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Would the real Freeview please stand up?

Jock Given and Paul Norris

Abstract

'Freeview' is the survival strategy for free-to-view TV in the digital age in the United Kingdom, New Zealand and Australia. It is mix of marketing, services and technology, of defensive and offensive elements. The mix is different in different places:

- In the UK, where the concept was launched in 2002, digital terrestrial television (DTT) *became* Freeview, now the most popular form of digital TV. Freeview represented a fresh strategy to relaunch DTT after the failure of the first model.
- In New Zealand, where DTT started in 2008, DTT *is* Freeview, but Freeview was a satellite service first, appealing mainly to those with poor analogue reception. The concept was imported from the UK as the proven way to make DTT work, and deployed from the outset by broadcasters with government backing.
- In Australia, as this article as being finalized in July 2009, Freeview is still mainly a marketing campaign rather than a TV service. Broadcasters have not deployed it enthusiastically to launch the medium, but reluctantly, many years on, as part of the government-mandated push to digital switchover.

By offering services sufficient to convince many consumers to purchase the receivers needed to watch free-to-view digital TV, Freeview is helping to make it possible to switch off analogue services and free up spectrum for other purposes.

This article explores the origins and differences between these three Freeviews. It provides an unusual case study of a related, though different, set of products marketed under the same name in different countries. The article concludes by speculating about the futures of the three Freeviews, as television morphs into new shapes, especially encouraged by the growth of high definition, hard-drive-recording and broadband-connected receivers.

Would the real Freeview please stand up?

'Freeview' is the survival strategy for free-to-view television in the digital age in the UK, New Zealand and Australia. It is mix of marketing, services and technology, of defensive and offensive elements. The mix is different in different places. This article explores the origins and differences among these Freeviews. It provides an unusual case study of related, though different, products marketed under the same name in different countries. The article concludes by speculating about the futures of the three Freeviews, as television morphs into new shapes, especially encouraged by the growth of high definition, hard-drive-recording-and-playback and broadband-connected receivers.

Origins: Three Freeviews

In the UK, where the concept was launched in 2002, digital terrestrial television (DTT) *became* Freeview. This was the name chosen to relaunch the DTT platform after the collapse of the ITV Digital service. New partners adopted a new strategy and gave it a new name. After initial scepticism, DTT had eventually been embraced in the 1990s by terrestrial broadcasters hoping to reassert themselves after failing to secure multi-channel futures in the 1980s through BBC Satellite and British Satellite Broadcasting (BSB). As Murdoch's satellite pay TV service BSkyB grew in popularity and power and planned its own digital service, DTT seemed to satisfy an urgent competitive need for the established broadcasters, the BBC, ITV and Channel 4. It could also serve a policy need for governments wanting public service broadcasting and broadcasters to endure.

Launched in 1998, DTT emphasized subscription services because that was where UK television seemed to be heading. By 2000, the subscription-dominated future anticipated by the 1986 Peacock Committee was arriving quickly. Digital TV delivered by satellite, cable or over-the-air 'had become virtually synonymous with pay TV' (Starks 2007: 41-63). The 2002 commercial failure of ITV Digital, the biggest player in the DTT platform, provided the opportunity for the BBC to reposition DTT as a free service. With transmission provider Crown Castle (now Arqiva), it won access to the transmission facilities relinquished by ITV Digital. These partners, together with BSkyB, formed a joint venture to create the Freeview brand and market services. A much simpler marketing message was developed—30 TV channels plus radio stations from known broadcasters; received through simple, fit-it-yourself set-top boxes and existing rooftop aerials; free once consumers bought a box for less than £100, with no on-going subscriptions to pay (Starks 2007: 83). Significantly, this reorientation came from a consortium that now included the country's dominant pay TV operator. BSkyB had always wanted a stake in DTT, but was forced out of ITV Digital by the regulator. It became a pure competitor to the consortium that went on to launch DTT, unsuccessfully, as a pay platform. With DTT now steering away from pay TV, BSkyB's involvement as a content provider but not a controller of transmission facilities was less troubling for the competition regulator (Starks 2007: 80).

Freeview was immediately popular, eventually becoming the dominant digital TV platform. Within a year, it was being called ‘this year’s most unlikely must-have for Christmas’. The formula was finally breaking the resistance of:

“digital refuseniks” … bypassing the fears of the technologically timid and the prejudices of anti-satellite snobs - the middle-class ‘Hyacinth Buckets’ who still associate the dish with council houses or regard it as an eyesore to be fought vigorously by the local planning committee (Smith 2003).

