

**LOCAL GOVERNMENT  
ASSOCIATION  
OF QUEENSLAND LTD.**

ABN 11 010 883 293  
ACN 142 783 917



Local Government House  
25 Evelyn Street Newstead Qld 4006  
PO Box 2230 Fortitude Valley BC Qld 4006  
Phone (07) 3000 2222 Fax (07) 3252 4473

8 March 2011

Committee Secretary  
Senate Standing Committees on Environment and Communications  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Committee Secretary,

**Re: Broadcasting Legislation Amendment (Digital Dividend and Other Measures) Bill 2011**

Thank you for the opportunity to provide a submission on the Broadcasting Legislation Amendment (Digital Dividend and Other Measures) Bill 2011. I have enclosed the delayed submission provided to Senator Conroy on 22 February 2011 concerning the Exposure Draft and his subsequent response of 28 February 2011.

Despite the Senator's response to LGAQ's original submission, we still hold grave concerns regarding a number of elements of this Bill and related issues. We also support the Remote Area Planning & Development Board's (RAPAD) submission.

**Lack of information and assistance**

Schedule 2 of the new Bill

The LGAQ would like to note that 3.5 weeks over the Christmas/New Year period is not sufficient time for public consultation concerning an Exposure Draft. Further, it did not contain sufficient background information, context, any reference to previous Bills, Ministerial Directions, or other contextual documents. The technical language used and the absence of an accompanying 'Exposure' Explanatory Memorandum made it difficult for members of the public or organisations like ours to understand and submit an informed response to the Government.

Now we have the actual Bill introduced into Parliament and referred to a Senate Committee for Enquiry with organisations like ours being given just 3.5 business days to consult with our members and provide an outline of our considered concerns.

Finally, in respect of this heading, we are anxious for the Senate Committee to know what DBCDE thought about any responsibility it might have to assist us and our members explore the option of setting up our own digital terrestrial self-help transmission facilities that the Minister, in his letter to many of our members of 30 March last year, suggested as an alternative option to homes installing direct to home (DTH) reception facilities for the new VAST satellite platform.

DBCDE's response to Question 113 from the October Senate Estimates hearings was revealing, and in our experience, brazenly honest. It stated:

"The Department does not provide information or assistance to homes or communities about the establishment of digital self help facilities. Decisions about whether or not to establish such facilities, or to upgrade existing facilities which are not on the broadcasters' upgrade list, are matters for the local community. The

relevant local authorities will need to contact the Australian Communications and Media Authority about the availability of suitable television spectrum and other technical matters. While the Department has visited a number of locations to demonstrate the VAST satellite service and explain the operation of the Satellite Subsidy Scheme, the Government does not offer a digital terrestrial self help alternative.”

We were not consulted during the 15 months between January 2009 and March 2010 when the new VAST satellite platform was being designed. We were not consulted once concerning the development, operation or timelines of the Satellite Subsidy Scheme which is designed to assist certain homes within the coverage area of self-help facilities operated by our members. We now have 3.5 business days and some period in front of the Senate Committee on 15 March to attempt to alter or put aside some matters which we believe would never have emerged had we and our self-help licensee members been consulted from the outset.

The LGAQ believes that the issues of television broadcasting and the digital television switchover policy are of interest to all Australians. Indeed in our remote areas television is really an essential service.

#### Schedule 1 of the new Bill

In respect of Schedule 1 of the new Bill, dealing with Digital Dividend matters, the LGAQ believes that analogue and digital spectrum is a publicly owned asset, and as such, there should be greater information concerning, and scrutiny of any proposals to alter or sell this spectrum post the switchover to digital television. We note that the major policy issues concerning this enormous change in broadcasting and mobile voice and data services across Australia have been enshrined in little publicised Ministerial Directions of 9 July 2010. These Digital Dividend Objectives which, among other things may determine whether most areas of regional Queensland ever get digital radio, and or whether a 6<sup>th</sup> free-to-air TV terrestrial frequency will be rolled out anywhere in regional Queensland deserve some debate at the Australian Parliament level. This will not happen unless the current Senate Committee investigating this Bill requires this to happen.

#### **Fundamental concerns regarding Digital TV**

All other things being reasonably equal, it is generally agreed that reception of local digital TV channels via terrestrial means is both more convenient and less expensive for homes and businesses than reception from VAST. It is after all how most Australians receive their television services. The Federal Government also recognises this as on 9 November 2010, and several months after the launch of VAST, it decided to appropriate \$34 million to assist commercial TV broadcasters in regional SA and Broken Hill and in the remote TV zones to roll out a full array of commercial digital terrestrial channels.

It should be noted however that the specific areas mentioned on page 1 in the Senator's letter of 28 February 2011 (attached) where the Government expects Imparja and Southern Cross Broadcasting (SCB) to roll out their own digital terrestrial transmission facilities in remote areas of Queensland as a result of the \$34 million Government support have not yet been publicly announced. Indeed, the councils involved have not been notified that these funds will be provided for broadcasters, nor have the specific sites within each area been identified. Certainly in our view no one, including the broadcasters themselves, know when these terrestrial services will be commissioned.

This adds to the difficulty of the decision required by the Digital Switchover Taskforce of DBCDE for council self-help licensees to decide whether they will upgrade their self-help retransmission sites or not. On Monday 28 February we managed to get this date put back to

early April. In other words, our council self-help licensees will have had about 10 weeks following the availability of required equipment in Australia to do what it took the Government 15 months to develop regarding VAST and its attendant Satellite Subsidy Scheme (SSS).

We are glad that Imparja and SCB have recognised there are commercial opportunities and social responsibilities involved in rolling out digital terrestrial facilities to the 15 centres in remote Queensland set out in the Minister's letter. However, there is inequity in that they are being financially assisted to do this, yet there is no support for councils if they decide to do the same in other areas. Indeed by doing so such councils currently would actually be saving the Government SSS expenditure. So the commercial broadcasters get subsidised and the self-help councils that upgrade their facilities do so at their own cost and save Government expenditure at the same time.

