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Dr Ian Holland
Secretary
Senate Environment, Communications,
Information Technology and the Arts Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Dr Holland,

Sony wishes to make some brief comments relating to the Committee's 'Inquiry into the provisions of the Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and the Radio Licence Fees Amendment Bill 2007'.

By way of background, Sony is a manufacturer of a range of Digital Audio Broadcast (DAB) receivers, including stand alone radios and products integrated into audio/hi-fi systems. Sony DAB equipment is manufactured at plants in Japan, Malaysia, Europe and a number of other countries. The company is already a major supplier of DAB product to European markets. In Australia, a period of testing of DAB receivers has now been followed by the introduction of Sony DAB equipment for sale to consumers.

Sony supports the Australian Government's move to digital radio and welcomes the opportunity for the introduction of new digital services. Sony wishes to comment on the following:

1. Digital Radio Platform:

Sony supports the use of the DAB (Eureka 147) standard for Australia.

In order to avoid production problems, sourcing delays and price concerns, Sony believes it is important for consumers that a standard which has achieved a significant presence in the global market is adopted for use in Australia.

DAB is a relatively mature technology and has already been adopted by many countries in Europe and Asia. Manufacturers, including Sony, are currently producing significant volumes of DAB receivers ensuring both ready availability and a competitive price for Australian consumers.

2. Implementation Issues

Sony agrees with a move to finalise the arrangements for digital radio and provide for its full commercial launch in Australia.

Digital radio is already being implemented successfully in a number of countries. New digital services are being offered, consumers are demonstrating a growing interest in the technology and take-up is increasing. Digital radio is just one element of the digital phenomenon that Australian consumers increasingly wish to embrace.

As we move into the implementation phase for digital radio, it will be important to undertake effective and widespread consumer education and marketing. All stakeholders (government, broadcasters, manufacturers and retailers) need to be firmly committed to educating consumers about the advantages of digital radio. Sony believes that there is a role for government in supporting, including financially, digital radio education initiatives.

Sony does not believe that it is necessary to mandate simulcasting of analog services. Rather, Sony believes it should be left to the commercial judgment of the broadcasters as to whether they simulcast or offer a range of differentiated services on their digital channels.

3. Drivers of Take-up

Digital radio is clearly and demonstrably a superior consumer experience compared to analog radio. It delivers significant benefits to the consumer through CD audio quality, enhanced services, improved reception, etc. Sony believes that these advantages will drive consumer take-up in Australia.

Price of DAB receiver equipment will not be an impediment to consumer take-up. As with other consumer products, such as DVDs and digital TV, (and mirroring the recent digital radio experience in the UK), prices can be expected to fall dramatically in the period after commercial launch of digital radio services in Australia.

A key attraction of digital radio for Australian consumers will be the availability of new audio services. Additional content, as reflected in new digital stations, new programming and data services, will be vital and will inevitably drive take-up of digital radio.

In conjunction with this, there will be a requirement for the broadcaster to broadcast the data with the main signal that will enable increased functionality of DAB tuners to be used such as track listings, up to the minute sports results or competition details.

Thank you for the opportunity to participate in the Committee's inquiry. Should you require further information please do not hesitate to contact me.

Yours sincerely,



Carl Rose
Managing Director