Offering a cheap alternative to the more established cable or satellite services, Freeview, according to former managing director of BBC Television, Will Wyatt, was ‘a non-threatening, attractive way to show that digital doesn’t bite. The curse has now come off digital.’ (Smith 2003) By the final quarter of 2008, 17.7 million homes (69%) were using DTT/Freeview. For 9.5 million (36.5%), it was the only kind of television. By comparison, 8.9 million homes (34.2%) were taking pay satellite and 3.3 million (12.7%) digital cable (Ofcom 2008a).

In New Zealand, where DTT started in 2008, DTT *is* Freeview, but Freeview is more than DTT. The service was first delivered a year earlier by satellite, appealing mainly to those with poor analogue reception. By 2006, when the New Zealand Government committed to it, Freeview had proved itself as a way of making DTT work in the UK. It was imported, adapted and deployed from the outset by New Zealand broadcasters with government backing. At the time, the only digital TV services available were the satellite service from the Murdoch-controlled monopoly pay TV provider, Sky TV, and a very limited cable service from TelstraClear. Sky had been offering digital pay channels from 1998 and was in more than 40% of households. TelstraClear sold Sky content delivered over its cable network to some 70,000 subscribers in two cities only, Wellington and Christchurch. If free-to-air broadcasters were to move to digital transmission, one option would have been to use Sky’s digital platform. This would have been much cheaper than building their own. But the Labour-led government, in power from 1999 to 2008, did not want to commit to one privately-owned platform, notably one owned by Murdoch interests. It also wanted to ensure digital TV would not come to mean pay TV and to secure the future of public broadcasting in the digital era. As the then Minister put it in announcing the policy in June 2006: ‘The Labour-led government wants to ensure all New Zealanders are able to enjoy the benefits of digital television, and that public broadcasting remains a strong part of the free-to-air mix’ (Maharey 2006a).

One explanation for the delay in moving to a Freeview solution was that the government wanted industry to come up with its own plan for the transition to digital. While the private broadcaster (then CanWest, owner of TV3 and C4) could see little return in moving quickly on this, the state-owned broadcaster TVNZ had made several earlier attempts to “go digital”. It believed that to survive in the digital age it needed a platform that would effectively compete with Sky. In 1999 it rushed a proposal before the incoming Labour-led government that involved a joint venture with the British cable company NTL. But the Government was not prepared to make a hasty decision and

rejected the proposal, ostensibly on cost grounds – it would have required an investment of NZ\$217m and not returned a profit for eight years. TVNZ's next attempt was to partner with the telecommunications company TelstraSaturn, now TelstraClear, a wholly owned subsidiary of the biggest Australian telco, Telstra. It was an ambitious and complex arrangement that appeared to allow TVNZ to profit from pay channels run by TelstraSaturn. This scheme collapsed in August 2001 when one of TelstraSaturn's then parent companies in Australia, Austar, withdrew its support.

By 2006 it was apparent that the hands-off approach by Government was unlikely to achieve a timely result. A cost benefit study commissioned from global consulting firm Spectrum Strategy Consultants concluded there would be a net benefit to New Zealand of \$230m provided switchover occurred by 2015, but that the returns would diminish if analogue switch off was delayed (Spectrum 2006). In June 2006, the government settled on a plan for the digital transition of the free-to-air broadcasters and committed money to it. A consortium of these broadcasters, known as Freeview, would lead the transition on both satellite and terrestrial platforms and promote consumer take-up. Each broadcaster had to establish two new digital channels within two years of the launch of the terrestrial platform. Spectrum would be allocated for the terrestrial platform, free to broadcasters in the period before switch-over. The Government would contribute NZ\$25m towards Freeview's establishment costs and \$79 million for two new TVNZ channels. By June 2009, two years after the satellite service launch, Freeview Satellite take-up was estimated at 10.6% of households and DTT at 5.6%.

In Australia, eight years after the first DTT services went to air in January 2001, Freeview is still mainly a marketing campaign. The country took some elements of the early UK experience and distanced itself from others. Like their UK counterparts, Australian TV broadcasters wanted quick decisions about DTT in the mid-1990s. Like their US counterparts, however, the commercial broadcasters that still dominate television viewing—60% of all TV viewing and nearly 80% of free-to-air viewing in mid-2009 ('The Numbers' 2009)—were more concerned about laying claim to spectrum and resisting new entrants than offering more channels. Having stalled the introduction of pay TV until 1995, commercial broadcasters saw DTT as a tool to maintain the dominance terrestrial TV retained in Australia but was losing elsewhere. Broadcasters emphasized the quality improvements of high definition, arguing for digital TV to be treated as just another step in the technical evolution of TV, like the shift from black-and-white to colour. This quality upgrade was a necessary response to digital cable and satellite TV and the expected migration from VHS to DVD.

