

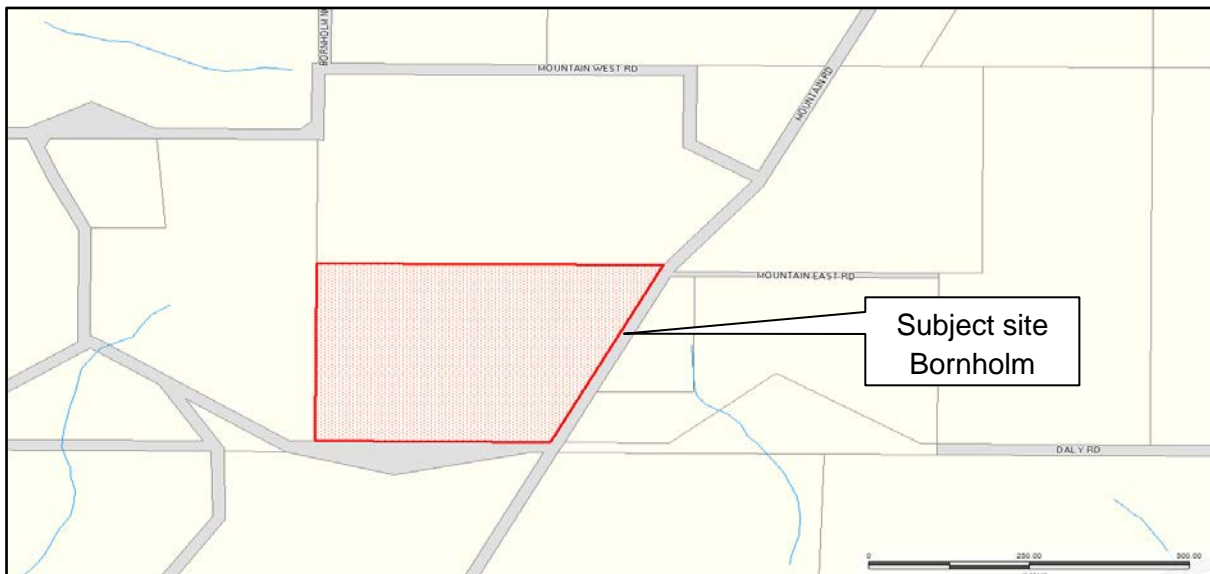
21/02/2012

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4.8:SWITCHOVER FROM ANALOGUE TO DIGITAL TELEVISION FOR COMMUNITIES SERVED BY CITY OF ALBANY OWNED AND MANAGED (SELF-HELP) TRANSMISSION TOWERS LOCATED AT BORNHOLM AND WELLSTEAD VERSION THREE

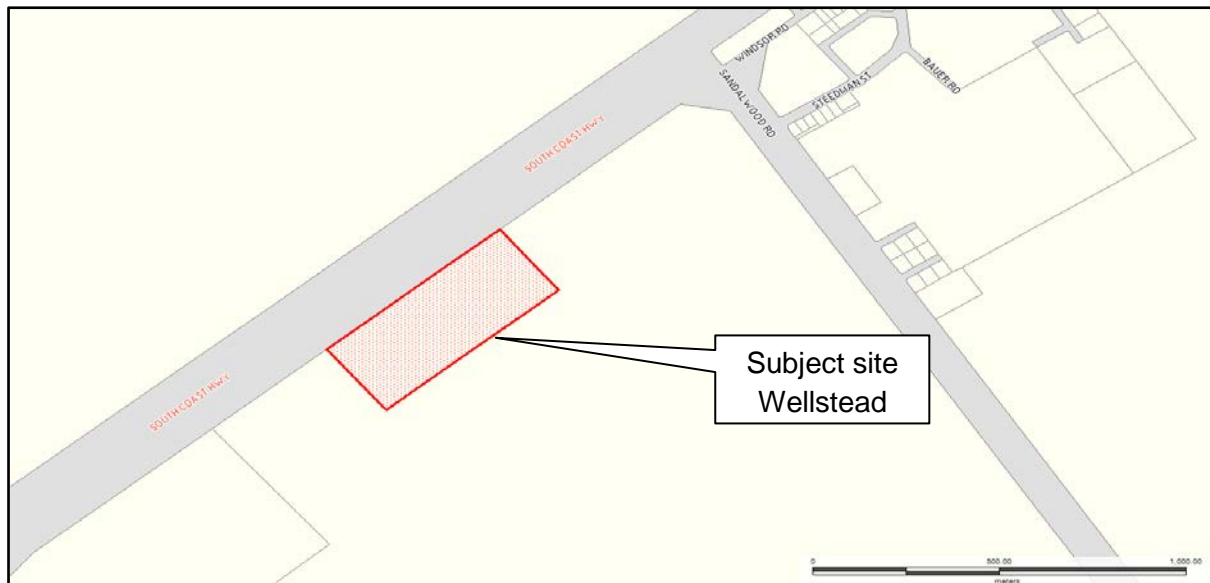
- Land Description** : Lot 117 on Plan 230722 and being land contained in Certificate of Title Volume 2712 Folio 756, Bornholm
Lot 3 on Plan 35103 and being land contained in Certificate of Title Volume 2546 Folio 681, Wellstead
- Proponent** : City of Albany & Department of Broadband, Communications and the Digital Economy
- Owner** : Desmond J Wolfe
Cooperative Bulk Handling Ltd
- Attachments** : Letter from Australian Communications and Media Authority
Letter from Department of Broadband, Communications and the Digital Economy
- Responsible Officer(s)** : Acting Executive Director Corporate Services (P Wignall)

