The views I hold had been presented in various government forums, media,op-ed articles CRPF (communications policy and research forum 2007) http://www.networkinsight.org/verve/_resources/CPRF07v12_200907.pdf and are readily available. They will be expressed in summary form:

Qualifications

- Involvement in the television industry as a retailer, wholesaler, on the floor salesperson and manufacturer.

- Since 2000 having my predictions of lack of take-up, (contrary to the far more publicised and much quoted prevailing industry and government predictions) proving to be very accurate.

E.g. I stated that 2008 closedown could not happen when it was first announced. I said the 2010-2012 would not happen when it was announced.

Based on present policies, the end of 2013 which is effectively the same as a beginning of 2014 closedown date (the usual date chosen is at the beginning of the year) will not be achievable in a satisfactory way whatever legislation is put into place.

The policies need to change

The success of analog closedown is not just based on legislation and enquiries, it is based on recognition of fundamental realities which has been the problem for the last 10 years:

- A very large proportion f the population have little real interest in digital TV. Their interest is simply watching television.

- The previous government's policy of not listening to opinions contrary to the way they wish to manage digital TV appears to be continuing.

As an example despite the accuracy of my take-up predictions at earlier government inquiries I was not invited to participate in more recent inquiries while organisations with a track record of wrong predictions were invited and listened to attentively .

When I spoke directly to Labor politicians and advisers, they appeared to agree with my general points but somehow it is someone else's responsibility.

- The quoted take-up rates of over 40% of households connected to digital are misleading, (I have pointed out the fundamental flaw many times]. It is as if we based our motor vehicle policies on number of households with a vehicle rather than the actual number and type of vehicles.

The very relevant question is the actual numbers of TVs connected and here , depending on the figures selected, the proportion could be well under 20% seven years after digital broadcasts began.

The problem with such misleading figures is not just that they mislead the public, they distort the views of policy makers who do not look at the subject in detail.

- Government inquiries can be very valid if they are based on reality. However past inquiries on this subject have largely not been based on reality and lead to unachievable expectations.

- Page 3 of the latest discussion paper notes: "simulcasting is expensive for the Australian government which pays the national broadcaster's analog transmission costs and contributes to regional commercial broadcasters costs around $75 million per year."

After two years of persistent requests for information via FOI, ombudsman and ACCC, (a legal person I know estimates the government's cost in not providing information initially would have been in multiples of ten of thousands of dollars) I obtained some figures that I had been told were unavailable.
I believe the figures I received to be only partial, but even so the figure I received would suggest the $75 million mentioned is actually $110 million and rising. See attached pages obtained after the ACCC decision forced the government department to reveal them.

Coincidentally, the underestimate discrepancy is similar to the $37.9 million strategy cost. Such errors are indicative of the fundamental lack of care and attention paid to looking at the real details.

<u>Reality</u>

While better or more diverse programming will improve take-up to an extent , a large proportion of people do not care and do not bother to find what is available.

This includes many people who would be considered to be intelligent and well-informed. Many people leave their television on one or two channels and providing them an extra twenty, fifty or a hundred channels will not necessarily be reflected in their viewing habits.

- Making more information on digital TV available to the public will have some effect but much less than imagined .

Eg., the digital TV information Web sites of the previous government.

For a while I developed the habit of asking each person that phoned me on any subject whether he or she had looked at the digital TV information websites.
I stopped asking at a hundred. None of them had. My methods are not as refined as Gallup methods but they are indicative.

I suggest that people involved in making decisions of a policy nature, should ask the people they meet on a daily basis such questions and not be surprised at the lack of knowledge or interest they encounter .

Do not expect different websites or other forms of information provision, better logos and labelling [though desirable] will radically change the lack of interest in necessary within the time frame . The desired goal should be that only a few percent of people will have digitally unequipped TVs operating at the nominated closedown time.

Definitions of the disadvantaged and how they should be handled vary. I will include in this instance not just the economically disadvantaged but those challenged in other ways Currently I cannot see where their interests are being looked at in a serious way.

<u>Policy conclusion</u>

Since 2005, I have been suggesting a free basic and reliable , government - provided set-top box for all working TVs is the simple answer .
The estimated cost would be less than $150 million, so a large net saving on present policies could be achieved even if these policies actually met their target which I do not see as possible. Apart from this, the cost benefit is in addition to the technical benefits viewers would enjoy in terms of picture quality and different content and facilities.

The subsidy policy floated of providing a cash voucher for the disadvantaged, (however defined) would be very complex, and cost far more than a universal solution as a result.

I doubt if the decision-makers have read the CPRF forums at which I was one of the participants.The program of this foum is attached.
I suggest the relevant material be looked at and I recommend it as mandatory reading for Alex Varley the author in 5C on the disadvantaged.
A disk of the program can also be made available.

Here I have only provided an outline of some basic facts that appear not to have been considered and would be pleased to provide further details if requested.

