

Hon Steve Maharey

Minister of Broadcasting



Background Information

Towards digital television

Government commitment

The Labour-led government believes a transition to digital television is essential to securing the viability of free-to-air broadcasting in New Zealand.

Our commitment is to ensure all New Zealanders are able to enjoy the benefits of digital television, and that public broadcasting, and local content, remain a strong part of the free-to-air mix in this country.

Digital television provides an opportunity to strengthen the role of public broadcast television, and boost the quality and range of programmes available to New Zealanders.

This initiative supports the aims of the Broadcasting Programme of Action, the government's six year plan to strengthen broadcasting, announced in February 2004.

TVNZ Digital Services Proposal

The government will provide \$79 million to support TVNZ's Digital Content proposal.

This is a cost-effective option for ensuring high-quality public broadcasting is part of the digital mix. The investment is for the start-up phase of the digital services, with the expectation that the new channels will become self-sustaining over time.

The first new channel, with the working title *TVNZ News 24*, will be launched in late 2007. A factual channel with extended news and current affairs coverage, it will feature in-depth reports and interviews, New Zealand and international documentaries, and special interest programming.

TVNZ Home, is planned for early 2008. With a high percentage of New Zealand content, the channel will include children's programming, family factual and entertainment programmes, and an evening showcase of local and international drama, comedy, arts and culture.

The proposal will provide:

- Extra screening opportunities for local content
- space for more in-depth content
- Opportunities for special interest audiences to view programmes at more accessible times and to introduce new audiences to those programmes
- A testing ground for innovative content
- Innovation in developing interactive and other digital content.

The Freeview platform

Free-to-air digital will be delivered through Freeview, a consortium of free to air broadcasters, including TVNZ, CanWest, Maori TV, and Radio NZ.

To ensure there is an option for all New Zealanders, services will be delivered through a hybrid model. This will combine terrestrial, or land-based, transmitters and satellite services, which offer nationwide coverage.

Transmission by satellite is expected to begin early to mid 2007, with progressive introduction of terrestrial – or land-based - services to follow over a 12-18 month period. In comparison with other OECD countries that have launched digital TV, this is a significant stage one rollout.

Support for Freeview

The government has agreed in principle to provide up to \$25 million over five years to assist with the establishment of Freeview, with the bulk of costs to be met by broadcasters.

Broadcasters will also be granted free access to digital frequencies during the transition phase, with an estimated commercial value up to \$10 million.

Freeview will operate on a non-profit basis, with open access for new services.

The advantages of digital

Free-to-air channels currently on analogue will be broadcast through Freeview, along with the introduction of new content and services as broadcasters develop them.

Digital television will remove the current constraint on the number of channels and amount of content.

New channels and services may include specialist channels, widescreen formats, and access to New Zealand's television archive heritage.

For New Zealanders, digital will mean better pictures and sound, more content to choose from and crystal clear reception.

Digital also offers the scarcely tapped potential of interactive services, which could include health advice, education, e-mail, consumer services and choice in coverage from sports events.

Connecting to Freeview

New Zealanders won't need to buy a new television to get Freeview – digital works on any colour television. But they will need a set top box, which is expected to retail at an initial cost of around \$200.

As people replace their television sets in the future there will be models on sale that are digital capable, and won't require a set-top box.

The 'switch-off' of analogue television will occur in the next six to ten years, once the majority of New Zealanders have made the transition to digital.

Moving NZ into the digital era

The transition to digital broadcasting, and the convergence with other technologies, is essential to New Zealand's broader economic transformation.

The findings of an independent study released in June make a strong case for moving ahead now with the shift to digital.

As well as highlighting the benefits to New Zealand, including a net financial benefit of up to \$230 million, the study reinforces the considerable risks of delaying the switch to digital.