Maps and Diagrams:



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**IN BRIEF**

- **Officers researching and preparing this item do not have telecommunications expertise and have relied on information from Consulted References.** The City of Albany is responsible only for making a decision to adopt Option A or B as detailed below and ensuring that affected householders are consulted. It is not responsible for the actions required to provide full digital television transmission. This responsibility rests with the Federal Government's Department of Broadband, Communications and the Digital Economy.
- Council is requested to consider the following two options and make a decision regarding the switchover from analogue to digital television for the City owned and managed (self-help) transmission towers located at Bornholm and Wellstead.
- **Option A:**
Switch off existing self-help transmission towers and opt the households in the Bornholm and Wellstead areas into the Federal Government funded digital Viewer Access Satellite Television (VAST) service. This is a direct to home digital satellite service that will provide households in the Bornholm and Wellstead areas the same sixteen free to air channels that are broadcast to other households using commercial towers.
- **Option B:**
City to upgrade the self-help towers from analogue to digital television at full cost to the City, to provide the households in the Bornholm and Wellstead areas the same sixteen free-to-air channels that are broadcast to other households using commercial towers.
- The Federal Government's Department of Broadband, Communications and the Digital Economy require a Council decision on the preferred digital conversion option by 22 February 2012.

ITEM 4.8: RESOLUTION**VOTING REQUIREMENT: SIMPLE MAJORITY****MOVED: COUNCILLOR GREGSON****SECONDED: COUNCILLOR SUTTON****THAT Council, subject to consultation with the affected households:**

- i) **ADVISE the Department of Broadband, Communications and the Digital Economy that the preferred option is to switch off the existing self-help towers at Bornholm and Wellstead and opt those households (who use the self-help towers to receive television reception) into the Federal Government Viewer Access Satellite System (VAST) service. This allows eligible households in those communities to access the Household Assistance Scheme or Satellite Subsidy Scheme to facilitate the conversion to digital television.**
- ii) **ADVISE the Department of Broadband, Communications and the Digital Economy that Council does not intend to upgrade their self-help transmission towers at Bornholm and Wellstead to digital television.**