There are further anomalies in all this. Separate to the as yet unpublished roll out of 15 commercial digital terrestrial transmission sites in remote Queensland, the regional commercial broadcasters have, we understand, agreed to roll out 24 self-help digital upgrades and so called new gap fillers in regional areas of the state (predominantly along the coast and near inland). This follows what we understand was a sort of quid pro quo for the Government spending \$400 million completely funding the VAST platform for the next 10 years. The Government sought to get the commercial broadcasters to upgrade all current self-help communities (either by direct upgrade or through a new gap filler) with populations above 500. However, even after all this regional and remote area action by Government and commercial broadcasters, there are still approximately 100 or so other self-help retransmission sites in Queensland that remain in limbo and we believe at least 24 of the following 27 communities with populations at or well above 500 will have to go to VAST.

Alpha	Augathella	Dirranbandi	Injune	Meandarra
Miriam Vale/Bororen	Moonford	Quilpie	Richmond	Rosedale
Sapphire/Rubyvale	Surat	Taroom	Thangool	Wandoan
Woorabinda	Alligator Creek	Aurukun	Bamaga	Gununa
Hope vale	Karumba	Kowanyama	Mossman South	Normanton
Napranum	Tully Heads			

We feel it is unfair that should most of the above towns have been in regional Queensland, they would have had their current self-help facilities upgraded by the commercial broadcasters under pressure from the Minister. Because they mostly fall into the remote TV market it seems they may well be left to the more expensive VAST unless the Parliament can recommend reconsideration.

### **Exemptions in Schedule 2 of the Bill**

We feel both the new Bill and some of the amendments to the Broadcasting Services Act enacted in the middle of last year actually fly in the face of the reality outlined earlier in this submission, ie "...All other things being reasonably equal, it is generally agreed that reception of local digital TV channels via terrestrial means is both more convenient and less expensive for homes and businesses than reception from VAST...".

On balance, the Bill will potentially diminish the number of digital terrestrial transmission facilities likely to be rolled out by broadcasters and or the range and quality of the commercial TV channels they are likely to transmit (eg providing an ability in some areas to only transmit terrestrially in standard definition - SD - mode). Hence we believe that these elements of the Bill, when taken in the context of the immediate previous amendments, will have the effect of increasing dependency on the more expensive and less convenient VAST.

Fleshing out the above generic point with just some specific concerns, there are a number of proposed exemptions for commercial television broadcasting licensees and national broadcasters contained in the Bill. The LGAQ believes that these exemptions could potentially disadvantage rural and remote communities by reducing the otherwise legally obligated level of digital terrestrial transmission facilities to be rolled out by broadcasters.

From reading the Bill, it appears that any broadcaster can request exemption from providing digital transmission facilities for communities with less than 500 population. It also appears that any broadcaster can request exemption from providing digital transmission facilities for any community, regardless of its population, which is not serviced now in analogue by *all* relevant local free-to-air entities through transmission facilities operated by and licensed to them (ie if ABC and local commercial entities are transmitted in analogue, but SBS was only available from self-help facilities potential exemption requests could be triggered).

The LGAQ questions whether allowing for such potential exemption requests is in the public interest. There are many communities where the ABC is in analogue terrestrial form and which are under 500 population. These communities would welcome the ABC being rolled out in digital even if the remaining channels were only available from VAST.

There are even more communities with populations significantly greater than 500 which do not have all the local free-to-air TV channels transmitted in analogue form at all, eg in particular those missing the SBS. Additionally, there are also instances where local commercial TV services are provided only through self-help retransmission arrangements in communities with more than 500 people.

Therefore, there are a number of instances where exemptions could be sought by the broadcasters, which seems in conflict with other Government action which either assists the roll out of all commercial channels terrestrially or encourages commercial broadcasters to upgrade self-help sites to digital or provide new gap fillers where the population is 500 or above.

If broadcasters, including the ABC and SBS, were to use this part of the Bill to request exemptions, on the balance of probability more homes and communities would need to convert to the more expensive and less convenient DTH VAST service, and fewer would have the benefit of terrestrial reception.

Finally, the Minister's response of 28 February 2011, see paragraph 6 on page 2, demonstrates a lack of understanding from his advisors of consumer audio visual electronic devices, the way homes use them to watch television and the actual television they watch. Paragraphs 215 and 217 on page 39 of the new Explanatory Memorandum indicate the same shortcomings. Both references seem to indicate that the Government and its DBCDE advisors think that say the provision of just the ABC in digital terrestrial format (with all other channels having to be accessed DTH from VAST) is a problem. We see it as an advantage to consumers.

Virtually all television sets sold since 2006 have digital terrestrial tuners in them, and equally, the vast majority of DVD recorders sold then also have digital terrestrial tuners in them. Further, a home which already receives terrestrial television (even if only from an ABC analogue terrestrial transmission facility) either has external and/or internal terrestrial aerial systems.

Therefore, we understand that there is no particular extra cost to homes that have relatively new equipment should any terrestrial digital channel be available and watched. Extra cost and inconvenience only occurs where homes have to go to DTH VAST to watch any television



channel, as a VAST STB needs to be connected to every television set or recording device to be tuned to such channels.

In our view, this further demonstrates the need for the Government to:

- Ensure ABC digital terrestrial facilities are rolled out wherever ABC analogue terrestrial facilities are rolled out;
- Require more self-help retransmission sites to be upgraded by broadcasters or assist councils in investigating the options for them to upgrade the self-help retransmission sites themselves; and
- Rollout SBS digital terrestrial facilities wherever the ABC and at least one commercial is in digital terrestrial so as to avoid homes having to establish VAST DTH reception facilities just for the SBS.

Meeting these requirements would at least mean rejecting Items 47 and 50 to 52 in the new Bill.

### **Self-help retransmission sites**

The LGAQ and RAPAD have exchanged numerous correspondence and participated in many discussions with Senator Conroy and the Taskforce for over a year. The LGAQ continues to believe that the Government has not provided the necessary information or the time to allow councils to make an informed decision, in consultation with their communities, regarding whether to upgrade their self-help retransmission sites.

There are many potential issues for councils to consider when investigating whether or not to upgrade their self-help retransmission sites to allow for a digital rebroadcast. Some of these issues are:

- Higher conversion costs than are covered by the provided Satellite Subsidy Scheme (SSS) if the DTH VAST system is taken up;
- Many types of entities are not provided for under the SSS, such as motels, hotels, schools, local government facilities such as libraries, caravan parks, businesses and hospitals;
- Lack of convenience of VAST DTH viewing, particularly in the summer heat when home occupants may wish to move TV sets outside, and in all seasons to allow TV sets and recorders to be moved to different rooms around the home;
- The suitability of the installed DBCDE recommended 85 to 120 cm satellite dishes to be able to withstand extreme weather conditions, which can also lead to higher costs; and
- Rental situations for State and local government housing, as the tenants may decide to provide the co-payment for satellite reception installations under the SSS. Accordingly they own such equipment and may take it with them as and when they move on.

