



Tasmania

Sum 126
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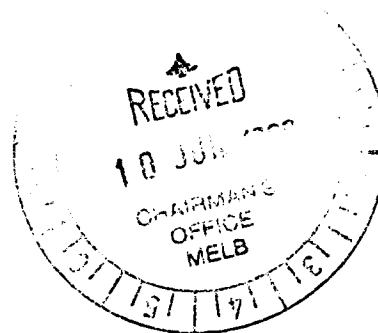
PREMIER
MINISTER FOR STATE DEVELOPMENT

- 8 JUN 1999

cc: Broadcasting
Team

Gary G. Banks

Mr G Banks
Chairman
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003



Dear Mr Banks

Thank you for your invitation to make a submission to the Productivity Commission's Inquiry into Broadcasting.

Television and radio services provide popular and vital sources of information and entertainment throughout Tasmania that need to be at least maintained, if not enhanced. However, there are some difficulties with providing broadcasting services in the State not only because of our isolation but also our decentralised population and topography.

In the context of this Inquiry there are some issues which I would like to raise as problem areas for Tasmania - service quality, access, the cost of providing community services and the need for maintenance of free to air services.

The quality of service in Tasmania is such that whatever the technology used, whether analogue or digital, FM or AM, there will always be pockets of the State that receive poorer reception. The population spread combined with the terrain provides a unique example of failures of the present broadcasting arrangements. With the introduction of digital transmission, however, those areas that now receive only a marginal service may lose their signal completely. This is because line of site is necessary to receive digital transmission. Tasmania's topography makes line of site reception difficult in many areas. It is my understanding that the digital signal does not degrade as the analogue does at present; it simply ceases. Therefore a service is either received or it is not. The only way around this problem is to increase the number of repeaters situated around the State. A cost/benefit analysis would be necessary to assess the viability of such an approach which may not prove cost effective statewide.

There is also concern within Tasmania about access to services using cable solutions. These services require access to bandwidth which is not available with the technology and copper cable infrastructure currently available in the State. The rollout of cable services (using coaxial and optical fibre cable) as provided for areas in Sydney and Melbourne is unlikely to become available

in Tasmania. Alternative solutions are being developed and it will be possible to increase bandwidth over current copper cables with the introduction of XDSL (digital) technologies in the future. However, this is likely to be a longer term solution because of the eight year rollout period from 1 January 2001.

Another issue to be highlighted concerns the expense of providing community services. The cost to local communities wishing to provide services such as community radio is high. If there is access to existing infrastructure then large rental costs are usually involved. More commonly communities seeking to provide such services are required to build their own infrastructure because of isolation. A compounding factor is the cost of facilities and equipment. For these reasons the expense of providing local services without external funding is quite out of reach for most communities.

Subscription television services are emerging as competitors to the free to air channels and are increasing consumer choice. However, within the State this increased choice is not available to all Tasmanians. Relying upon a terrestrial broadcasting service, many Tasmanian communities lie beyond the reach of subscription television. Transmission covers a radius 50 kilometres from the transmitters located on Mount Wellington and Mount Barrow. Beyond this, subscribers need to purchase a satellite dish at extra expense. It has been estimated that the take up rate of pay television services is at present only about 1 - 2% with little increase likely until either a second cable is placed across Bass Strait or digital technology is in place. It is possible that the low take up rate is partially due to the uneven spread of locations that are able to receive services.

While the mainland of Australia offers three commercial networks, Tasmania presently offers only two. The reduced consumer choice inherent in this arrangement reinforces the case for improved access to subscription television in the State.

At present free to air television operates in a highly protected market. Legislation is in place to regulate the purchase and airing of programming, the aim being to prevent ciphering or hoarding of product to the detriment of competitors. This legislation is critical to the survival of free to air television. With many live sporting events already being taken up by pay TV channels, it is important that those events which have traditionally been available for free to air viewing, remain so. I would suggest that this legislation should not be weakened, until the effects of the digital rollout become clear.

Within Tasmania, the issue of retaining a strong free to air service becomes particularly pertinent, when considering our topography. As stated previously, it is only possible for people living within a 50 kilometre radius of either Mount Wellington or Mount Barrow to receive subscriber services. While the capital city centres are indeed located within this radius, Tasmania has a decentralised population. The North West Coast and central Tasmania

support a significant proportion of the State's population while being beyond the reach of these two transmitters.

The introduction of digital broadcasting is likely to change the whole face of broadcasting nationally as well as within Tasmania. Digital technology will equip free to air stations with the infrastructure to transmit four times the programming they can at present, thereby improving their competitive position along with consumer choice.

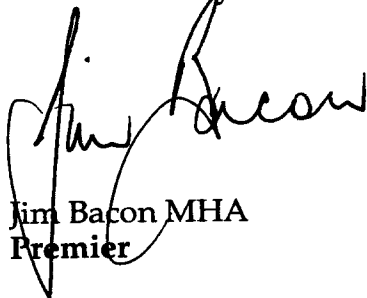
The convergence of technologies through digital cable is likely to render present legislation impotent. While the consumer will be inundated with new channels resulting from the expanded access given to commercial stations, they will also be faced with a number of other entertainment options, not the least being Internet access to channels not presently available. This increased access via the Internet allows for the breaking of international boundaries. Viewing will become global. Legislation will be powerless to prevent consumers buying and viewing any service they wish. However, given the timeframe proposed for the digital rollout, it is necessary that legislation remains intact at present.

The era of digital technology is rapidly approaching. Broadcasting within Australia will change irreversibly. It is critical that we identify and move toward addressing problematic areas to ensure a smooth and successful rollout within Tasmania.

Tasmania's island status means that communication is a crucial and necessary part of life in this State. Broadcasting is one element of communication that helps to lessen Tasmania's separation from the rest of the country. It is essential that issues of transmission be addressed in relation to Tasmania's isolation, population spread and topography, all of which render the State unique in relation to the rest of Australia.

I look forward to seeing the Commission's draft report on broadcasting later this year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jim Bacon', written over a printed name and title.

Jim Bacon MHA
Premier