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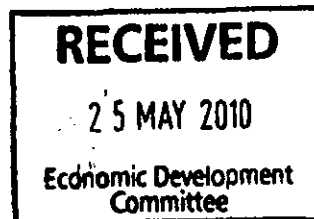


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Sub 51

21 May 2010

Mr Evan Moorhead MP
Chair
Economic Development Committee
Parliament House
George Street
BRISBANE QLD 4000



Dear Mr Moorhead,

Inquiry into developing Queensland's rural and regional communities through grey nomad tourism

Please find enclosed the Local Government Association of Queensland's submission for the above enquiry.

If you have any queries, please do not hesitate to contact me on (07) 3000 2245 or greg_hoffman@lgaq.asn.au.

Yours sincerely,

Greg Hoffman PSM
DIRECTOR - POLICY & REPRESENTATION



Inquiry into Developing Queensland's Rural and Regional Communities through Grey Nomad Tourism

Submission by the Local Government Association of Queensland (LGAQ)

Tourism is a key component for Queensland's economic growth, with tourism services bringing in \$9.2 billion in 2009, accounting for 4.7% of the Gross State Product and indirectly accounting for an additional \$6.4 billion to Queensland's economy.

Tourism is a significant economic contributor to rural and remote Queensland communities. This can occur through a variety of ways:

- Employment, either directly, such as a tour guide, or in peripheral industries, such as retail, hospitality, coach services, medical services and entertainment. Tourism directly employs 122,000 Queenslanders, and indirectly an additional 100,000.
- Increase in spending in the community, generated either by tourists, tourism businesses and other industries.
- Diversification, as local economies are strengthened by being less reliant on a single industry, particularly industries such as mining or agriculture which are subject to price fluctuations.
- Opportunities, as tourism creates a need for diverse businesses that would otherwise not be able to be sustained by the resident population. Recent statistics have found that 85% of tourism businesses in Queensland are small businesses.

"Grey tourists" are a large subsection of tourists. As noted in the Issues Paper, Tourism Queensland uses the definition of a grey tourist as an individual aged 60 years or older, while Tourism Australia defines grey tourists as aged 55 years or older. A grey nomad is just one type of grey tourist, and is usually a retired person who travels extensively within Australia, especially by campervan, caravan, or motor home, thus accessing areas that most tourists do not have the time or ability to travel to, with no particular schedule or date to return to their normal place of residence.

The LGAQ is concerned that the Federal Government-proposed solution for the impending Digital Television Switchover has not taken several key issues into account, one of which is the potential effect on grey nomads.

Background to Digital Television Switchover

On 19 October 2008, Senator Conroy announced a phased, region-by-region digital switchover timetable, with a pilot now underway in the Mildura/Sunraysia licence area. Switchover in remote and central eastern Queensland is scheduled to occur in regional and remote Queensland in the second half of 2013.

Senator Conroy announced on 5 January 2010 that the Government will implement a new satellite service to ensure that the same number of digital television services that are available in metropolitan areas will be available to viewers in remote Australia. The new satellite service will be funded by the Government.

Councils that administer self-help television retransmission sites have received a letter from the Senator dated 30 March 2010 that states any households that currently rely on self-help services which are not able to receive digital television services because their self-help service is not converted to digital will be served by the new satellite service.

This new satellite service has been confirmed to feature channels carrying programs from all the current freeview channels as well as access to local news services.



On 11 May, Senator Conroy announced that the satellite subsidy will be a minimum of \$400 per household, with higher amounts of \$550 for defined "very remote area" households and \$700 for defined "far north tropical households". In addition, households in remote indigenous may be eligible for a further \$280.

This falls far short of estimated costs provided to the LGAQ. The UEC decoder will be sold at a subsidised price of \$245 (usually purchased for \$600). However, for regional and remote locations in Australia, to receive an adequate signal in most weather and to withstand weather phenomenon, each household would need to purchase a minimum 1.5m satellite dish (approximately \$600). A typical house roof would not be able to withstand this weight, so this satellite will need to be mounted on the ground. This will require a dish mount (approximately \$200), plus concrete and labour. If a household has more than one television, additional satellite decoders and a cabler will also need to be purchased.

The Senator also announced that broadcasters have agreed to upgrade a number of existing analog self-help retransmission sites to digital; the Federal Government will provide \$160 million to four broadcasters, who have agreed to convert 87 sites (21 in Queensland). A further 44 self-help sites (13 in Queensland) may be covered by a wider digital footprint and gap fillers. Broadcasters have confirmed they will not be offering to convert self-help sites in remote licence areas.

The point should be made that these 131 sites are not guaranteed by broadcasters: continued rebroadcasting from these sites will still be a commercial decision after the digital switchover, ie broadcasters retain the decision to relocate or close these down at any time if they are deemed ineffective.