As the Minister acknowledges, the equipment to enable VAST to be the source of TV channels for remote area digital self-help facilities only became available 6 weeks ago. Further, up to now, the ACMA has denied many council applications for digital spectrum to allow digital terrestrial self-helps to be established. Additionally, in answer to Question 113 from the October Senate Estimates hearings, the Department has directly said that it sees no role for it to provide any information or assistance to councils wishing to examine the option to establish the type of digital terrestrial self-help facility the Minister set out in his letter of 30 March 2010 when advising self-help licensees of the new VAST platform.

We believe that the Minister has not provided sufficient explanation as to why those councils wishing to upgrade their long standing self-help retransmission facilities are being denied

spectrum by ACMA. The response received from the Minister on 28 February 2011 admits that ACMA has refused applications, and confirms that it will reconsider applications if a "suitable, cost effective solution to retransmitting the VAST service could be demonstrated".

The apparent disparity in community approaches to seeking self-help digital licenses from ACMA, and why some councils are being refused licenses while others are having them accepted, are all symptoms of councils' lack of expertise and appropriate information and help being provided to them by the Department and ACMA, particularly in light of the previously quoted Department response to Question 113 at the October Estimates.

In addition to the lack of any form of such assistance and apparent outright opposition from the Department, there is also a substantial lack of information across the rural and remote areas of Queensland about where and when digital transmissions of the relevant commercial free-to-air entities and the ABC and SBS will be established. The Department has never provided any form of comparative costs and benefits of communities converting via VAST or setting up their own self-help facilities fed by VAST. Surely such cost benefit work must have been done by the Department during the 15 months it was working with the broadcasters to determine the shape of the new VAST platform (January 2009 until March 2011), particularly for a major policy that will affect many Australians.

#### **Satellite Subsidy Scheme (SSS)**

In addition to the issues above, the LGAQ and RAPAD believe that a more cost effective method of delivering digital television to rural and remote communities would be to "pool" the Satellite Subsidy Scheme and make these funds available to the community as a whole to upgrade the self-help retransmission site.

DBCDE and the Minister have said such a procedure would distort the SSS scheme and result in higher co-payment charges for fewer 'remaining' homes within the SSS VAST conversion structure. We dispute this assertion.

As we read legally binding RFT response documentation, no bidder to an SSS tender can alter any quoted price on the basis of changes to the predicted number of SSS homes regardless of the reason.

The exact wording from Schedule 3 (the Pricing Schedule for the required RFT response) says "...The exact number of Registered Households that will participate in the scheme may be higher or lower (than outlined in the Schedule)....The list of locations participating in the scheme may also vary due to decisions by broadcasters to, or not to, convert self-help sites to digital...".

So it is clear that broadcasters can quite freely decide to upgrade a self-help facility or not upgrade a self-help facility they previously said they would at any time. DBCDE does not seem to be concerned at this significant potential for a rise or fall in SSS participation and any effect on 'remaining' SSS homes.

This has already happened at Orroroo in regional SA after we understand the regional SA SSS contract was signed with Skybridge. Skybridge just lost more than half the predicted regional South Australia SSS business.

The same happened with a least Cohuna in regional Victoria. This town of 1,800 residents was removed from the DBCDE SSS town list early in December 2010 after the broadcasters decided to upgrade this self-help at the end of November - again we understand after the SSS contract with Skybridge was signed.

Finally we understand that total SSS business in regional Victoria is only running at about 1/3 of the original predicted rate in the SSS RFT documentation.

The pooling idea has been raised with the Minister and Department on numerous occasions, and we believe that this idea continues to have merit. Indeed at some locations it could even save the Government money.

An example of this almost unbelievable occurrence (given the Government's staunch opposition to pooling) is Normanton. A rough cost comparison using only Government and private expenditure outlays to convert just one TV set to VAST (ie not counting the extra cost of VAST conversion to homes of other TV sets or recorders and all business conversion expenditure), and based on the information we have from DBCDE, follows.

We understand that the self-help retransmission site at Normanton, with approximately 552 households (according to DBCDE Queensland SSS RFT documentation), will not be upgraded by broadcasters. It will cost the Government and Normanton homes some \$552,000 to upgrade just one TV set in each home to the DTH VAST service. This is calculated on 552 homes x \$700 Commonwealth Contribution for Normanton residents under the SSS, plus 552 homes x \$300 household co-payment (estimated).

This is in contrast to an estimated cost of upgrading the self-help retransmission site, which even the Minister in his 9 December 2010 letter to RAPAD indicated would be between \$110,000 and \$270,000. Therefore, based on this example, the maximum cost of upgrading the self-help retransmission site at Normanton would be less than 50% of the Government and private home outlay to convert just one TV set to VAST. Indeed on the basis of its own SSS outlays alone the Government would actually save about \$100,000 of contingent SSS payments if it completely paid for the Normanton self-help upgrade itself.

### Summary

In summary, it is LGAQ's view that converting many if not most existing analogue self-help retransmission sites to digital is a more convenient and more cost effective way to approach conversion to digital TV than the DTH VAST service.

For the smaller communities we seek time and Government information and technical assistance to help current self-help licenses evaluate their options. We also look for further Government pressure and/or assistance to get commercial broadcasters to upgrade several more self-help facilities in locations with populations of 500 or above. In doing both of these things, we believe the Government should allow otherwise contingent SSS per home VAST DTH conversion subsidy funds to be used to assist the upgrade of current self-helps.

The policy, technical and regulatory decisions made by the Government, DBCDE, ACMA and broadcasters in these matters will ultimately affect many regional and remote area Queenslanders and Australians.

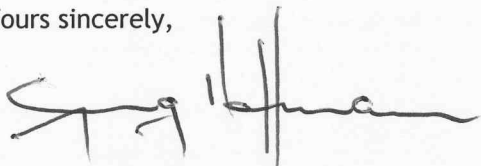
The proposed Bill and its parent BSA should be balanced and recognise and support if necessary both means of providing digital television services - ie through both the Direct-to-Home VAST as well as digital terrestrial self-help facilities.