CARRIED 12-0**BACKGROUND**

1. In 2000, the Federal Government announced details of a Television 'black spots' Program that was being offered to local councils and community organisations to improve the poor television reception in their communities.
2. The areas of Wellstead to the East and Young Siding, Torbay, Elleker and Bornholm to the West were identified as black spot areas requiring additional television transmission services.
3. The City submitted an expression of interest for the Federal Government Television 'black spots' Program and was successful in securing funds to install towers at Bornholm and Wellstead to improve the television reception within these and surrounding areas.
4. At the Ordinary Council Meeting on 21 May 2002, Council approved a tender to Broadcast Engineering Services for the installation of the two self-help transmission towers at Bornholm and Wellstead.
5. A tower is classified as a self-help transmission tower when a local council or community organisation own and maintain the tower and equipment necessary to receive and locally transmit a free to air broadcasting service.
6. It is anticipated the households served by the existing self-help towers in the Albany West areas of Young Siding, Torbay, Elleker and Bornholm is approximately 250 and 100 in the Wellstead area.
7. At the Ordinary Council Meeting on 15 July 2003, Council resolved to enter into new leases with landowners Desmond J Wolfe of Lot 117 Mountain Road, Bornholm and Cooperative Bulk Handling Ltd of Lot 3 South Coast Highway, Wellstead for a term of

twenty years for the purpose of installing and operating television transmission stations.

8. At the Ordinary Council Meeting on 19 May 2009, Council approved a new licence for Ocean Broadband Ltd to access the tower located Lot 117 Mountain Road, Bornholm for purpose of Wireless Broadband Internet Service. The licence has a term of three years with an option for a further two year term.
9. In May 2011, the City received written correspondence from the Australian Communications and Media Authority advising of changes to the radiofrequency spectrum band in which the City of Albany has licences for the two self-help transmission towers at Bornholm and Wellstead. The City was advised that these changes were in preparation for digital television.
10. The City of Albany holds eight transmittal licences servicing channels 52 – 69 with a radio frequency spectrum band 694 – 820 MHz. These licences provide the television services of ABC, GWN, WIN and SBS to Bornholm and Wellstead areas.
11. Current analogue licences for ABC, GWN, WIN and SBS will expire on August 2013, or upon the switchover date, whichever is the earlier.
12. In December 2011, the City received written correspondence from the Department of Broadband, Communications and Digital Economy advising that all television towers in regional WA are scheduled to cease broadcasting in analogue in the second half of 2013.
13. The actual switchover date has yet to be determined.
14. The Department of Broadband, Communications and Digital Economy detailed the two options available to local councils and community groups being to either adopt the Federal Government funded digital Viewer Access Satellite Television (VAST) service or upgrade their self-help towers from analogue to digital television.
15. The Department of Broadband, Communications and Digital Economy's Digital Switchover Taskforce required Council to advise notification of their preferred option by 15 February 2012. City staff have secured an extension for notifying the Department until 22 February 2012 (immediately following Council meeting on the 21 February 2012).
16. Council's decision will then be communicated to the affected households inviting comment for a period of two weeks. Council will then be asked to consider any comments at the next available Council meeting.
17. The Department of Broadband, Communications and the Digital Economy has allowed Council the time to consider any community comments, and if necessary, change Council's initial advice to the Department regarding their preferred option, within an acceptable timeframe.

18. The options available to Council have been detailed above.
19. The analogue service will not continue operating beyond the switchover date, whatever that may be. Regional WA is one of the last areas to be converted nationwide. The transmission towers that provide analogue television to the Bornholm and Wellstead areas will be switched off at this time.
20. Commercial television transmission towers will be upgraded by commercial broadcasters. All other television transmission towers that are owned and managed by local councils or community organisations will be required to be either switched off and move to the Viewer Access Satellite System (VAST) service or be upgraded by the owners, to digital status. The transmission television tower in Mt Barker is expected to be switched to digital transmission by June 2012. Once switched to digital, this tower is expected to supply digital transmission to a wider area than covered by the existing analogue service. It is therefore expected that some householders situated in the existing 'black spot' areas may be able to access digital transmission from this time, providing they have the appropriate equipment (e.g. a set top box).

Households in 'black spot areas' would be advised not to consider any upgrades or conversion of existing equipment until after this date.

Whilst it is appreciated that some households in 'black spot' areas may want to upgrade to digital television immediately, it is understood that this is not possible unless they have an existing satellite service which can be upgraded to VAST. The earliest that any other households in 'black spot' areas could access digital is May 2012 (when the Mt Barker tower is upgraded), OR if access isn't available at that point in time, during the roll-out by the Switchover Taskforce.