Though broadcasters will offer to pay for digital transmission equipment and transmitter maintenance for 10 years, depending on the agreement reached with the site licensee, the site licensee, predominantly local government councils, is still responsible for ongoing maintenance and operation of site infrastructure. This can be at considerable cost (eg site leasing, antenna and building maintenance, electricity, lawn mowing, air conditioning, perimeter fencing).

The Association believes that a better option could be to fund an upgrade to all existing self-help retransmission sites to enable digital retransmission. To date, \$99m has been set aside by the Federal Government to fund the Direct-to-Home subsidies. This could instead fund all remaining self-help rebroadcast sites - each site would be eligible for \$165,000, which is actually much more than the figures provided to LGAQ (some sites who have digital ready transmitters can be upgraded for as little as \$8,000 per transmitter, of which there would be a maximum of 5 per site). Therefore, each household would not need to purchase their own individual satellite dishes and associated equipment, but can continue receiving the rebroadcast signal, albeit now a digital rebroadcast signal. Councils can also continue to number the self-help retransmission site among their assets.

It is not known if telemetry will be put in place by broadcasters. It is also not known if the Government has considered the potential costs that the proposed Direct-to-Home service will have on the Single Person Quarter temporary accommodation facilities that are at many mining camps in rural and remote areas of Australia.

An additional issue for many rural councils is where the current SBS subsidies fit with regards to the Digital Television Switchover. Many rural councils have used these subsidies to install analogue SBS television services, and they remain responsible for the maintenance of these services for a period of 5 years.

The LGAQ has been made aware of council applications to ACMA to continue their retransmission facilities and bear the upgrade costs themselves, but have received no decision. Therefore, where councils seek to maintain their retransmission facility where there is no broadcaster upgrades, the LGAQ believes they should be allowed to do so. Further, the ACMA should be prompt when making this decision on applications for these retransmission licenses.

There are also some reports of a small number of television rebroadcast equipment suppliers that have recently surfaced offering a fix-all solution to this complex issue. It is feared that some of these operators may take advantage of the lack of technical knowledge in this field, and are selling expensive and unneeded equipment.



Tourism Issues

A major issue that has not yet been addressed is around tourism.

Tourists travelling in caravans and other vehicles also use the current rebroadcast facilities. With the impending digital television switchover, it is unclear what the impact will be on them. It appears these tourists may not have the same access to television services as are currently experienced.

The majority of these tourists, most of which are grey nomads, currently use the rebroadcast facility provided by the self-help retransmission sites to view television. However, under the current Government proposal for the Digital Television Switchover, each caravan, camper, motorhome and RV will be required to purchase satellite dishes and a satellite finder, though no doubt some of the higher-end models are already fitted with a satellite dish. The only alternative to individual satellite dish purchases for each moveable dwelling is if the self-help retransmission site continues to rebroadcast.

Additionally, when these vehicles stop at a particular location, if they rely on direct satellite feeds for the television signal, they would need to reassess their reception and adjust accordingly. This differs to the current rebroadcast signal, where they simply need to find out the location of the local rebroadcast signal - significantly easier than searching for satellite signals.

This also poses a potential issue when an area is subject to natural disasters, such as floods, cyclone warnings and bush fires. Particularly in rural and remote areas, people rely on numerous ways to gather information in an emergency, with television being one of them. If tourists, who are unfamiliar with an area and assuming they have purchased costly satellite television equipment, are unable to quickly and easily gain access to local television signals, this could potentially have disastrous results.

It is also unclear if there will be any provisions for caravan parks, motels, hotels and other tourist facilities and commercial accommodation to help them purchase appropriate equipment for the switchover. Expensive head-in systems will be required to ensure customers can view both Austar and FreeTV. This will potentially have a significant impact on many regional and remote tourism operators, many of which are only small businesses.

This is an issue for many Councils and tourism operators, as tourism is a significant contributor to rural and outback economies.

Recommendations

The LGAQ believes that allowing councils and other licensees to upgrade their current self-help retransmission sites to digital is a more cost efficient, effective, convenient community service that would not disadvantage rural and regional Australia. The Federal Government should reconsider its Direct-to-Home proposal and instead either the Government or broadcasters provide funds to councils and other licensees of self-help retransmission sites to upgrade their facilities, similar to the current successful SBS subsidy scheme. This has benefits for:

- Tourists, including grey nomads, and tourism facilities and businesses.
- Councils who have already invested in digital ready transmitters, and thus can provide rebroadcast facilities in many areas at a greatly reduced cost than the proposed Direct-to-Home scheme.
- Those who do not have digital ready transmitters can upgrade their sites also at a reduced cost than the proposed Direct-to-Home scheme in many areas.
- Single Person Quarter temporary accommodation facilities in mining camps.
- Financially struggling households, who will only need to purchase a digital set-top box instead of a decoder plus satellite dish and mount.