As it stands, the LGAQ would question whether some of the proposals contained within the Bill are wholly in the public interest. We look for removal of exemptions to otherwise legal digital terrestrial rollout obligations of broadcasters and for reassurance that the Government will roll out the ABC in digital terrestrial in all locations where it is currently available in analogue terrestrial form and the SBS in digital terrestrial in all areas where the ABC and at least one commercial broadcaster rolls out in digital.

In respect of Schedule 1 of the Bill we urge Senators to find out how and whether the Ministerial Directions of 9 July setting the Digital Dividend objectives for ACMA may have significant impact on:

- whether most areas of regional Queensland will ever get digital radio; and/or
- whether a 6<sup>th</sup> free-to-air TV terrestrial frequency will be rolled out anywhere in regional Queensland.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Hoffman', with a stylized flourish at the end.

Greg Hoffman PSM  
GENERAL MANAGER - ADVOCATE

cc: Mr David Arnold, General Manager, Remote Area Planning & Development Board



**LOCAL GOVERNMENT  
ASSOCIATION  
OF QUEENSLAND LTD.**

ABN 11 010 883 293  
ACN 142 783 917



Local Government House  
25 Evelyn Street Newstead Qld 4006  
PO Box 2230 Fortitude Valley BC Qld 4006  
Phone (07) 3000 2222 Fax (07) 3252 4473

22 February 2011

Senator Stephen Conroy  
Minister for Broadband, Communications and the Digital Economy  
Suite MG70  
Parliament House  
CANBERRA ACT 2600

Dear Senator,

**Re: Exposure Draft of Broadcasting Legislation Amendment (Digital Dividend and Other Measures) Bill 2011**

Thank you for agreeing to accept a late response from the Local Government Association of Queensland (LGAQ) regarding this Bill. I understand that comments regarding this Bill closed in mid-January, and whilst we understand this Bill will be introduced into Parliament this week, given our interest in this subject matter, the LGAQ would still like to provide some comments for the record.

**Lack of information**

The LGAQ would like to note that 3.5 weeks over the Christmas/New Year period is not sufficient time for public consultation. Further, the Exposure Draft does not contain sufficient background information, context or any reference to previous Bills, Ministerial Directions or other contextual documents. In addition, the technical language used in the Exposure Draft means that the absence of an accompanying explanatory memorandum makes it difficult for members of the public or organisations like ours to understand and submit an informed response to the Government.

The LGAQ believes that this issue of television broadcasting and the digital television switchover policy is of interest to all Australians. The LGAQ also believes that analogue and digital spectrum is a publicly owned asset, and as such, there should be greater information concerning and scrutiny of any proposals to alter or sell this spectrum post the switchover to digital television.

**Fundamental Concern**

All other things being reasonably equal everyone should understand by now that reception of local digital TV channels via terrestrial means is both more convenient and less expensive for homes and businesses than reception from VAST. The Government must recognise this as on 9 November 2010, and several months after the launch of VAST, it decided to appropriate \$34 million to assist commercial TV broadcasters in regional SA and Broken Hill and in the remote TV zones to roll out a full array of commercial digital terrestrial channels.

We feel the Exposure Draft and the amendments to the Broadcasting Services Act enacted in the middle of last year actually fly in the face of this reality by on balance potentially diminishing the number of digital terrestrial transmission facilities likely to be rolled out by broadcasters and or the range and quality of the commercial TV channels they are likely to transmit (eg providing an ability in some areas to only



transmit terrestrially in SD mode). Hence we believe that some elements of the Exposure Draft, when taken in the context of the immediate previous amendments, will have the effect of increasing dependency on VAST.

### **Exemptions**

Fleshing out the above generic point with just some specific concerns, there are a number of proposed exemptions for commercial television broadcasting licensees and national broadcasters contained in the Bill. The LGAQ believes that these exemptions could potentially disadvantage rural and remote communities by reducing the otherwise level of digital terrestrial transmission facilities rolled out.

From reading the Bill, it appears that any broadcaster can request exemption from providing digital transmission facilities for communities with less than 500 population. It also appears that any broadcaster can request exemption from providing digital transmission facilities for any community, regardless of its population, which is not serviced now in analogue by *all* relevant local free-to-air entities through transmission facilities operated by and licensed to them (ie if ABC and local commercial entities are transmitted by analogue, but SBS was only available from self-help facilities potential exemption requests could be triggered).

The LGAQ questions whether allowing for such potential exemptions is in the public interest, particularly as some current digital television switchover policies actually encourage commercial broadcasters to upgrade analogue self-help facilities to digital where the population is 500 or greater.

In fact, even with this encouragement, there are numerous instances where self-help retransmission sites serving communities with a population well over 500 are not being upgraded. There are also many communities with populations significantly greater than 500 which do not have all the local free-to-air TV channels transmitted in analogue form at all, eg in particular those missing the SBS. Additionally, there are also instances where local commercial TV services are provided only through self-help retransmission arrangements.

Therefore, there are a number of instances where exemptions could be sought by the broadcasters, which seems in conflict with other Government action which either assists the roll out of all commercial channels terrestrially or encourages commercial broadcasters to upgrade self-help sites to digital where the population is 500 or above.

If broadcasters, including the ABC and SBS, were to use this part of the Exposure Draft to request exemptions, on the balance of probability more homes and communities would need to convert to the Direct-to-Home VAST service, and less would have the benefit of terrestrial reception.

### **Self-help retransmission sites**

As indicated in numerous correspondence and discussions with yourself and the Department, the LGAQ believes that the Government has not provided the necessary information or the time to allow councils to make an informed decision, in consultation with their communities, regarding whether to upgrade their self-help retransmission sites. As you acknowledge the equipment to enable VAST to be the source of TV channels for remote area digital self-help facilities only became available 4 weeks ago. Further up to now, the ACMA has denied council applications for digital spectrum to allow digital terrestrial self-helps to be established. Further in answer to Question 113 from the October Senate Estimates hearings your Department has directly said that it



sees no role for it to provide any information or assistance to councils wishing to examine the option you set out in your letter of 30 March 2010 to establish a digital terrestrial self-help facility. An explanation is required as to why those councils wishing to upgrade their long standing self-help retransmission facilities are being denied spectrum by ACMA. In whose interests are these decisions being made?