'Free' was a critical part of the pitch but 'Freeview' came much later. Using DTT for free-to-air services helped to make the political case for spectrum to be made available without extra charge (broadcasters already pay revenue-based licence fees ranging up to 9% of the annual gross earnings of the biggest stations) and for government to subsidize half the cost of the digital transmission infrastructure in non-metropolitan areas. It was consistent with the terrestrial industry's successful campaign for a long 'anti-siphoning list' of major sporting events that had to be offered first to free-to-air broadcasters before they could be acquired exclusively by pay TV. It also fitted neatly with the strategy of

DTT-as-evolution rather than revolution. The technology of DTT would enable those getting access to it to provide any sort of digital service, not just television, and to introduce new forms of encryption. But it was television programs that broadcasters wanted to continue supplying, still funded by advertising and government, ensuring services remained free-to-view.

The 1998 legislation that set out the broad policy for DTT prohibited subscription services. This was seen as prescient when ITV Digital collapsed in the UK. The industry body representing commercial TV broadcasters changed its name to Free TV Australia in 2004 and the head of the biggest pay operator, Foxtel, refers to his medium as ‘subscription TV’ rather than ‘pay TV’, reminding observers that viewers pay for ‘free TV’ too, though indirectly. Free-to-air broadcasters formed a Freeview consortium in July 2008 and launched the concept a few months later. Australia’s Freeview says it ‘represents Australians’ right to watch quality television, for free’ (Freeview 2009). A roadblock advertisement screened across all networks in November was parodied in a clip distributed on YouTube highlighting the paucity of Freeview’s new content:

Get ready for more of the same with Freeview ... You can watch the same thing on up to four different channels ... You can watch sports you've never heard of, news you can't understand ... There's even an electronic program guide to help you look up which show Channel Nine will run 20 minutes late tonight ... Freeview. I bet you can't wait ... to upgrade to broadband. ('Freeview: More of the Same Sh#t')

The mainstream press was less savage but hardly more supportive, calling it ‘lipstick on a TV pig’ (Browne 2009) and ‘little more than a marketing campaign to steer us towards buying Freeview-approved TV receivers and set-top boxes’ (Blundell 2009). ‘The reason the Freeview campaign doesn’t tell you much is simple: there’s not much to tell’ (Turner 2009).

Three Policies, Three Freeviews

	UK	NZ	Australia
<i>DTT Policy</i>			
Date initial policy settled	1996	2006	1998
Date DTT services commenced	November 1998	May 2007: DTH April 2008: DTT	1 Jan 2001, progressively to 2004 in regional areas
Initial switchover date	2006-10	Anticipated 6 -10 years after commencement	8 years after commencement
Current switchover date	2007-12 Switchover completed in some areas, commencing in Whitehaven	Firm switchover date will be announced when digital penetration reaches 75% of households, or 2012, whichever is the sooner. Target date to be set once penetration reaches 60% of hhs.	2010-13: starting in country Victoria/NSW (Mildura/Sunraysia) first half 2010, ending major cities December 2013
Multichannel TV take-up at DTT launch (% of hhs)	26.4 (June 1998)	45	20
<i>Three Freeviews</i>			
Date Freeview commenced [terrestrial/satellite]	30 Oct 2002	May 2007: DTH April 2008: DTT	Announced formation July 2008; appointed CEO, launch and roadblock ad November; further roadblock ad 24 April 2009
Type of entity, governance	Managed by DTV Services Ltd, a company owned and run by its shareholders - initially BBC, BSkyB and Crown Castle (now Arqiva), ITV and C4 admitted later	Non-profit consortium of FTA broadcasters TVNZ (operators of TVOne and TV2), MediaWorks NZ (operators of TV3 and C4), Maori TV and Radio NZ	Owned by national public service (ABC, SBS), commercial networks (Seven, Nine, TEN) and regional commercial networks (Southern Cross, Prime, WIN)
Services and functions offered at launch	30 TV channels plus audio channels Most existing FTA services, several new services	11-13 TV channels plus 3-4 audio channels Most existing FTA services, 2 new services	5 TV channels each simulcast in SD and HD plus ABC and SBS audio channels Most existing FTA services, no new services
Services and functions offered now (generally mid 2009)	48 TV channels 24 audio channels Freeview+ branded products – hard drive and DVD recorders, players and integrated digital TVs Freeview also available as part of pay packages from BT,	Broadcasters can choose whether to broadcast on Freeview satellite or Freeview DTT HD, so platforms have slightly different offerings. <i>DTH (May 2009)</i> 13 TV and 4 radio channels: • TVOne, TV2, TV3, C4, Maori TV,	TV: <ul style="list-style-type: none">• All five FTA networks offer separate SD and HD channels but little difference in programming• ABC2 since March 2005. ABC3 Kids funding committed in May budget, launch later 2009

