

# Australian government under fire over digital television

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According to the Howard government, the introduction of digital television in Australia on January 1 represents a major advance for all consumers. The reality, however, is somewhat different.

Digital broadcasting has the potential to transform domestic television receivers into interactive multi-media entertainment and information centres with high quality images, surround-sound and access to e-mail, Internet and other services. The system imposed by the Howard government, however, hampers the growth of this new media and is structured to protect the national television networks.

Rupert Murdoch's News Corporation and John Fairfax publishers, two of the largest companies demanding wider access to this potentially lucrative field, have bitterly denounced the government. Murdoch, who heads one of the largest satellite broadcasting networks in the world, has demanded that additional bandwidth made available by the new system be used for new television channels, expanded datacasting (a term used to define all non-television digital data services) and other media services.

This has been rejected by the government, which has restricted the service almost entirely to the existing commercial channels—the Ten, Nine and Seven networks—and the government owned ABC-TV and SBS. These channels have been given exclusive use of the digital spectrum, free of charge, until 2008 and only have to pay for datacasting transmissions.

Although any company can purchase a datacasting license, strict content rules apply, severely restricting any real development of multi-media services. Datacast drama, current affairs, comedy, educational programs or anything deemed to be competing with existing television is illegal. Headline bulletins with video images are confined to a maximum of 10 minutes and

cannot be hosted by a news presenter or linked to other items. Continuous datacasting of sports, weather reports or financial information is also banned and no company allowed more than one license in each of the 16 regional datacasting service areas.

Newspapers owned by Murdoch have bitterly attacked the new system, describing it as a \$5 billion handout to the networks with Kerry Packer, the owner of the Nine Network and Australia's richest individual, gaining the most from the deal.

Last year Murdoch's *Australian* newspaper ridiculed the government as “techno-retards” adding, “John Howard and Richard Alston—and, indeed, the entire Australian Parliament—are the laughing stocks of the digital world. They might as well be living in another century.” In a December 21 editorial the same newspaper declared: “Doesn't he [Howard] know his Minister for Communications, Richard Alston, is so adept at following his master's voice that he can't tell the difference between a gramophone and viable policy for digital television?”

On January 18 Murdoch's *Daily Telegraph* described an auction of datacasting licenses as a “richly camouflaged continuation of the Federal Government's litany of failure with its digital television legislation”. The newspaper said Alston “lacked vision,” was “deluding himself” and that Prime Minister Howard “must realise that the communications emperor has no clothes”.

The government's legislation has also come under attack from Internet companies and datacasters, which have likened it to the government's failure to provide adequate high-speed Internet bandwidth, modern infrastructure services and tax breaks for high-tech research and development.

Australian Internet Industry Association executive

director Peter Coroneos commented last week: “We don't think it is right that the Government has made digital second-class citizens of them [ordinary families] and their kids just so that the powerful television networks can be protected.” Coroneos said the Internet industry was not interested in bidding for the government's datacasting licenses because “the restrictions are so onerous there is longer a commercial case for datacasting in Australia”.

While the Howard government has attempted to tough it out, with Alston describing opponents as “doomsayers” and “armchair experts,” the Australian Labor Party (ALP) has lined up with Murdoch's News Limited, Fairfax and others attempting to remove datacasting restrictions.

The ALP announced on Tuesday that it would move Senate amendments to free up datacasting rules and lift some restrictions on transmissions. Stephen Smith, Labor's Communications spokesman, who has also called on the government to postpone the sale of datacasting licenses next month, claimed that the ALP's amendments would allow the datacasting industry to “prosper and to thrive to the benefit of all Australians”. Smith's proposals, however, have no chances of passing and are a rather transparent attempt to secure the support of the Murdoch and Fairfax media chains in the lead up to the federal election later this year.

Ordinary television viewers and others wanting access to the range of digital services available in other countries have been left in the lurch by all the contending factions, with expensive domestic setup costs and lack of equipment ensuring that all but a handful are unable to take advantage of the new broadcasting service.

The digital scan and modulation system adopted by the Howard government is used by a small number of countries, thus ensuring that equipment is in short supply, expensive and difficult to upgrade. Standard Definition Televisions cost more than \$5,000 and High Definition Televisions, the sets capable of receiving cinema quality images, are expected to cost over \$10,000.

Those who want to watch digital broadcasts on their existing analogue televisions will have to spend between \$700 and \$900 for a Set-Top Box (STBs) to decode the digital signals. This equipment is still not available in Australian electrical stores. In addition, the

STBs currently being produced for the Australian market are not interactive capable and will have to be upgraded or replaced at a later date. The government also plans to end analogue broadcasting by 2008, denying any television access whatsoever to viewers with old-style televisions and no set-top-boxes.



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