In addition to the lack of any form of such assistance, indeed really outright opposition from your Department, there is also a substantial lack of information across the rural and remote areas of Queensland about where and when digital transmissions of the relevant commercial free-to-air entities and the ABC and SBS will be established. The Department has never provided any form of comparative costs and benefits of communities converting via VAST or setting up their own self-help facilities fed by VAST. Surely such cost benefit work must have been done by the Department during the 15 months it was working with the broadcasters working out the shape of the new VAST platform (January 2009 until March 2011).

### Summary

In summary, it is LGAQ's view that converting many if not most existing analogue self-help retransmission sites to digital is a more convenient and more cost effective way to approach conversion to digital TV than the Direct-to-Home VAST service. The proposed Bill and its parent BSA should be balanced and recognise and support if necessary both means of providing digital television services - ie through both the Direct-to-Home VAST service as well as digital terrestrial self-help facilities. As it stands, the LGAQ would question whether some of the proposals contained within the Bill are wholly in the public interest. We believe that more information is required from the Government and time for local councils to make their decisions regarding these issues, as the policy, technical and regulatory decisions made by the Government, Department, ACMA and broadcasters will ultimately affect all Australians that watch television.

Yours sincerely,

Greg Hoffman PSM  
GENERAL MANAGER - ADVOCATE

cc: Mr David Arnold, General Manager, Remote Area Planning & Development Board



## SENATOR THE HON STEPHEN CONROY

MINISTER FOR BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY  
MINISTER ASSISTING THE PRIME MINISTER ON DIGITAL PRODUCTIVITY  
DEPUTY LEADER OF THE GOVERNMENT IN THE SENATE

28 FEB 2011

Mr Greg Hoffman PSM  
General Manager – Advocate  
Local Government Association of Queensland Ltd  
PO Box 2230  
FORTITUDE VALLEY BC QLD 4006

Dear Mr Hoffman */Cuea*

### **Exposure Draft of the Broadcasting Legislation Amendment (Digital Dividend and Other Measures) Bill 2011**

Thank you for your letter dated 22 February 2011 regarding the Exposure Draft of the Broadcasting Legislation Amendment (Digital Dividend and Other Measures) Bill 2011 (the Bill).

The Bill was introduced into the House of Representatives on 24 February 2011. Based on submissions received during the Exposure Draft consultation process, a number of minor changes were made to the Bill prior to introduction. These included amendments to the provisions regarding areas being exempt from digital transmission requirements which you discuss in your letter. I draw your attention to the amendments to these proposed provisions.

The Bill and the accompanying explanatory memorandum can be found on the Parliament of Australia website at <http://parlinfo.aph.gov.au/parlInfo/search/search.w3p>.

#### *Standard definition only multichannels in remote licence areas*

In your letter you raise concerns the government's policy in respect of terrestrial digital television transmission.

On 9 November 2010, the Government announced that \$34 million would be provided to remote broadcasters and broadcasters in the smaller regional and remote markets to ensure that all commercial television multichannel services can be provided in these markets. This will help ensure that all digital channels are available in places where commercial broadcasters transmit their services terrestrially, including Barcaldine, Blackall, Charleville, Cloncurry, Cooktown, Cunnamulla, Hughenden, Longreach, Mitchell, Mt Isa, Roma, St George, Thursday Island, Weipa and Winton in Queensland parts of the Remote Central and Eastern licence area.



The proposed amendments in the Bill will allow, but not require, remote commercial broadcasters to provide their digital television services, including standard definition and high definition multichannels, in standard definition format only before the end of switchover in remote areas. Similar provisions already apply to broadcasters operating in smaller regional markets, such as regional South Australia, Griffith and Broken Hill.

The proposed amendments would not prevent remote commercial broadcasters from providing services in high definition if they chose to do so. The current expectation is that that the remote commercial broadcasters will provide terrestrial high definition services in the future and I understand they are consulting with the Australian Communications and Media Authority (ACMA) about spectrum channels on that basis. Commercial broadcasters in the regional Queensland licence area have been providing high definition terrestrial digital television multichannels since 2005.

These proposed amendments will not increase dependency on the Viewer Access Satellite Television (VAST) service in remote licence areas. They relate only to the format of digital multichannels. In fact, by decreasing the cost to commercial broadcasters of providing the full range of digital multichannels terrestrially, the proposed amendments may increase the likelihood of them doing so. In any event, they promote terrestrial access to the content of high definition multichannels such as ONE HD and GEM (whether it is provided in standard or high definition format).

#### *Areas being exempt from digital transmission requirements*

Under the current provisions of the *Broadcasting Services Act 1992*, broadcasters have no choice but to convert their analog facilities in such a way that provides for the same coverage and reception for both analog and digital television services. This may result in a perverse outcome for consumers, and an unnecessary cost to consumers.

The government's broad policy objective is to ensure that all Australians can access the full suite of digital television services wherever they live and that they can do so through the same digital television reception equipment, avoiding the need for both satellite and terrestrial receivers.

Smaller population centres are often served by a mix of broadcaster-provided and self-help services, or do not receive all locally available services. If broadcasters are required to convert their analog infrastructure to digital to those locations without any flexibility, a situation will arise where some services are provided terrestrially but others are only available from the satellite. In such situations, where there is no reasonable prospect of all services being available terrestrially, consumers would be better served by moving to the VAST satellite service for all television services rather than requiring two sets of reception equipment.

The government intends that, in certain limited and specific circumstances, a national or commercial television broadcaster may apply to the Minister for exemption from the digital conversion of a particular terrestrial analog transmission facility. These circumstances are that the population of the area is less than 500, or that the area is underserved (ie does not have all national and commercial digital channels). Broadcasters who have already commenced transmitting digital television services in an area will not be able to apply to the Minister for an exemption.

Applications by the commercial television licensee or national broadcaster will be dealt with on a case-by-case basis, and are at the Minister's discretion. Prior to granting an exemption, the Minister would consult with the ACMA and would need to be satisfied that there are other means by which viewers in the specified area can, or will be able to, access commercial and national television broadcasting services (either through the VAST satellite service or from another terrestrial transmission facility).

I wish to clarify that it is not the government's intention that the commercial broadcasters use these proposed amendments to avoid their digital conversion obligations at any site where only SBS digital television services are not available or planned. This is one of the reasons why an exemption does not automatically apply but is at the discretion of the Minister.

