMENT (DIGITAL TELEVISION SWITCH-OVER) BILL 2008**

ASTRA writes to you with regard to the Senate Standing Committee on Environment, Communications and the Arts' inquiry into the Broadcasting Legislation Amendment (Digital Television Switch-Over) Bill 2008 (**Bill**). ASTRA appreciates the opportunity to contribute to the Inquiry.

ASTRA represents the interests of subscription television platforms and over 60 separate channels owned or controlled by more than 40 different Australian or international media companies. A list of ASTRA's members can be found at [www.astra.org.au/members.asp](http://www.astra.org.au/members.asp).

Subscription television is now enjoyed in more than two million homes across Australia. This means that seven million Australians watch television provided by ASTRA members at home and at public venues like pubs, hotels and sports clubs across the country.

As the market leader in the provision of digital television services, ASTRA's members have a long standing interest in the policies and procedures being implemented by Government to enable the switchover to digital television. Our service is 100% digital and also includes the retransmission or direct receipt of the digital free-to-air channels.

To our knowledge our sector undertook the fastest switchover in the world of our customers from the analogue service to our digital service. FOXTEL, AUSTAR and OPTUS switched over their customers from analogue to digital in less than three years.

The subscription television (**STV**) industry fully supports the Government's objective to switch from analogue to digital television broadcasting in the most efficient manner whilst maintaining equivalence in coverage for all Australians. We believe the Bill delivers a key aspect of this objective by setting a date for final switch off of analogue signals and by implementing the framework to set a firm timetable for switch off of different regions.



ASTRA appreciates the opportunity to work collaboratively with other industry sectors and the Government as a participant in the Department of Broadband, Communications and the Digital Economy's Digital Switchover Taskforce. We do, however, have some serious concerns as to the Government's approach to the STV sector's overall contribution to the switchover process, which to date has been confusing. For example, release of Government documents on digital television take up do not clearly include STV's digital boxes as counting towards this take up.<sup>1</sup> To exclude these numbers incorrectly reflects the number of Australians who can receive digital free to air services.

We find this approach somewhat puzzling in light of our investments to date and the potential consumer confusion which will be generated if clarity on this issue is not provided.

### **Subscription Television Investment in Digital Television**

The subscription television industry has invested, and continues to invest, billions of dollars in infrastructure and services to create its digital platforms and content. As mentioned above, subscription television operators FOXTEL and AUSTAR completed one of the fastest digital roll-outs in the world, converting their entire analogue base of customers to digital in less than three years. Our sector is a significant driver of digital television take-up.

This investment, including our extensive marketing campaigns, has contributed significantly to public awareness of the benefits of digital television. These investments have all been made independent of any Government subsidy or advantage.

In addition to our general investment in digital television as a whole, the subscription television industry has also made a significant contribution to the distribution of the digital terrestrial television services which will replace the analogue services from switch off.

FOXTEL provides its subscribers with the re-transmitted primary digital signals of Networks Ten, Seven and Nine and both digital signals of the SBS and the ABC. The Imparja NITV service is also retransmitted to every FOXTEL subscriber.

AUSTAR carries the retransmitted ABC1, ABC2 and SBS national services on its satellite platform as well as the Imparja NITV service. In addition, AUSTAR offers a personal digital recorder, the MyStar, which contains, in addition to satellite tuners, two digital free-to-air tuners which enable viewers to watch their local, digital free-to-air channels without having to purchase a separate digital set-top box.

In providing digital terrestrial services on STV platforms, subscribers receive digital quality pictures and sound, an integrated electronic programming guide (containing all relevant and up to date programming information) and a wealth of interactive services. These subscribers have, in effect, 'switched to digital'.

### **STV Contribution**

As explained above, subscription television services include the provision of the digital terrestrial signals to customers (either directly or via a retransmission). Subscription television is therefore one of a number of paths for consumers to be able to receive terrestrial television now and once the analogue signals are switched off.

The sector's subscribers who are capable of receiving digital terrestrial television should therefore be counted in the Government's figures for digital television penetration. In addition, subscription

---

<sup>1</sup> "Digital television in Australian homes – 2007": conducted for ACMA by Eureka Strategic Research Feb 2008

television and its products capable of providing digital FTA services should be included in all government sponsored communications and activities relating to digital switchover.

We firmly believe that a failure to clearly embrace the products and services provided by our sector will lead to consumer confusion once a Government led communication strategy is launched. Clear inclusion by Government of our services as valid options for digital TV capability is critical to ensure that all consumers, including businesses such as property developers and body corporates, are not inappropriately misled by Government communications relating to analogue switch off.

There is great merit in facilitating a co-ordinated and consistent approach to the consumer message for switch off, and we believe that subscription television is a key part of this message.

In addition to the consumer confusion that is likely to ensue, the lack of a clear and unequivocal acknowledgement by Government that our customers count towards digital television take up is likely to delay the take-up of digital television and stifle the Government's objective to switch off analogue by 2013. This outcome will lead to further delay in the Government fully realising the digital dividend. It should be noted that a significant number of Australians receive their free-to-air terrestrial channels via subscription television and may never purchase additional terrestrial television receiving devices.

In implementing its digital TV strategy, the Government must keep at the forefront the key principle of consumer choice. Vested interests must not be allowed to derail the digital television switchover process. Rather the focus must be on enabling consumers to make the best decision possible on their digital conversion options, recognising that many have already made this choice.

### **Timetable**

ASTRA firmly supports the Bill's intent to implement the framework for determining a fixed timetable for switchover. Experience in other jurisdictions such as the United Kingdom demonstrate that setting a clear switch over date is important for providing certainty and the necessary incentives to ensure digital switchover is achieved. The approach allows for a firm timetable to be set whilst enabling flexibility due to the many complex aspects of analogue switch off in different local geographical markets. It recognises these complexities by enabling switchover windows of six months and acknowledging that certain geographic areas may need to be switched at different times even where these areas are within a current licensed area.

These mechanisms are, we believe, sufficient to allow the Government and industry sufficient flexibility in switching off analogue while still ensuring that a firm timetable is set. The Bill should not allow for any further flexibility which could generate switchover delays.

### **Statutory Reviews**

The draft legislation amends the timing of two of the reviews which were triggered by a switch over date - content and captioning rules on multi-channels, and consideration of a 4<sup>th</sup> commercial network. We note that the Bill does not propose to change the purpose or scope of the reviews. As such, we have not made detailed comments on the actual policy issues surrounding these reviews but intend to contribute to these policy issues going forward.

In relation to the timing of the reviews, ASTRA submits that all of the policy reviews linked to digital television including the reviews referred to in the Bill must be approached in a holistic way and considered as a whole – in particular the issues surrounding multi-channelling including the implications for 'listed' sporting events and the overall review of the anti-siphoning list. These policy issues are integrally linked and have significant implications for the subscription television sector and its customers. There is considerable risk of misalignment and inadvertent implications

for the broadcasting sector as a whole if these policy issues are approached in a piecemeal manner.

We appreciate the opportunity to comment on the Bill. Do not hesitate to contact ASTRA if there is anything further that we may be able to provide to assist in the inquiry process.

Yours sincerely

A handwritten signature in black ink that reads "Debra Richards". The signature is written in a cursive style with a prominent initial "D" and a long, sweeping underline.

Debra Richards  
CEO