



17 August 2007

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## **RE: Digital Conversion of Self Help Retransmission Sites – Discussion Paper**

Southern Cross Broadcasting (Australia) Limited (**SCB**) operates the QQQ remote area television service in the Remote Central and Eastern licence area and terrestrial television services in regional areas of Queensland, New South Wales, Victoria, Tasmania, South Australia and Northern Territory.

SCB makes the following comments with regard to the discussion paper.

### **Self Help Retransmission in Regional and Metropolitan Licence Areas:**

SCB supports the comments made on these issues in the Free TV response to the discussion paper.

### **Self Help Retransmission in Remote Areas:**

Background:

It is SCB's view that Self Help Retransmission in Remote Areas is a legacy of an outdated analogue environment that existed when remote area services were first launched almost 20 years ago. At this time each domestic satellite installation cost around \$4,000 – \$5,000 and simple analogue television transmitters were readily available at relatively low cost. This made a compelling argument for the establishment of community operated retransmission in all but the smallest communities. The environment in 2007 is almost the reverse. Domestic satellite equipment can be purchased for around \$500 while digital television transmitters are expensive and technically complex to install and operate.

DTH Option:

SCB notes that the discussion paper suggests that DTH reception may be a cost effective solution for communities of less than 500 people based on an installed cost of up to \$1200 per household.

The discussion of both digital retransmission options does not however indicate an assumed installed cost of the domestic receiver which is an essential element of any cost analysis of these options. It is not clear if the determination of the 500 person threshold is based on the difference between the installed cost of a DTH receiver and the installed cost of a digital terrestrial receiver. Our analysis indicates the installed cost difference is as low as \$210. This is effectively the difference in the cost of hardware since the installation time (and hence cost) is similar for DTTB and DTH installations.

SCB has undertaken extensive technical and financial modelling the viability of several options for digital conversion of Self Help Remote Area communities including DTH reception option. This analysis was based on site details and population data from DCITA records.

In summary this analysis shows that almost without exception digital conversion in these areas is best achieved by DTH reception rather than local digital retransmission.

Other Considerations:

From several years experience installing and maintaining DTTB transmitters in rural and regional Australia, we are firmly of the view that for the foreseeable future the installation and operation of DTTB transmitters is beyond a community with limited access to specialist staff and equipment. Unlike their analogue counterparts, DTTB transmitters are highly reliant on internal computer processors and software for normal operation. Again our experience has shown that this level of complexity requires pristine operating conditions and extensive remote management and supervision. While these conditions can be met in the context of a large broadcast operation, they are impractical in the majority of Self Hep operations.

We believe it would be unwise to install DTTB transmitters in any site where the level of site infrastructure and local support could not support continuous and highly reliable transmissions of all services. Anything short of this level of reliability would inevitably see households migrate to DTH to achieve reliable services – thus undoing any perceived financial benefits of establishing DTTB retransmission.

I trust these comments will be useful in assisting with the assessment of the options available to communities.

Yours faithfully

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Southern Cross Broadcasting (Australia) Limited