*Digital conversion of self-help re-transmission sites*

I understand that on 15 February 2011, Ms Nerida O'Loughlin, Executive Director, Digital Switchover Taskforce, wrote to some of your member councils, who are licensed to provide analog television self-help retransmission facilities, with an update on the switchover to digital television in regional Queensland (see Attachment A). This letter outlined the urgent need for local councils to decide whether or not to convert their analog self-help retransmission facilities to digital.

There are no provisions in the Bill that prevent the conversion of self-help retransmission facilities by a local council or other parties, nor does the government oppose the digital conversion of these facilities where adequate spectrum is available. I am advised that the ACMA has licensed community or council funded digital retransmission facilities at:

- Harrietville in Victoria for all national and commercial services;
- Morawa in Western Australia and Merriwa in New South Wales for SBS (where the ABC service has already rolled out and full commercial rollout is expected); and
- Bell in Queensland for three commercial services (where ABC and SBS have already commenced).

I am of the understanding that the Harrietville, Morawa and Merriwa services are now on-air and that the Bell services are expected to commence later this year.

Applications have also been received for Glenden (Isaac Regional Council), Winton (Winton Shire Council) in Queensland and Denmark (Denmark Shire Council) in Western Australia which are currently under consideration.

I am further advised that the ACMA has refused applications for some digital retransmission facilities in remote areas as these applications generally propose to retransmit the commercial television services on Aurora satellite platform which will cease at switchover (as it is being replaced by the VAST service). At such remote sites where retransmission of the full suite of commercial services is not practicable, applications for digital transmission of ABC and SBS are also being refused. Applications refused involve sites at Bedourie and Birdsville (Diamantina Shire Council), Aramac and Muttaborra (Barcaldine Regional Council), Carmila, Clairview and St Lawrence (Isaac Regional Council), Meandarra and Wandoan (Western Downs Regional Council). The ACMA has indicated that it would reconsider such applications if a suitable, cost effective solution to

retransmitting the VAST service (including EPG and advisory information) could be demonstrated and a direct-to-home VAST solution was not attractive to the community.

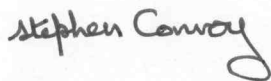
The government agrees with your view that both satellite and terrestrial infrastructure should be recognised as necessary to provide digital television services to all of Australians. Satellite digital television services will be needed regardless of any extension to terrestrial digital television coverage. It is simply not technically feasible or economical to roll out sufficient terrestrial infrastructure to cover every digital television blackspot in Australia.

As set out in Attachment A, the VAST satellite service significantly improves television services for viewers in remote areas of Queensland who have traditionally relied either on direct-to-home satellite reception of the Aurora service, or on local self help re-transmission of Aurora channels. It ensures that people living in areas with inadequate or no terrestrial reception are able to access the same number of digital television services as are available in capital cities. The service features channels carrying programs sourced from Southern Cross Seven, Imparja Nine and the Ten network, and the main national broadcaster services, ABC1 and SBS ONE, together with standard definition digital channels ABC2, ABC3, SBS TWO, 7TWO, GO!, and Eleven and the high definition channels ABC News 24 HD, SBS HD, 7mate, GEM, and ONE HD.

While I understand your concerns about being given more time to make a decision about conversion of self help facilities, I am concerned to ensure that communities do not miss the opportunity to receive assistance under the Satellite Subsidy Scheme. The timeframes for delivery of the Scheme reflect the complexities of managing the procurement of services to provide installations at a significant number of remote households, including ensuring that adequate expert installers are available.

Thank you for bringing your concerns regarding the exposure draft of the Bill, which I believe contains provisions that are wholly in the public interest, to my attention. I trust this information is of assistance.

Yours sincerely



Stephen Conroy  
Minister for Broadband,  
Communications and the Digital Economy

Encl

cc. Mr David Arnold  
General Manager  
Remote Area Planning and Development Board



**Australian Government**

---

**Department of Broadband,  
Communications and the Digital Economy**

Barcoo Shire Council  
Self Help TV Operator  
PO Box 14  
JUNDAH QLD 4736

**15 February 2011**

**Regional Queensland Digital Switchover Update – Call to Action**

The Government is committed to the switchover to digital television in regional Queensland by the end of 2011. Consideration is currently being given to 6 December as a suitable date. On 30 March 2010, the Minister for Communications, Broadband and the Digital Economy, Senator, the Hon Stephen Conroy wrote to a number of self-help licensees about the conversion of self-help transmission sites from analog to digital television services and there have been subsequent communications from the Department on this issue.

This letter is to provide you with more up to-date information about progress in the switch over to digital television in Queensland, and to remind you of the need for action to ensure that households in your local government area are still able to receive television services after switchover.

You are currently identified as the licensee of the self-help towers at Jundah, Stonehenge and Windorah. These towers are in the Remote Central & Eastern Australia switchover area and in accordance with the digital switchover timetable, are scheduled to cease broadcasting in analog format in the second half of 2013.

To achieve economies of scale (thereby reducing costs to households) and to maximise delivery efficiencies, assistance programs available to self-help communities in remote parts of Queensland are being made available in line with the regional Queensland switchover, which occurs later this year. This means that as the licensee responsible for these retransmission facilities, you will need to make a decision quickly about the options available for digital television.



### *Viewer Access Satellite Television (VAST) Service*

Households living in a particular area who are currently served by an analog self-help facility not being upgraded to digital and who are otherwise unable to receive adequate reception of the digital television services terrestrially transmitted in their area will be eligible to receive the new Government-funded Viewer Access Satellite Television (VAST) service.

The VAST service significantly improves television services for viewers in remote areas of Queensland who have traditionally relied either on direct-to-home satellite reception of the Aurora service, or on local self help re-transmission of Aurora channels. It ensures that people living in areas with inadequate or no terrestrial reception are able to access the same number of digital television services as are available in capital cities. The service features channels carrying programs sourced from Southern Cross Seven, Imparja Nine and the Ten network, and the main national broadcaster services, ABC1 and SBS ONE, together with SD digital channels ABC2, ABC3, SBS TWO, 7TWO, GO!, and Eleven and the high definition channels ABC News 24 HD, SBS HD, 7mate, GEM, and ONE HD.

The service also provides viewers with access to the local regional news services currently broadcast by the commercial broadcasters in their relevant terrestrial licence areas. These services are provided through dedicated news channels, and mean that for the first time viewers in remote parts of Queensland will be able to view local news broadcast in regional areas. In addition, the news services of the national broadcasters, the ABC and the SBS, are also being provided. ABC news is provided through ABC1 on a state basis and through the ABC's 24 hour news channel, ABC News 24.