It is the understanding of City staff that at the time the self-help towers are turned off, all affected households that require digital television services will have this service, provided they have taken all the steps recommended by the Switchover Taskforce. The City recognises that other parties are responsible for this roll-out and therefore that circumstances may result in changes to time-frames presented in this item.

21. Most of the self-help towers were installed in the television reception 'black spot' areas are owned and managed by local councils or community associations.
22. The Federal Government has advised there is no capacity to provide funding to any owners for either the upgrade of the self-help towers or costs associated with the ongoing operation and maintenance of the upgraded towers.

DISCUSSION

23. The Federal Government in ensuring that all viewers have access to digital television have considered the options for a reliable digital service in areas currently not serviced by the commercial broadcaster towers.

24. In doing so, the Federal Government took into account its previous experience in the delivery of analogue television for 'black spot' areas, the greater complexity involved in digital transmission requiring qualified technicians and associated costs, the timing of the switchover and the need to ensure that viewers received a consistent service. The Federal Government considered that the Viewer Access Satellite System (VAST) service presented a solution for those communities currently served by the self-help transmission towers. For the purpose of this report this is known as Option A.
25. The Federal Government funded digital Viewer Access Satellite Television (VAST) service is a satellite service which covers all of Australia.
26. The Federal Government has established the Household Assistance Scheme and the Satellite Subsidy Scheme as one-off digital conversion assistance schemes. These schemes will be available for eligible households (who currently rely on a self-help transmission towers) to switch to the Viewer Access Satellite Television (VAST) service for digital television.
27. The households may be eligible for one of these schemes only, to assist them with advice and the cost associated with switching to the new Viewer Access Satellite Television (VAST) service, if no digital service can be obtained from commercial towers.
28. The Household Assistance Scheme will be available to eligible households, at no cost to the household, to switch from analogue to the satellite digital television via the Viewer Access Satellite Television (VAST) service.
29. Eligible households under the Household Assistance Scheme will receive an installation of equipment including but not limited to a satellite dish, a VAST set top box and associated cabling. This scheme is specifically intended to meet the needs of recipients of regular government payments for the elderly and people with a disability.
30. Centrelink and the Department of Veterans Affairs will contact those households eligible for the Household Assistance Scheme.
31. The Satellite Subsidy Scheme is available to those eligible residents who are served by the self-help towers to receive television who do not qualify for the Household Assistance Scheme.
32. Eligible households under the Satellite Subsidy Scheme will also receive an installation of equipment including but not limited to a satellite dish, a VAST set top box and associated cabling, for a predetermined contribution. The predetermined contribution will be set by the Federal Government.
33. The exact amount of this contribution is not known at this stage as different areas have varying needs and costs. However, after the subsidy, the Federal Government has advised an indicative contribution for the installation of the VAST service is expected to be between \$200 and \$300 per household. The predetermined contribution will be the same amount for all eligible households in each subsidy area.

34. Upon installation, the householder must pay the predetermined contribution amount directly to the installer. The remainder of the installation costs will be paid for by the Federal Government.
35. Eligible households may apply for the Satellite Subsidy Scheme by either the allocated website www.digitalready.gov.au or by phoning the Digital Ready Information line on 1800 201 013.
36. VAST installations will be carried out by an authorised installer under a contract between the Federal Government and the service contractor.
37. Once the VAST service is installed, there are no ongoing costs for households. This also allows for the introduction of new broadcasting technology as new digital television standards are implemented, without further action by the household.
38. Households eligible for a subsidy cannot apply for the subsidy prior to the rollover date. If equipment is purchased by the householder prior to this date, these costs will not be refunded by the Federal Government.
39. Businesses are not eligible to receive any Federal Government subsidies offered, and will need to access the digital service at their own cost.
40. Information on the switchover to digital television will be forwarded to affected households by the Department's Digital Switchover Taskforce closer to the rollover date. In the meantime, these householders may visit the digital ready website www.digitalready.gov.au at any time now to access information on the digital switchover pertaining to their household. Information such as expected digital coverage for their area and advice on the Federal Government subsidies is available at this site.
41. The Federal Government in ensuring that all viewers receive a reliable digital service in areas currently not served by the commercial broadcasters towers, advised that owners can choose to convert their existing self-help towers from analogue to digital themselves, at their own costs. For the purpose of this report this is known as Option B.
42. If Council choose this option of upgrading the towers themselves, then as the owner they will need to apply for a digital broadcasting licence from the Australian Communications and Media Authority to retransmit the digital services. The decision to approve a licence request is a matter for the Australian Communications and Media Authority and will depend on a wide range of technical and regulatory considerations.
43. Based on industry advice, provided by the Department of Broadband, Communications and Digital Economy, the basic capital cost of upgrading each self-help tower is in the order of \$150,000. Further, it is estimated that over a ten year period, maintenance costs for this equipment could be greater than \$200,000 per tower.
44. No financial assistance will be provided by the Federal Government towards the upgrade and ongoing maintenance of the self-help towers.