	<p>Setanta, TopUp TV: eg. Top Up TV Freeview+ STBs give access to Freeview channels + pay packages and include hard drive recording</p>	<p>TVNZ 6, TVNZ 7, TV3 Plus 1.</p> <ul style="list-style-type: none"> • TVNZ Sport Extra, Stratos, Parliament TV, Cue, Te Reo. • Radio: Radio NZ National, Radio NZ Concert, George FM, Base FM <p><i>DTT (May 2009) has 11-12 TV and 3 radio channels</i></p>	<ul style="list-style-type: none"> • Commercial network Ten's OneHD [sport] since March 2009 • SBS2 since June 2009 • 7 and 9 network multichannels promised late 2009 <p>Radio</p> <ul style="list-style-type: none"> • ABC and SBS national and local stations including extra digital stations launched on digital radio July 2009
Current DTV take-up [% of households]	<p>Q4 2008</p> <ul style="list-style-type: none"> • DTT/Freeview: 69.0% • Digital pay TV: 49.5% • All digital TV: 88.8% 	<p>June 2009 except Sky</p> <ul style="list-style-type: none"> • Freeview DTH: 10.6% • Freeview DTT: 5.6% • Sky digital pay TV 45% [Dec 08] • All digital TV 61.2% 	<p>Q1 2009</p> <ul style="list-style-type: none"> • DTT 47% of all households, ranging from 25% in remote areas to 70% in Mildura/Sunraysia • Further 16% get at least some FTA channels via pay TV [30% of all hhs in mid-2008]
Technology	<p>DVB-T MPEG 2 DVB-T2/MPEG4 services commencing in some areas in late-2009 and early 2010</p>	<p>DVB-T2 MPEG 4</p>	<p>DVB-T MPEG 2</p>

Elements: differences and similarities

Television in Britain, New Zealand and Australia was different well before these three Freeviews. The Second World War was still three years away when London first got television; the world had been at peace for more than two decades when Australia and New Zealand got permanent services (Day 2000: 11-30). Private, commercial TV came to Britain and Australia in the mid-1950s, but Australia got much more of it. Two commercial stations were available immediately in the big cities and a third came in the mid-1960s. The BBC's second commercial competitor, Channel 4, came a quarter of a century after the first, and the third, Channel 5, launched only in 1997. New Zealand's public service broadcaster accepted advertising virtually from the outset; the ABC's and BBC's domestic terrestrial services still don't. But the public monopoly didn't face private competition in New Zealand until 1989. Colour TV came to the UK in 1967, several years before New Zealand (1974) and Australia (1975). Pay TV launched in the UK and New Zealand in the late 1980s, several years before Australia.

Free-to-air vs subscription TV

The different origins and timing of DTT in the three countries influenced the policy goals that were emphasised, the interests served and the resistance faced. Everywhere, the free-to-air industry wanted a digital platform to help it to compete with pay TV. Significantly, Rupert Murdoch controlled or held a major stake in the main pay TV player in all three countries.

Recognizing the popularity of free-to-air TV, governments were prepared to help, by allocating spectrum (everywhere), foregoing fees (UK and Australia), and providing funding for new channels (UK and NZ, and eventually Australia). In the UK, DTT was initially seen as a platform for free-to-air broadcasters to confront subscription rivals head-on by getting into pay services themselves. This was resisted in Australia and never seriously entertained in New Zealand once the failure of ITV Digital and the success of Freeview suggested multi-channel free-to-air was the way to make DTT work. The about-face in the UK was more than saving face. The BBC's director general Greg Dyke at the time later admitted the corporation's support for the Freeview idea was a defensive one, designed to keep it *out* of pay TV. 'Freeview makes it very hard for any government to try and make the BBC a pay-television service. The more Freeview boxes out there, the harder it will be to switch the BBC to a subscription service since most of the boxes can't be adapted for pay-TV.' (quoted in Gibson 2004)

