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Digital Broadcasting Strategy  
Ministry for Culture and Heritage  
Wellington

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**WRITTEN SUBMISSION IN RESPONSE TO THE DISCUSSION PAPER:  
ANALOGUE SWITCH-OFF (ASO): ISSUES FOR CONSIDERATION**

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SPADA thanks the Ministry for the opportunity to comment on the discussion paper *Analogue Switch-Off: Issues for Consideration*.

**Executive Summary**

1. SPADA supports the Government's objectives for New Zealand's digital television conversion (DTV).
2. SPADA believes the Government should adopt a simulcast system, along with an ASO of 2012. By setting an ASO date stakeholders are incentivised to work towards the transition to digital, and cements the reality that New Zealand is switching to digital. SPADA believes an ASO of 2012 will provide sufficient time for the government, broadcasters, retailers, and consumers to manage and implement the change process.

3. SPADA's recommendation of an ASO of 2012 is in line with the New Zealand Screen Council's recommendation to the Ministry in its submission. The Screen Council also notes, rightfully so, that New Zealand needs to keep pace with its primary markets, in particular: Australia (2009), UK (regional roll-out from 2008 completed in 2012), Japan (2011) and USA (2009 switchover).
4. However, having set an ASO date, regardless of the success of digital transmission rollout throughout the country; consumer uptake may still fall below the necessary threshold targets for switch-off. SPADA believes the key to influencing consumer conversion to digital lies in content. Consumer uptake will be slow, unless there are compelling reasons to do so, other than better picture and sound quality.
5. SPADA believes consumers will be incentivised by high quality programming and diversity. Therefore, SPADA believes the health and growth of New Zealand's the independent screen production sector needs to be managed and fostered – during this transition period to digital - through the establishment of appropriate mechanisms to ensure broadcasters have a commitment to producing high volumes of high quality commissioned programming.

## **Background**

6. As a membership-based organisation, SPADA represents the collective interests of independent producers and production companies on all issues affecting the business and creative aspects of screen production in New Zealand. Current membership stands at approximately 360. SPADA's mission statement is "*to be the leading voice of a growing, vibrant and diverse New Zealand independent screen production industry*".
7. SPADA's comments on the discussion document are outlined below.

## Comments

8. SPADA's previous submissions on digital television focus on the broadcasting environment; and the continuation of programming that reflects the cultural diversity of our country, through the on-going commissioning and production of high quality local content by the independent screen production sector.
9. SPADA notes its ongoing concern regarding the lack of regulation in the broadcasting environment, notably the lack of constraints on foreign ownership of media companies and on cross-media ownership: particularly in a highly competitive international market dominated by vertically-integrated multinationals.
10. There are also indications that commissioning funds for licensing digital programming might be set considerably lower than standard programmes.
11. New Zealand needs to ensure its content producers receive their share of value generated by new media; and that it does not devalue the worth of that new media by ghettoising the programming that goes on it.
12. The government has provided six years of special funding to the public broadcaster, TVNZ, to establish two new digital channels. TVNZ advise this transition to digital will not only provide clearer pictures, and sharper sound, but also better choice of programmes and interactive options.
13. SPADA support TVNZ's objectives, however, given its new digital objectives, as well its existing objectives to maintain the performance of its analogue channels (TV One and TV2), SPADA is concerned about possible production budget pressures, and the impact this may have on certain genres, including high-end drama, children's programming, current affairs and factual programmes.
14. The transition to digital needs to be managed in order to reduce the likelihood of possible budget constraints impacting on the quality of the content being programmed on the new digital channels. We must remember that it is only during the transition period that a distinction between delivery platforms exists. When the ASO date arrives, New Zealanders will only be basing their choice on content.

15. Therefore, SPADA's key objective moving forward into a new multi-media environment is to support the continued strength and growth of the independent production community; and to facilitate the delivery of high quality locally made programmes to the New Zealanders.

Penelope Borland

**Chief Executive Officer**