



**INQUIRY INTO BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP)
BILL 2006 AND BROADCASTING LEGISLATION AMENDMENT (DIGITAL
TELEVISION) BILL 2006**

INTRODUCTION

The Australian Electrical and Electronic Manufacturers' Association Ltd (AEEMA) is the peak national, industry body in Australia representing some 400 infrastructure providers for Australia's ICT, electronics, and electrical manufacturing industries. AEEMA's is a broad church covering as it does suppliers and manufacturers in the digital television and products sector, digital broadcasting, communications and standards, all aspects of electronics and electrical products, home appliances, consumer electronics, lighting and electrical capital equipment.¹

AEEMA's policy platform is based on adherence to competitive market principles, removal of trade barriers including non-tariff barriers, reduced red tape, regulation only where required, efficient government procurement processes, equitable tax treatment for business and the removal of impediments to Australian manufacturing that harm its international competitiveness.

AEEMA welcomes this opportunity to contribute industry input to the Government's suite of media reform bills, with particular emphasis on the Broadcasting Legislation Amendment (Digital Television) Bill 2006. Members support government efforts to develop more appropriate policy settings for media reform and the introduction of digital services in Australia. We stress that in order to ensure transparent and non-disruptive introduction of new digital services with full consumer support, the following objectives must be achieved:

- appropriate regulation to facilitate innovation in enhancements, new services, new content and products;
- facilitation of diversity through the national broadcasters;
- certainty and stability to achieve investment in new technology;
- creation of a timeframe and roadmap for the closure of analogue television services and the end of the simulcast period.

¹ AEEMA members are also suppliers and manufacturers of water and electrical meters, rotating motors, defence equipment and electronics and smart cards.

THE DIGITAL ACTION PLAN

Government has indicated that it will release a Digital Action Plan (DAP) prior to year end and that this plan will set out implementation details for the phasing out of analogue television and the smooth introduction of digital services. (*see page 31 Explanatory Memorandum Broadcasting Legislation Amendment (Digital Television) Bill 2006.*) AEEMA formally requests that appropriate representation of digital suppliers and retailers be assured in the development of the DAP: if this does not occur the success of the DAP will be jeopardised because industry will have no confidence in the government's intentions to ensure the policy settings and the implementation plan in the reformed environment are not hijacked by vested interests. The DAP will not meet its policy objectives if it is not constituted and managed in a way that ensures:

Independence. The DAP advisory group must be chaired independently, that is to say, *genuine independence* from broadcasters, suppliers, retailers and consumer groups

Balance. The DAP must not permit any one industry sector to be unduly dominant or to frustrate the achievement of the government's objectives

Resources. The government should realise that appropriate resources will be essential to ensure the success of the DAP. This will especially be the case in educating consumers about new content and services and the dates at which the analogue television transmissions will cease.

The DAP must contain all the necessary features that will provide to the TV viewing public a *reason to embrace digital television so that conversion to digital becomes a market driven activity in which the switch off of analogue television transmissions is not seen as an imposition but as a natural consequence of an obsolete technology that is not able to deliver features being increasingly demanded by consumers.* The quantity/quality concepts are central to the reasons to embrace digital. In this context quantity refers to the variety and number of services and quality refers to the production and transmission of programs with High Definition picture resolution and dynamic surround sound. These quantity/quality concepts apply to both in-home and out-of-home (mobile) television viewing.

NO CERTAIN END DATE FOR ANALOGUE TRANSMISSIONS

The EM (Digital Television) states that the aim is "for a switchover period commencing in 2010-2012." As AEEMA has stressed in previous submissions and reports, this could be read to mean that *any time* during the period 2010 to 2012 can be the *commencement* of switchover. Some have suggested that this aim could be achieved a single regional market being switched-over by 31 December 2012. In effect industry still has no certain end date or *agreed final date* for the analogue transmissions to be switched off for all capital cities and regional areas. AEEMA is concerned that unless there is a **certain date for switch off**, as opposed to a period during which **switch over can commence**, the necessary product and content messages cannot be sent to consumers; their confusion will develop into resistance and this will further reduce digital uptake. Also unless a certain date for switch off is communicated to the supply industry *within the next six months*, one more year will have to be added to the product development cycle in order to commence new product development for the 2008 year, which is when the first signals (via product labelling) to consumers should be given regarding the operability of units after a certain date.

Testing and Conformance and System Software Upgrades

So far as the testing and conformance centre is concerned, AEEMA submits that for effective operation of Digital TV, a robust regime for over the air downloads of system software upgrades (OAD SSU) is essential.

In this context AEEMA draws to the Committee's attention pages 14 and 15 of the Department's (DCITA) submission to the 2005 House of Representatives Communications, Information Technology and the Arts Committee Enquiry (HOR Enquiry) into the uptake of digital television in Australia. The submission notes inter alia *"...It (free to view digital television) also means that with technological developments there may be a need to update software in receivers... One option for updating software is a process known as over the air downloads, where the update is provided as part of the broadcasting transmission..."*

The submission also acknowledges the degree of cooperation needed between broadcasters and equipment suppliers to facilitate the smooth operation of consumers' receivers. During the 2004 election campaign, AEEMA noted that the Coalition parties made a *commitment to work with industry in establishing a TCC*. Furthermore, AEEMA supports the Department's enquiry submission, wherein it states that, *"... (a TCC) will reduce the potential for problems for consumers caused by the introduction of new technologies. The Department is currently consulting with the industry on this matter.*

Following these consultations, the Department will report to Minister about industry's views on the options for testing and conformance".

From AEEMA's perspective, the OADSSU testing and broadcasting process and a TCC are closely inter-related. If an over the air upgrade of system software for a particular brand of receiver is to be broadcast, the broadcasters, non-involved consumer equipment suppliers and the public need to be confident that it will not inadvertently cause disruption to digital television reception. To produce this level of confidence, AEEMA believes an independent centre to test OADs, before they are broadcast, will be necessary.

AEEMA is pleased to see that this view on timing, along with other associated matters, is supported by the evidence Mr James Cameron of DCITA provided to the HOR Enquiry on 17 August 2005. Inter alia he said *"...clearly we are getting to the point in time when the range of equipment being imported or produced for the Australian market is getting large enough that a set of testing and conformance arrangements is becoming critical.It (a TCC) will allow broadcasters.....to introduce new innovative services...and ...allow a movement towards a greater level of understanding.....An environment where there is a degree of assurance to consumers that if they buy basic equipment then they will be able to receive those basic services that are available*

In AEEMA's view, the establishment of an OADSSU testing process and a TCC will benefit the free to view digital television broadcasters, future digital licensees who utilise the platform, the manufacturers and suppliers of relevant consumer electronic equipment, and the public. Apart from testing SSU this centre could also be used to test product according to AS4933 Rev 1 2005.