Putting DTT and subsequently Freeview in the hands of incumbent free-to-air broadcasters meant different things in the three territories, because of the different structures of the TV business. In the UK and NZ, it meant making state-owned broadcasters the main players. The scale and power of the BBC and TVNZ has ensured better co-ordination of the activities required to pitch digital TV to consumers than in Australia, where the commercial networks take the lion's share of overall viewing but no one network dominates. The fragmentation of interests in Australia delayed even the development of a consolidated electronic program guide for the DTT in all areas. Further, the owners of the Australian commercial networks each held other interests that meant they viewed the possibilities of the digital terrestrial platform differently. The Packer group that controlled the Nine Network until selling out to the overseas private equity group CVC Asia in 2007-08, also held a 25% stake in the main pay TV operator, Foxtel, and a half-share in the highly profitable company that supplied sports channels to it, Premier Media Group. It had a multi-channel strategy without DTT, unlike the Seven Network, that took over its Number One rating in 2007, but has struggled to get into pay TV. As this article was going to press, it took a hostile stake of nearly 20% in the Packer company that still holds the interests in Foxtel and Premier Media Group.

Resistance to DTT

Resistance to DTT came from similar directions, though not identical places. Former Thames TV, BSkyB and Channel 5 executive David Elstein argued in 2002 DTT 'would not exist at all but for political intervention'. It was 'a political project designed to protect

public service broadcasting', motivated by 'fear – of Murdoch, of choice and of loss of control' – and by government greed about the potential revenue from auctioning vacated spectrum. Writing at the time of ITV Digital's collapse, Elstein was sceptical of the possibility and even the desirability of shutting down analogue TV, and scathing about the amount of public money poured into digital. This money came through the increase in the licence fee to help fund the BBC's central role and new channels and through revenue foregone by giving free access to additional spectrum for all the terrestrial broadcasters and reducing the fees for continuing access to their analogue spectrum. The failure of ITV Digital, Elstein thought, offered ministers 'a golden chance to detach themselves from the tar baby. History – and the British public – will judge them harshly for failing to take it.' (Elstein 2002)

The nascent pay TV and competitive telecommunications operators in Australia arrived late to the DTT debate, finding most of the big decisions already effectively taken. Reviewing the entire broadcasting sector in 2000, the government's micro-economic advisory body, the Productivity Commission, saw digital TV as an historic opportunity to reshape it, but was highly critical of the scheme adopted two years earlier. It thought the digital conversion plan was 'at serious risk of failure', and, in any case, continued the long history of 'quid pro quos' in broadcasting regulation. Broadcasters were privileged in the allocation of spectrum and by legislative protection from further competition. In exchange, they accepted continued regulation of matters like ownership (subsequently liberalized) and local programming, and new obligations to transmit minimum amounts of high definition content. The Commission wanted a more open and competitive but less regulated broadcasting industry. 'Rapid and certain conversion to digital television is the key to unlocking the spectrum' for new players and new services. It recommended setting a firm and final date of 1 January 2009 for national analogue switch-off; providing for early digital conversion and release of spectrum; and removing content restrictions and requirements on digital services. The first two recommendations were not accepted. The special content restrictions were only modified several years later, allowing the commercial networks to introduce multi-channels as well as high definition simulcasts of their existing channels (Productivity Commission 2000).

By delaying policy about DTT, New Zealand was able to conduct the most searching analysis of its benefits and costs. It was the only one of the three countries that tried to assess the net benefits of the transition by comparing it with what might have occurred anyway. The UK conducted a cost benefit analysis but well after DTT had started. It did not compare digital switchover with the pre-1998 analogue-only status quo, but with the then current situation, simulcasting analogue and digital signals forever. The UK study concluded 'switching off, rather than maintaining dual transmission systems, is in the economic interest of the UK'. The New Zealand study found introducing digital transmission without a commitment to shutting down analogue would generate a net *cost* to the nation, using its baseline assumptions for take-up of digital free-to-air and pay TV. Net benefits could be confidently expected to accrue only if all viewers were *forced* to migrate (DTI/DCMS 2005; Spectrum Strategy Consultants 2006; Starks 2007: 93-5; Given 2007: 280-6). The predictable resistance to publicly-supported DTT from pay TV interests in New Zealand was bolstered by this independent analysis. It meant the

government needed other reasons to support DTT other than its measurable net benefits. It found this reason in the survival of free-to-air, public service television.