### *Satellite Subsidy Scheme*

The Government will provide a subsidy to households in regional areas that are currently served by analog television self-help transmission facilities who need to move to the satellite service because the self-help facility is not being upgraded to digital.

However, as set out below, Council will need to urgently make a decision about whether or not to allow the communities served by self help facilities to move to satellite and therefore be able to access assistance under the Satellite Subsidy Scheme.

As has been previously detailed in meetings and discussions between the Digital Switchover Taskforce and self-help licensees, under the Satellite Subsidy Scheme, a subsidised installation package will be provided to eligible households by satellite installers contracted by the government with experience in domestic satellite dish installation.

To ensure a flat co-payment across large areas, the Government provides a subsidy of \$400 per household in defined 'standard' areas, \$550 in defined 'very remote' areas and \$700 in defined 'far north tropical' areas. Households in defined remote indigenous communities may also be eligible for additional assistance of \$280 per household which will mean that the Scheme is likely to cover the full cost of installations for these communities.

Eligible households will pay a predetermined co-payment – which is expected to be between \$200 and \$350 – directly to the installer. The co-payment will be fixed for all households in a self help area as part of the contract between the Government and the service providers, and householders will be clearly advised of this co-payment in advance of the installation taking place. The co-payment per household is able to be kept to these low levels through the economies of scale involved in delivering to all eligible households in a switchover region. In regional South Australia and regional Victoria the co-payment was \$200. The department is close to finalising contracts in Queensland.

The Satellite Subsidy Scheme will pay for the conversion of one television set per household to the VAST service. People with more than one television who move to the VAST service will have to install additional cabling and set-top boxes at their own expense, although the same dish can be used for a number of televisions. This is not substantially different from what people with more than one television in metropolitan and regional areas throughout Australia who receive their television services terrestrially will have to do to receive digital television. The contracts in regional South Australia and regional Victoria made it possible for households to elect to pay an additional sum directly to the contractor to convert additional televisions, thereby avoiding an additional call-out fee. The Department expects a similar arrangement will be available for Queensland.

All potentially eligible households will receive a letter inviting them to participate in the Scheme during the switchover period in their area. This letter will invite households to check their eligibility for a satellite subsidy, which they can do so by either logging onto the Digital Ready website at [www.digitalready.gov.au](http://www.digitalready.gov.au) or by calling the Digital Ready Information Line on free call number 1800 20 10 13. The Digital Ready Information Line operates seven days a week from 8.00am to 10.00pm (AEST).

To ensure that households have sufficient time to opt into the Scheme, for contracts to be finalised in eligible areas and then for installations to occur before switchover in regional Queensland in the second half of 2011, **it is necessary that self-help licensees make a decision on conversion urgently**. The Department has previously advised that self-help licensees must communicate decisions to the Department by 14 February 2011, which was extended until 28 February 2011, for those affected by flooding.

**In view of the impact of Cyclone Yasi, the Department has extended the deadline for all Queensland Councils and self-help licensees to decide on conversions until 28 February 2011.**

Note that this is the date by which you must decide on whether to convert particular self-help sites or allow the community to move to satellite, and are not the dates by which individual households within those communities must nominate for the subsidy. Households will be able to nominate for the subsidy from 20 April 2011, and the Department will be inviting all eligible households to do so.

Information about the timetable for the Satellite Subsidy Scheme is available on the Digital Ready website at [www.digitalready.gov.au](http://www.digitalready.gov.au) and clicking on 'Satellite Subsidy Scheme' at the bottom of the homepage.

#### *Household Assistance Scheme*

The Minister's letter of 30 March 2010 also made reference to the implementation of a Household Assistance scheme in order to provide assistance to eligible people, such as, the elderly, people with disabilities and their carers, in the move to digital television.

The details of the eligibility criteria and the operation of the Household Assistance Scheme were previously provided.

The Household Assistance Scheme is currently being implemented in the regional Victoria switchover area, following the roll out in the Mildura/Sunraysia region in the first half of 2010 and regional South Australia in the second half of 2010.

The Scheme will be extended to regional Queensland during 2011, with letters expected to be sent direct to households from around May 2011.

It should be noted that households who will need to use the VAST service would be eligible to receive either the Household Assistance Scheme at no cost or opt to pay the co-payment of between \$200 and \$350 under the Satellite Subsidy Scheme.

Further information about the Household Assistance Scheme is available either from the Digital Ready website at [www.digitalready.gov.au](http://www.digitalready.gov.au) or from the Digital Ready Information Line on 1800 20 10 13.

#### *Terrestrial retransmission of VAST services*

The Government considers that the direct-to-home reception of the VAST service offers a cost effective and future-proof option for Australians who are not served by broadcaster-operated terrestrial sites to receive digital television. Direct-to-home satellite is a widely used and reliable broadcasting technology, and the VAST service provides a 16 channel service for the one-off cost of installing a satellite dish and set top box. By moving to satellite, Councils will avoid having to be terrestrial broadcasters with the associated ongoing maintenance, electricity and other operational costs. In addition, terrestrial services in many cases still leave sections of the community in blackspots, and it is difficult to respond to changes in the population such as the development of new housing estates outside transmission coverage. Further, if broadcasters ever add additional digital channels, Councils may face further costs in re-transmitting these terrestrially.

Despite this, as noted in the Minister's letter of 30 March 2010 to self-help licensees, licensees operating self-help sites that are not being converted to digital by the broadcasters may choose to convert their existing sites themselves, at their own expense, subject to spectrum availability and licensing from the Australian Communications and Media Authority.

The Satellite Subsidy Scheme is only available to households served by an analog self-help site where that site is not converted to digital, whether by broadcasters or the local Council. If a digital self-help facility is installed, or if the broadcasters choose to upgrade the site to digital themselves, the entire community ceases to be eligible for the subsidy even if they still remain in a blackspot, in which case they would need to install satellite equipment and cover the full cost of doing so themselves. Also, Government policy does not allow reallocation of aggregated community subsidies to be used to cover terrestrial costs.