Senate 1

Background

2. The Government announced in the 2000-01 Budget that up to $260m would be provided under the REP over a 13 year period to assist regional and remote commercial television broadcasters with the introduction of digital broadcasting services. This amount represented 50 per cent of the estimated transmission, distribution (feed) and studio costs of digital conversion - as determined by independent analysis. Costings in remote areas were to be confirmed once detailed arrangements for digital conversion in these areas were developed ($32.8m of the original $260m is notionally earmarked for remote licensees).

3. Total REP assistance has been adjusted to $250m, as the digital conversion model proposed by WIN and Prime for remote WA, and subsequently approved by Government, is less costly because it does not involve HDTV transmissions, and hence requires less REP assistance.

4. Commercial television broadcasters in regional areas have commenced digital broadcasts and will progressively rollout digital services throughout their licence areas to be completed by the end of the simulcast period – currently legislated to end in regional areas by 2011. Broadcasters are able to begin to access REP assistance from the fiscal year in which they commence digital transmission.

5. The approved REP assistance of $19.36m over eight years for remote WA ($1.210m pa each to WIN and Prime) is based on negotiations with the broadcasters and a report by an independent consultant, Malcolm Long & Associates, which assessed costs directly related to digital conversion of the existing two analog commercial television services, without HDTV transmission. Permitting the broadcasters to multichannel the digital transmission of their parent services, and the jointly-provided third service, with exemption from HDTV, substantially reduced the costs of digital conversion.

Regional Equalisation Plan Estimates and Actuals

Financial Year	Rebate ($m)	Grant ($m)	Total ($m)
Actual assistance achieved to date			
2000-01	15.10	-	15.1
2001-02	20.50	-	20.5
2002-03	21.00	-	21.0
2003-04	22.50	0.30	22.8
2004-05	23.55	0.66	24.2
2005-06	23.57	0.66	24.2
		Progressive Total	**127.8**
Estimates for FY2006-07 Budget and Forward Years			
2006-07	23.14	1.66	24.8
2007-08	25.90	1.30	27.2
2008-09	25.50	1.30	26.8
2009-10	25.50	1.30	26.8

Senate 2

ABC and SBS Digital Funding

	Capital Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 *Estimate*	2006/07 *Estimate*	2007/08 *Estimate*	2008/09 *Estimate*	2009/10 *Estimate*	Total ***Estimate***
ABC	90.2	3.979	23.322	33.296	50.709	58.469	*69.114*	*74.581*	*76.22*	*78.131*	*80.084*	***638.105***
SBS	59.7	3.602	9.544	12.529	26.215	40.383	*50.251*	*52.811*	*53.849*	*54.882*	*55.943*	***419.709***
												1057.814

Notes
Capital data from ANAO Report, Managing the Conversion to Digital Broadcasting, February 2005
ABC Actuals to 2004-05 in letter Knowles to Buettel 22/8/05.
SBS actuals to 2003-04 in letter from SBS referred to in Coonan to Minchin 26/11/04.
SBS actual for 2004-05 data in letter Torpy to Cameron 15/11/05
ABC data from 2005-06 to 2009-10 is Outcome 3 data contained in forward estimates.
SBS data 2005-06 to 2009-10 based on approved value of current contracts (as SBS, unlike the ABC, does not have a separate outcome for digital).

ABC and SBS Analogue Funding

	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 *Estimate*	2006/07 *Estimate*	2007/08 *Estimate*	2008/09 *Estimate*	2009/10 *Estimate*
ABC	69,269	73,393	75,318	77,221	78,608	*80.177*	*82.021*	*83.579*	*85.251*	*86.957*
SBS						*24.653*	*23.588*			

Notes
ABC data is for Outcome 2 - Analogue Transmission. These figures include radio and TV costs and we do not have a split between these costs.
SBS data is for Output 1.3 which was created in 2005-06. Forward estimates for outputs are not prepared in the same way as for outcomes.
As with ABC these figures are the sum of radio and TV costs and we do not have split between these costs.

Senate 3

Simulcast Costs Created 12 April 2005

Current Analog Television Costs

ABC	ATV	Transmission Distribution	$22,822,028	
SBS	ATV	Transmission Distribution	$20,000,000	SBS transmission costs include downlink costs SBS distribution costs include radio costs - a further breakdown was not available
				This figure will increase with the provision of additional ABC distribution costs

Note: these costs are subject to annual indexation

Digital Television

The ABC's assumes all of its digital services will be rolled out by 2012 (this was arrived at by adding an 8 year simulcast period to the requirement for DTV services to commence in regional coverage areas in 2004).

As a ballpark, our forward estimates currently assume we will spend $91m+ on the ABC's combined transmission and distribution costs at mature rollout. Policy decisions in relation to Central and Eastern Remote may affect this figure given the ABC transmits about 90 services in this area.

Current Transmission Service Agreement (TSA) contract terms

ABC	31/12/2009	TSA can be extended to 31/12/2014 if the option is exercised by 30/06/2009
SBS	30/06/2013 or end of analog if earlier	TSA can be extended to 30/6/2018 if this option is exercised by 30/6/2009

In addition to these, SBS would have some smaller contracts with Imparja and Watsons Technical Services