Public sector role

The public sector has played a big role in DTT in all three countries, but only in New Zealand was ‘Freeview’ expressed to be part of the initial policy (NZ Government 2006). Three of the four goals for DTT there related to the idea encapsulated by the brand and charters of the organizations charged with bringing it to New Zealand. These were, first, ensuring all New Zealanders had free access to digital TV services (universal access); second, ensuring the future viability of government-owned broadcasting entities as vehicles for achieving policy objectives (ownership); and third, ensuring the continued presence of public service broadcasting and local content on free-to-air television (national identity). The government’s decision to largely fund two new TVNZ channels, on the basis that they were not to take advertisements (Maharey 2006b), was a radical move in a commercial-saturated media environment. The government agreed to pay the state-owned but not (from corporatization in the late 1980s until 2003) state-subsidised TVNZ \$79m over six years, but only after a wrangle between the Treasury and the Ministry of Culture and Heritage (responsible for broadcasting), was settled by the intervention of the Prime Minister herself.

The resuscitation of DTT in the UK after the collapse of ITV Digital was critically assisted by the public sector. According to Michael Starks, ‘While there had been no political rescue, DTT in the UK survived … only by becoming significantly more dependent on public funding’. He says it was New Labour’s ‘generous licence fee settlement in 2000 which had made possible the BBC’s development of its full range of digital services’. Without the BBC’s licence fee funding ‘the crisis would not have been short-lived’. The BBC and a transmission company that was once its transmission department were awarded digital multiplexes and the BBC’s licence-fee-funded television trails ‘were what made Freeview a household name’ (Starks 2007: 86).

Public broadcasters have not had as dominant a role in DTT in Australia because of the strength of commercial free-to-air broadcasters. The ABC and SBS are partners, not leaders, in DTT and switchover. Successive governments treated them like the commercials for the purposes of spectrum allocation – each got an additional frequency in all areas for the duration of the simulcast period without extra charge. The costs of the public broadcasters’ new transmission infrastructure were met by government, although it also contributed half the cost of the infrastructure required by commercial broadcasters outside the metropolitan areas via rebates on their annual licence fees. No extra money was provided for channels or content specifically created for digital services until the Labor Government elected in late-2007 agreed to support a specialist childrens channel, ABC3, in the 2009/10 budget. The public broadcasters were not prevented from launching multi-channels as were the commercial broadcasters, but the previous government and the Labor Opposition combined to impose tight limits on the forms they could take.

In choosing to take a big a role in DTT, governments have been unusually closely involved in decisions about the content offered to audiences. Detailed plans were submitted for new channel proposals in all three countries—the BBC’s extra licence-fee-funded channels, TVNZ’s two new channels (6 targets pre-schoolers during the day, families in the early evening and adults after 8.30pm; 7 is a factual channel with current affairs, documentary and short news bulletins on the hour) and the ABC’s upcoming childrens channel. Puzzlingly, in both New Zealand and Australia, some analogue free-to-air services have remained unavailable on the DTT platform, despite broad acceptance of the view that extra content was essential to encourage take-up and the extra difficulty this creates as analogue switch-off approaches.

Prime, the free-to-air channel owned by Sky NZ since 2006, is not available on Freeview. Sky has always maintained that the costs of carriage would not be covered by any additional advertising revenue. The National Government’s Minister of Broadcasting has made it clear he is unhappy with Prime’s absence from the Freeview platform and Sky has undertaken to keep the situation under review. In Australia, the analogue community channels available in some centres are not carried on any of the digital multiplexes. This is a big issue for these stations because viewers taking up DTT lose the ability to watch them. The National Indigenous Television Service, a publicly-funded enterprise launched in 2007, is currently only available on DTT in Sydney. By contrast, Maori TV is available on Freeview DTT and DTH throughout New Zealand and the three-hour-per-day Maori language channel Te Reo is available on Freeview DTH. TVNZ reversed its initial decision to withhold the new channels 6 and 7 from the Sky pay satellite platform, which started carrying them in July 2009.

Governments are contributing to the costs and work of digital switchover in different ways. An independent industry body, Digital UK, is overseeing the process, but one of its members, the BBC, has been given a major role in making it happen. A portion of the licence fee has been earmarked for a part of this role, supporting elderly and disabled viewers needing assistance to make the switch. In Australia, the previous government copied this model but funded it directly (there has been no licence fee since 1974). The incoming Labor Government abolished the organization but established something virtually identical within government and retained its CEO. New Zealand has not yet made decisions about the processes and funding of switchover, although digital take-up is now past the 60% of households level at which the government foreshadowed it would set a switchover date.