45. The Federal Government expects that local councils who chose to upgrade their towers to digital must ensure that the television reception viewed by affected households is of the same quality and provides the same services to those households who receive digital television services provided by commercial broadcaster towers.
46. The householders receiving their television service from the upgraded self-help towers will not be eligible for any assistance under the Household Assistance Scheme or the Satellite Subsidy Scheme, even if households later find they are not able to receive adequate digital television from the upgraded towers.
47. It is the Federal Government's view that digital self-help transmission towers are unlikely to represent a viable, long-term option for remote communities. Digital retransmission towers can impose significant and unpredictable costs for councils and the community.
48. Digital transmission via self-help towers will require an ongoing commitment for funding to cover the operation and maintenance of these towers and may be subject to the following additional costs:
 - Challenges in implementing any new digital standards rolled out nationally.
 - Challenges in implementing new transmission technology.
 - Capital replacement costs.
 - Challenges in sourcing replacement transmission hardware and software.
 - Costs associated with qualified service technicians.
49. It is the Federal Government's recommended option for households served by self-help towers to move to the Viewer Access Satellite System (VAST) service given the complexity of converting self-help towers and significant ongoing and unknown costs to local councils and communities.
50. Should Option A be endorsed by Council the future of the two towers will be considered. There may be potential for the City to utilise the towers for their own communication purposes. If so, the City would have to seriously consider what benefits it would receive for such utilisation of the towers versus the costs if the City retains either or both the leases over the land until expiry on 31 July 2022. The cost of the Wellstead lease is \$1 on demand and the Bornholm lease is \$1318.18 plus GST per annum increased by CPI annually. Any surrender of leases would need to be by agreement with both parties.
51. Alternatively there may be potential to remove one or both of the towers after considering that the licence for Ocean Broadband Ltd at the Bornholm site will continue until expiry in June 2014. At this time the Bornholm infrastructure may be removed unless there is potential for a new lease. The Ocean Broadband lease returns \$1591.33 plus GST increased by CPI annually.
52. The City has received an estimate \$17,000 for the removal of both towers. This may potentially be reduced if some of the infrastructure can be sold and if City staff are involved in the removal.

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53. In 2010-11, sundry telecommunications costs relating to the towers (excluding costs recovered from insurance) were approximately \$5,000. This amount includes Synergy power costs, licences and repairs.
54. For clarity, the following timetable of key dates is provided:

Key Dates	
Date	Action
December 2011	City advised by Department of Broadband, Communications and Digital Economy that all television towers in regional WA are scheduled to cease broadcasting in analogue in the second half of 2013.
February 2012	City to advise Department of Broadband, Communications and Digital Economy of their preferred option.
February 2012	Assuming Council adopt Option A, the City will contact affected households with further information.
February 2012	Assuming Council adopt Option A, Switchover Taskforce will contact the City to discuss roll-out of VAST service.
May 2012	Mt Barker transmission tower converted to digital transmission
June 2012	Switchover Taskforce determine households still unable to receive digital transmission.
From June 2012	Subsidy schemes expected to be available to eligible households to upgrade to VAST. Once eligibility confirmed, appointed technicians commence VAST installation.
Late 2013	Self-help towers are expected to be turned off.

GOVERNMENT CONSULTATION

55. This matter was initiated by the Australian Communications and Media Authority and the Department of Broadband, Communications and the Digital Economy.
56. The City has consulted with both Departments throughout the process of investigating and reporting on this matter.
57. No other government agency has been contacted.

