

Submission on the Discussion Paper: Analogue Switch-off: Issues for Consideration

Ministry of Consumer Affairs.

Introduction

The Ministry's primary role is to create an environment that promotes good and accurate information flows between suppliers and consumers so that consumers can transact with confidence. This is fundamentally about developing, or assisting in the development of, the rules (whether self-regulatory or regulatory) that govern the behaviour of consumers, suppliers, institutions (such as the Commerce Commission) and markets in general so that the gap between what consumers expect and what they get from a transaction is as small as possible.

The Ministry also seeks to provide appropriate, accurate and accessible information, education and advice to consumers and businesses on consumer laws and issues.

The Ministry is very pleased to be able to make a contribution to the development of free-to-air digital television (DTV).

The discussion paper asks the reader to consider many questions. This paper will answer those to which the Ministry is best able to comment in terms of changes that will affect consumers. It has tried to avoid as much as possible comment on issues of a commercial decision making nature.

Discussion

Process

The Ministry agrees that an ASO date should be announced when a suitable level of DTV penetration has been reached. The Ministry suggests that the thresholds successfully employed by other countries should be used as a guide.

While the setting of a date may well be the impetus for improved acceptance and use of DTV, the Ministry cautions making a date too early as it would be unacceptable to have the ASO occur before a large percentage of the population can receive the new signals.

The Ministry therefore submits that a high threshold would be appropriate before ASO occurs – 9 in 10 homes having access to DTV technology should be the minimum threshold.

For measurement purposes the Ministry suggests a comprehensive survey be undertaken by a reputable survey company at regular times.

Criteria

For the purposes of ASO the Ministry considers it would be impractical for all television sets to be converted ready for DTV as the threshold criteria. It would be more practical to use households and their ability to receive DTV as the criteria. It is also reasonable to consider for inclusion in the measure, businesses and services that use television as part of the service they provide to the community. This includes motels, universities, schools and hospitals.

Announcement of a Switch-off Date

In light of the knowledge that other countries have had to delay target dates, the Ministry suggests that a definitive switch off date should be considered. This is of course contingent on several factors – consumer uptake of the technology will be key for the success of a definitive date.

A single date that is appropriately communicated to the public will potentially act as an incentive for consumers to adjust their technology requirements. It would also give suppliers of television services and television technologies the opportunity to plan for a smooth introduction of DTV.

Big Bang or Progressive Turn-Down

Given our support for ASO to have a definitive date, the Ministry accordingly supports the Big Bang approach to the ASO. One date and one switch off will allow for any public education programme and technology suppliers and installers to be properly focussed.

It is recognised that analogue transmission technologies in some areas may become uneconomic to maintain leading up to the eventual ASO date and will be switched off.

MUSH Issues

Museums, universities, schools and hospitals are no different from consumers in this regard. They must be kept informed of change in the same way that common household consumers will be.

The Ministry expects that a universal education programme will be put in place prior to ASO. This can be directed at MUSH entities via communications such as advertising and access to websites.

Consumer Issues

Availability of services

Coverage of DTV service is likely to be an issue for some consumers. For example some homes may not have line of site to satellites or certain areas may face planning / resource consent issues.

It is likely many consumers will have aerials that are not suitable for receiving digital signals. Further, there are potentially issues surrounding the ownership of aerials that have been installed by digital service providers.

Affordability

The affordability of the equipment required to receive free-to-air DTV is likely to be an issue for some consumers. While in the near future televisions may be purchased that can receive the DTV signals, many consumers may be unable or unwilling to replace their current televisions for some years, especially if a set is relatively new. This will particularly affect groups with fixed incomes such as the retired community. Such groups must have affordable access to DTV technology.

Awareness and understanding of switchover and digital TV

The paper suggests that there may be a need for additional information in support of digital uptake and ASO other than that provided by FreeView broadcasters. The Ministry suggests this is an absolute must given that most New Zealanders will currently have no real understanding of the implications the switchover will have on their own households.

Consumers must not only be provided with information about the switch over but also the actual services that they will be able to access.

Crucially, the government must demonstrate its support for this process as it will help give consumers the confidence to take part in the changeover and beyond.

It is not only consumers who will need information about DTV. Retailers will need to be fully informed about the products and services they are selling. Consumers often will rely on the wisdom of the seller and make their purchase accordingly. If the seller is providing inappropriate information the consumer may suffer detriment.

Support for consumers

There are several groups in the community that will require support in the change over period. This includes people with disabilities, for example, the visual and hearing impaired and those who are dexterity impaired (e.g. severe arthritis may possibly hinder a person's use of DTV.)

There will also likely be many 'socially isolated' persons who cannot rely on a social network of family and friends to explain the change over and its implications. Thought will need to be given to how best these people can be advised of the changes.

A scheme that targets groups such as those above for help could provide a safety net for people caught out by the ASO. The scheme could offer assistance for converting television sets and help installation and use.