It was Labour Governments that gave significant funding boosts – the above inflation licence fee increase to the BBC and support for new channels in NZ and Australia – but Conservative administrations that determined the first policies about DTT in both the UK and Australia, establishing generous terms for public service broadcasters’ access to spectrum in the UK and funding their digital infrastructure in Australia.

Technology

By adopting DTT at different times, different possibilities were available in New Zealand, Australia and the UK. None had much cable TV, and relied heavily on terrestrial transmission, making the switchover task a big one. All chose a version of the European DVB-T transmission standard. Starting latest, New Zealand could be said to have achieved a late mover advantage. It was able to choose the DVB-T2/MPEG4 standard for terrestrial transmission, and with the benefit of its better compression, offer high definition channels from the outset. TVOne, TV2 and TV3 were made available in HD, although it was stressed that few programs would be in HD in the early stages. This bold move prompted considerable debate behind closed doors. The HD terrestrial box is more expensive than the satellite one – NZ\$300 as opposed to around NZ\$200. But within a few months of DTT's launch, integrated television sets were available with the Freeview HD tuner built in. By early 2009 sales of these integrated sets had overtaken sales of DTT decoders.

Australia too made HD available from the outset. But using the MPEG2 standard and compelled by government to transmit both HD and SD simulcasts, there was little scope for additional content, even if the legislation had allowed it. Starting earliest and also using MPEG2, no provision was initially made for HD in the UK. HD was first deployed in this market by pay satellite and cable operators. The first BBC HD channel was offered on these platforms before terrestrial. Offering HD now is more complicated and expensive for DTT broadcasters, who are reorganizing multiplex capacity, and for their viewers, who need new receivers (Ofcom 2008b; Holmwood 2009). Clearly, the high take-up of Freeview in the UK has occurred without the added incentive of HD. In Australia, however, viewers cite better picture quality as one of the most important reasons for taking up DTT, as discussed further below. The impact of HD on digital free-to-air take-up in New Zealand is not yet clear, although take-up of DTT (the HD service) is now growing faster than DTH.

New Zealand also confronted the choices between satellite and terrestrial earliest. A satellite-only platform was an option, ruled out because of the risk of satellite failure and extra cost of a dish for non-Sky consumers. The country's terrain, however, makes it hard to reach the entire population on a terrestrial platform, and a significant role for satellite was always envisaged. The current Freeview terrestrial service reaches 75% of the population. The government policy accepted this meant the other 25% would need to rely on the Freeview satellite service launched about a year earlier. Freeview would like to extend this to 85%, but this would require further investment.

The UK answered the choice between satellite and terrestrial differently. The regulator, OFCOM, chose to match analogue terrestrial coverage as closely as possible with digital, requiring digital transmission from all 1100 sites currently used to get television to 98.5% of UK households (Starks 2007: 96-7). Launching digital services from all those sites, however, would inevitably be slow. In the meantime, BSkyB offered a multi-channel satellite service available free-to-view after a one-off payment for a professionally-installed set-top box. In 2008, the BBC and ITV launched their own 'freesat' service,

offering less channels than BSkyB's but stressing the HD content it gave access to, before the launch of HD DTT services. BSkyB emphasizes the ease of upgrading from its free satellite service to pay packages and has pitched its offer aggressively in early switchover areas.

In Australia, the spread of population across a much bigger area seems to make satellite even more appropriate, but the solution is complicated by the large number of local TV services targeting particular markets (nationally networked programming dominates the schedules except in the early evening hours) and the number of time zones (three in winter, five in summer). Governments have invested heavily in terrestrial infrastructure even in remote communities, raising the stakes as digital switchover demands either the upgrading of these facilities or the acquisition of more expensive satellite receivers by viewers.

Futures

TV's reinvention is being helped by DTT but not simply in the ways imagined by those who developed the technology. The initial priorities of the developers of the DVB standard adopted in the United Kingdom, New Zealand and Australia were 'classical or typical of broadcasting'. These included better and more robust picture and sound quality, capacity for more channels, mobile reception on pocket receivers, and integration with other digital media. Before services commenced, these developmental priorities shifted. Improved definition and mobile reception became less important to Europeans; the capacity for multichannel TV as well as radio services and digital media integration became more important. Conditional access emerged as a priority (Reimers 2001: 9-11). In launching and adapting DTT services, priorities shifted again, especially about high definition TV. Throughout these processes, the three countries set their own priorities. These, in turn, are being modified over time.