Where possible, it is likely that Councils seeking to set up their own self-help digital services will be seeking to retransmit local regional Queensland services. In some instances, however, it may be impossible to obtain adequate levels of local signals for retransmission, in which case the Council may seek to retransmit the VAST service. The Department understands that two companies have recently released new equipment that makes rebroadcasting the VAST service from a terrestrial tower possible, and that the remote commercial television broadcasters are proposing to use one of these solutions at a number of broadcaster-operator sites to feed their own terrestrial networks. Expert advice provided to the Department is that specialist technical expertise not generally found in Councils may be needed to configure and manage this solution. Council and other self-help operators choosing to adopt the solution may need to engage specialist technicians in other locations (such as large regional or capital cities) to operate and monitor the new receiver/transcoder equipment and provide either mobile or land line telephone access to the transmission site.

The Department is aware that a commercial trial has been proposed by Local Government Association of Queensland to demonstrate that it is possible to retransmit the VAST signal from a self-help site at a cost significantly less than what has been estimated by commercial broadcasters and manufacturers.

The Department's position in relation to the decision making timeframes for the successful implementation of the Satellite Subsidy Scheme is outlined above. The consequences of not meeting those timeframes are that:

- there may be an indefinite delay of switchover for residents in your region while the rest of regional Queensland enjoys the benefits of digital television; and
- should the proposed trial prove unsuccessful, your community will have missed its opportunity to receive subsidised services under the Satellite Subsidy Scheme. While households would still be likely to be eligible for the VAST service, they would bear the full cost of any installation.

We would therefore urge Councils to arrange any demonstrations, trials or other analysis as quickly as possible to enable them to make a decision in the required timeframe. While the adoption of terrestrial transmission systems would be a matter for the Councils concerned, we would suggest that Councils assure themselves that any alternative solution provides householders with the equivalent of the services offered on the VAST platform (16 channels, interactive local news, electronic program guide etc) and that the service is available well in advance of the Government's proposed switchover date.



### *Accommodation service providers and VAST*

The government recognises that the switching off of analog free-to-air television signals will affect accommodation service providers in the caravans, motorhomes, campervans and watercraft industries located in many regional areas of Australia. The Department has produced a fact sheet which provides information about antenna television systems suitable for the distribution of VAST services in these situations.

We have enclosed a copy of the fact sheet that you may find useful for accommodation providers living in your area.

### *Up to-date information about digital switchover*

In order to ensure the smooth transition from the analog switch-off process to digital television, the Digital Switchover Taskforce and the Department have produced information that many households will need to prepare and be digital ready, including:

- *mySwitch*, a web-based tool that provides households with information about receiving digital television services, such as the predicted transmitter coverage serving local areas; a list of Government endorsed Antenna Installers; information about VAST service; the Satellite Subsidy Scheme; and the Household Assistance Scheme. You can access *mySwitch* by going to **[www.digitalready.gov.au](http://www.digitalready.gov.au)** and following the links to *mySwitch*; and
- the Digital Ready Information Line on free call number 1800 20 10 13. The Digital Ready Information Line operates seven days a week from 8.00am to 10.00pm (AEST).

You may wish to check the *mySwitch* and the Digital Ready website from time to time for updated information which will be published as it becomes available. The Department also encourages your organisation to advise households in your area to take advantage of the range of information available relevant to your area.

### *Ongoing contacts in the lead up to switchover*

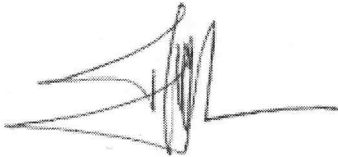
The Digital Switchover Taskforce remains committed to working with your organisation to ensure that households in your area benefit equally from the switchover to digital television, and that they are informed in a timely basis about the options available to them for receiving digital television services.

The Department will endeavour to keep you informed of developments and issues as they occur in the lead up to switchover in your area. In the meantime, if you would like more information about any of the matters discussed in this letter, do not hesitate to contact a staff member of the Viewer Access and Transmission Planning Section, in the Digital Switchover Taskforce, on 1800 069 244 or by email at **[selfhelp@dbcde.gov.au](mailto:selfhelp@dbcde.gov.au)**.

While we trust that the information provided in this letter will be of assistance to you and to the households living in your area, we would also welcome the opportunity for the Department to provide any promotional and/or community engagement activities in your area if you think that this might assist your community.

As indicated above, further information about digital switchover may be obtained from the Digital Ready website at **[www.digitalready.gov.au](http://www.digitalready.gov.au)** or by calling the Digital Ready Information Line on free call number 1800 20 10 13. The Digital Ready Information Line operates seven days a week from 8.00am to 10.00pm (AEST).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Nerida O'Loughlin', with a stylized, somewhat abstract shape.

Nerida O'Loughlin  
Executive Director  
Digital Switchover Taskforce



Australian Government

Digital Switchover Taskforce



## Free-to-air satellite TV for hotels, motels and caravan parks

Between 2010 and 2013 analog TV signals are being switched off and replaced with digital-only signals. Some areas of regional and remote Australia will be unable to receive terrestrial free-to-air TV services and may need to access free-to-air digital TV through the Viewer Access Satellite Television (VAST) service.

Information about satellite TV reception and distribution systems that may be suitable for operators of small hotels, motels and caravan parks in regional and remote areas of Australia is outlined below.

**Please note:** the term “unit” means guest accommodation including rooms, apartments, on-site vans, powered sites, cabins or other similar arrangements.

### Options for the reception and distribution of free-to-air satellite TV services

There are three main options accommodation providers may want to consider for providing VAST services to their guests. Other options are available and it is recommended providers consult an antenna installer with experience in satellite master antenna TV (SMATV) systems and master antenna TV (MATV) systems for further and more detailed advice.

1. Install a satellite dish and VAST set top box for each separate unit.
2. Install a Satellite Master Antenna System (SMATV) to distribute the signal to units.
3. Upgrade an existing Master Antenna TV (MATV) analog distribution system to provide the VAST service to units.

Any decision on the provision of television services to guests at hotels, motels and caravan parks is a matter for each individual accommodation provider having regard to available technology, building design and the particular circumstances of their business.

### Option one: install a satellite dish and set top box in each unit

Under this option, a separate satellite dish and VAST set top box is installed in each unit. An example of this type of installation and associated costings is included in this information sheet.

A satellite dish, cabling and outlets suitable for the distribution of satellite TV is installed in each unit. Each unit requires its own VAST set top box supplied by either the operator or, in the case of a caravan site, the operator or guest.