

8 April 2010

Committee Secretary
Senate Standing Committee on Environment, Communications and the Arts
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

By email: eca.sen@aph.gov.au

Dear Sir or Madam

Re: Inquiry into the Broadcasting Legislation Amendment (Digital Television) Bill 2010

The subscription TV industry is the undisputed market leader of digital broadcasting. A dynamic sector that is constantly evolving and growing, it is received nationally by 32% of Australians through their homes and many more through hotels, clubs and other entertainment and business venues.

Since its inception, over \$A9 billion dollars has been invested in infrastructure, capital, facilities, productions, programs and services in order to establish and develop the subscription TV industry. ASTRA's members are responsible for the bulk of this investment which has been distributed throughout metropolitan, regional and remote markets. Consequently, the sector has created an enormous number of jobs, investment, infrastructure and production content throughout Australia. The industry continues to invest heavily in its own growth and the growth of the Australian film and television broadcast sectors including the continuing investment in television programming and production.

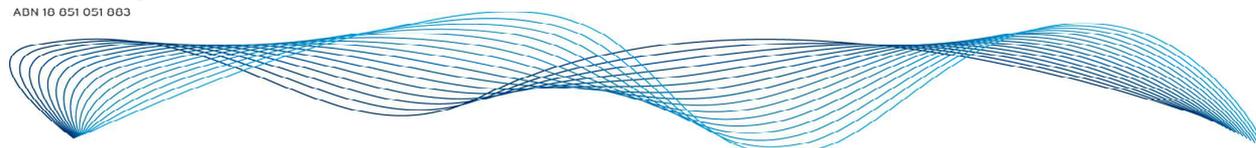
Broadcasting Policy Settings

As is widely accepted, rapid technological change and the rise of the digital economy are fundamentally affecting consumer behaviour. Audiences are fragmenting, consumers are demanding greater personalisation and control over what they watch, and traditional business models are under pressure.

As Australia fully transitions to a digital economy, regulation needs to reflect this change in order to: maximise the social, economic and cultural benefits of technological change for the Australian community; and provide a stable regulatory environment which is balanced and encourages innovation and investment.

The commercial free-to-air broadcasters (**FTAs**) have a history of benefiting from protections and subsidies provided to them by the Federal Government. Examples of the advantages that the FTAs benefit from include:

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- the prohibition of a fourth commercial terrestrial network – extended five years by the previous Government to 2013;
- the provision of an additional 7MHz spectrum each at no extra charge to drive digital television take up so the Government could switch off the analogue signal by 2008;
- restrictions on the use of two blocks of available spectrum – protecting the FTA advertising streams;
- the anti-siphoning list of over 1300 sporting events reserved first for the FTAs - the longest such list in the world; and
- the provision of licence fee rebates of approximately \$250 million for commercial FTA broadcasters in 2010 and 2011, so they can meet existing public policy objectives relating to the production of Australian content.

Federal Government Funding a Digital Satellite Broadcasting Service in Regional Blackspots

The Government's commitment to fully fund the new digital satellite broadcasting service for regional viewers needs to be considered in light of the overall media policy settings and other benefits provided to the FTAs.

While ASTRA is supportive of regional viewers enjoying the benefits of digital television, as well as having access to the same services as their metropolitan counterparts, it should be noted that the Government's \$160 million program also benefits the FTAs. The program goes beyond the *Broadcasting Services Act 1992* requirement to ensure that *"the same level of coverage and potential reception quality as was achieved by the transmission of that service in analog mode¹..."*.

This program is also in addition to financial assistance that has been provided to the FTAs - \$260 million over 13 years through the Regional Equalisation Plan - to facilitate the provision of digital commercial broadcasting services in regional licence areas.

Review of Communications Regulatory Framework

In light of the above, the subscription television industry welcomes the Government's commitment to review the communications regulatory framework in a holistic way.

The Government has flagged its commitment to undertake a comprehensive review of all media policy settings. The subscription television industry supports this review and stresses the need for this to be done in an independent and transparent manner.

Yours sincerely,



Petra Buchanan
CEO
ASTRA

¹ *Broadcasting Services Act 1992*, Schedule 4, Paragraphs 6(3)(j) and 19(3)(j)