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Digital Broadcasting Strategy
Ministry for Culture and Heritage
Wellington

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Submission on Digital Broadcasting Strategy

Executive Summary

1. The New Zealand Screen Council recommends a fixed national switchoff date from analogue to digital broadcasting. This should be broadly aligned with the nations which are our primary markets and our suppliers for production and other technical equipment, consumer devices, and programmes. These are USA (2009 switchover); Japan (2011) Australia (2009) and UK (regional roll-out from 2008 completed in 2012). The Screen Council recommends a switchoff date of 2012.

Introduction

2. The Screen Council has read the December 2006 *Analogue Switch-off: Issues for Consideration* discussion document with interest and wishes to thank the Ministry for Culture and Heritage (MCH) for the opportunity to submit on it.
3. The Screen Council is an independent industry body representing the screen production (film and television) sector. Arising out of the Growth and Innovation Framework (GIF), its mandate is to facilitate growth in the screen production sector on a sustainable basis.
4. The Screen Council's comments on the discussion document are outlined below.

Comment

ASO Date Versus Penetration Rate

5. The Screen Council believes it is appropriate for the government to take a decisive stance in dealing with analogue switch-off (ASO) and set a firm date for transition. It

does not believe that penetration level should be a consideration, certainly not when it announces the transition strategy.

6. The Screen Council believes that providing a definite date for ASO will give certainty to all parties. New Zealand is already some way behind other countries in tackling ASO. It is timely for a clear, determined strategy to be enunciated which includes a definite ASO date. Certainty around a date will allow planning for other considerations, such as infrastructure, to be more easily timetabled.
7. Working to a penetration rate begs the question of what rate, how will it be monitored and what happens if it is not achieved. It may lead to delays, as there will be little incentive for consumers to actually change. There should be one target that everyone is working to which the Screen Council believes should be a fixed date. A combination of penetration rate and date is also not a viable strategy as it will create uncertainty.
8. From both a content production and broadcasting perspective a firm timetable is crucial. For consumers to reap the benefits of digital programming and for producers to become fully conversant with and adapt to the technology a fixed, rather than potentially floating, date is essential. Consumers are already speaking with their wallets and will increasingly do so as other countries convert before us, placing pressure back on the government to change even earlier.
9. Digital production and transmission opens up opportunities for innovation and the creation of new products and services. New Zealand producers run the risk of being left behind their international counterparts if firm dates are not announced. Interestingly, the Stats NZ Screen Industry Survey found that production recording formats in 2004/05 were already digital in 57 percent of cases versus 41 percent in analogue. Almost all new equipment development and innovation is in digital formats. Maintenance and other support for analogue equipment will become increasingly limited.
10. The Screen Council believes that a time period of 5-6 years is an appropriate period within which the transition from analogue to digital should take place. New Zealand does not want to be left behind other countries, nevertheless experience in other countries and logistical/technical reasons suggest that a timeframe of this nature is warranted. It recommends an ASO target date of 2012.

Scope of ASO

11. The Screen Council does not have an in-depth knowledge of the full range of broadcast services that may be affected by ASO, such as regional and local broadcasters. Nevertheless, it believes that ASO should apply across the board to all services on the same date if this is technically and logistically possible. Exceptions to this should be dealt with on a case-by-case basis. Any compensation or equity issues should again be addressed on the same basis.

Roll-Out

12. The Screen Council believes that New Zealand should switch over as a whole, rather than have ASO progressively implemented region by region. Again certainty is key both from a consumer's and broadcaster's perspective.

Set Top Boxes

13. The Screen Council believes that the ideal would be one STB required per household which is able to service all television sets or VCRs, in those circumstances where a STB is required. STBs will not be required in future as these will be built into television sets.

Steering Group

14. Analogue switch-off is highly material to broadcasters, infrastructure providers and the consumer electronics retail sector. Given continuing technological developments a qualified Steering Group may provide useful support during the transition process. A dedicated resource person in either MCH or MED with links to affected parties may be an adequate alternative if industry groups choose not to participate.

Encouragement Towards Adoption

15. Undoubtedly there will be non-adopters. Sufficient lead-time and appropriate communication will help to reduce numbers. The Screen Council is mindful that if the ASO is introduced over a sufficient long lead time then technological developments will potentially have reduced costs to consumers and encouraged participation of their own accord.
16. The Screen Council also believes that the government should adopt a social-equity approach to help adoption. The reasons for this are both for social-equity reasons and also to reduce resistance to the process. The Screen Council is not in a position to suggest what sort of social-equity approach should be undertaken.

17. A carefully targeted public information campaign is warranted by government in conjunction with broadcasters and others. The Screen Council is not in a position to comment on how it might be implemented. Similarly, the Screen Council is not in a position to comment on how liaison with distributors, retailers and installers should be managed. Presumably there are recognised industry channels for communication in addition to normal mass media outlets. Establishing a definite date for ASO early will provide these parties with a more than sufficient notice period of when change will occur.

Regional and Local Broadcasters

18. Most local and regional services operate using relatively low-powered UHF transmitters. This would suggest that simple substitution of DTT transmitters in the same location would provide the most cost-effective solution. Other alternatives include DBS (but given the normal nationwide footprint of a satellite transponder this seems inconsistent with the purposes of regional services). IPTV (internet protocol TV) uses existing telecommunications infrastructure (copper wire and fibre) to deliver streamed and on-demand TV to limited areas. It provides interactivity and therefore would contribute to innovation in programming and other services. However, in its present state of development IPTV is more suited to densely populated areas. MMDS is a one-way service, also adopted to a limited extent overseas for one-way broadcasting, but also unsuitable for regional broadcasting because of population density issues. Digital cable provides the ultimate solution in terms of capacity, interactivity and the potential for innovation, but unfortunately New Zealand has limited existing infrastructure and new cable installation may not be as cost-effective as other options, at least in the short term (although it provides many other benefits).

The Screen Council does not have any additional points to make on ASO. It is not in a position to comment on licensing issues. However, it is available to work alongside government on the ASO if required.

Tim Thorpe
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