PUBLIC CONSULTATION / ENGAGEMENT

58. While there is no statutory obligation to advertise Councils decision on this matter, the view of City staff is that, given the nature of the decision and the implication for those affected households in the Bornholm and Wellstead areas, this matter be communicated to those households.
59. Council's decision will then be communicated to the affected households inviting comment for a period of two weeks. Council will then be asked to consider any comments at the next available Council meeting.

STATUTORY IMPLICATIONS

60. There are no statutory implications relevant to this item.

STRATEGIC IMPLICATIONS & ALIGNMENT TO CORPORATE PLAN

61. This item relates to the following elements of the City of Albany Strategic Plan (2011-2021):

Key Focus Area

Lifestyle and Environment

Community Priority

Nil.

Proposed Strategies

Nil.

POLICY IMPLICATIONS

62. There are no policy implications relevant to this item

RISK IDENTIFICATION & MITIGATION

63. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Option B would result in significant and unknown capital and operating costs to upgrade and maintain the towers	Likely	Major	High	Council adopt Option A with no cost to Council
Affected households objecting to payment of contribution to covert to digital	Possible	Moderate	Medium	Council consider further subsidies (additional to the Federal Government subsidies)for affected households
Not notify the Federal Government Department by deadline of Councils preferred option with television ceasing in 2013	Rare	Severe	Medium	Ensure the Federal Government Department is notified by deadline

FINANCIAL IMPLICATIONS

64. The costs associated with Option A will be communicating Councils decision to the affected households and staff time working on this matter, both of which can be funded within the existing 2011/12 budget 171820 Sundry Telecommunication Costs.
65. The costs associated with Option B will be the basic capital cost of upgrading each self-help tower in the order of \$150,000. Further, it is estimated that over a ten year period, maintenance costs for this equipment could be greater than \$200,000 per tower. These amounts will need to be allocated in the 2012/13 budget.
66. In the current 2011/12 budget allocation of \$11,000 for line item 171820 Sundry Telecommunication Costs, a total of \$10,657.89 has been spent on operating and maintaining the two self-help towers in this financial year to date.
67. Previous Council expenditure for 171820 Sundry Telecommunication Costs:
- 2008/09 budget allocation \$20,000 – total spent \$14,198.35
2009/10 budget allocation \$20,000 – total spent \$17,110.65
2010/11 budget allocation \$20,000 – total spent \$ 9,213.08

ALTERNATE OPTIONS & LEGAL IMPLICATIONS

Council has the following options in relation to this item, which are:

- Option A:
Switch off the existing self-help transmission towers and opt the households in the Bornholm and Wellstead areas into the Federal Government funded digital Viewer Access Satellite Television (VAST) service. This is a direct to home digital satellite service that will provide households in the Bornholm and Wellstead areas the same sixteen free to air channels that are broadcast to other households using commercial towers.
 - Option B:
City to upgrade the self-help towers from analogue to digital television at full cost to the City, to provide the households in the Bornholm and Wellstead areas the same sixteen free to air channels that are broadcast to other households using commercial towers
68. Should Council adopt Option A, the Digital Switchover Taskforce will contact those households who are currently served by the City's self-help transmission towers, and provide information regarding the digital switchover and the Federal Government subsidies available to facilitate the conversion.
69. Should Council adopt Option B, then the City will be responsible for all costs associated with upgrading, operating and ongoing maintenance of the existing self-help towers at Bornholm and Wellstead.

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SUMMARY CONCLUSION

70. Option A (to switch off the existing self-help towers and opt the households in the Bornholm and Wellstead areas into the Federal Government funded digital Viewer Access Satellite Television (VAST) service), allows the affected households to receive digital television, at no cost to the Council and is the option recommended by the Federal Government. Option A is therefore recommended.

Consulted References	Department of Broadband, Communications and the Digital Economy Australian Communications and Media Authority
File Number (Name of Ward)	ET.MAI.1
Previous Reference	OCM 21/05/2002 Item 14.1.3 OCM 15/07/2003 Items 12.2.1 and 12.2.2 OCM 19/05/2009 Item 12.11.1