In the places where the new platform has proved most popular, the multi-channel experience enabled by DTT appears to have been a significant influence. This is most obvious in the United Kingdom, where the new channels eventually offered on Freeview were genuinely original content and not just repeats or time-shifted channels (Iosifidis 2005). The significance of additional, highly-valued content is also demonstrated in the small markets in Australia where digital-only channels delivered the third commercial network that had long been available in the rest of the country. Image and sound quality, so important in the early thinking about the development of digital TV, has played a very different role in DTT in the three markets. The lack of HD in the United Kingdom both when DTT launched and relaunched as Freeview has not prevented DTT becoming the dominant digital platform. BSkyB's success with satellite-delivered subscription HD channels since 2006, however, inspired the Freeview partners to make some of their own available, first via satellite and cable, and from late 2009, on DTT as well (Plumb 2009; Ofcom 2008b).

In Australia, where commercial multichannel services were banned initially but at least some HD content was required, ‘better picture quality/better clarity’ is the single biggest positive factor about digital TV (cited by 36% of nearly 10,000 respondents in the first quarter of 2009), well ahead of ‘more channels/programs/choice’ (23%). In addition, many cited ‘better reception’ (10%), ‘better quality generally’ (5%) and ‘better quality sound’ (4%), although the high numbers saying either ‘don’t know’ (23%) or ‘no positives/don’t care’ (16%) suggest many are buying into digital TV merely because they know that eventually they will have to (Digital Switchover Taskforce 2009). As Chris Tryhorn wrote of the British market:

What does Freeview’s story so far say about the development of multichannel TV?
... It may be that plenty of people never really wanted the new era of choice and are happy with a cheap one-off payment that gives them pretty much what they had before, maybe with slighter better picture quality. The digital revolution has been proclaimed from on high as a Good Thing, but many viewers may have thought they had plenty enough to watch already and now feel rather bewildered by the dizzying range of channels vying for their attention (Tryhorn 2006).

In New Zealand, the early launch of a satellite Freeview service deployed digital TV, first, as a solution to terrestrial reception problems. It is still too early to be confident about what may drive digital take-up in a country with relatively strong pay-TV take-up (like the UK, unlike Australia) but limited government capacity to fund new content because of the small population (unlike the UK, more like Australia). Being a late mover with digital TV as with analogue black-and-white and colour, has ensured the first services are of better technical quality and use spectrum more efficiently.

Despite its capacity to deliver subscription services, DTT has not been successfully deployed for this purpose in these three territories. On the contrary, ‘Free’ has become the centerpiece of the consumer proposition, encapsulated in the Freeview brand. This is a striking contrast to the expectations that developed as the first DTT services were being planned. The United Kingdom and New Zealand appeared to be moving towards the Peacock Committee’s all-pay TV future; Australian commercial broadcasters were looking for ways both to resist it and to be part of whatever form it took. By convincing governments to make them central parts of a universally-accessible digital future, public service broadcasters in the United Kingdom and New Zealand secured their own futures, at least for the time being. Turning away from subscription services was a crucial part of the political deal. Governments made up the budgetary difference. For Australia’s commercial broadcasters, ‘Free’ is a less lucrative strategy. The advertisers that pay for most of the Free in Australia’s Freeview may be even harder to win over than governments.

The ‘View’ in Freeview might not seem to have altered fundamentally. More channels and better, wider pictures can seem like marginal changes to the medium of television. The more revolutionary transformations promised by DTT, especially about interactivity, so far have not been big factors. BBC Red Button offers some options, but interactivity has come to television mainly through other means. Audience participation has been

enabled more successfully via SMS, where interaction triggers revenue. On-demand TV viewing has been better served by broadband streaming and downloads. The BBC has pursued this opportunity with the iPlayer, the ABC with iView and ABC Shop Downloads, TVNZ with TVNZ ondemand. The Nine and Seven Networks in Australia and TVNZ ondemand are all offering ad-inserted downloads, like Hulu in the United States. This is definitely not The Internet On Television. Fanciful early claims that DTT could be the vehicle for making the internet universally available via people's TV sets with telephone-line back-channels have not eventuated.

Three elements are currently converging, however, to provide another opportunity for TV broadcasters—an amalgam of HD, hard drive recording and broadband internet connection for finding, receiving, organizing and viewing TV- and video-on-demand. This opportunity is proceeding in different ways in the three territories, but similar factors are at work everywhere—lower prices and better quality flat screen HD receivers and more HD content, cheaper and bigger hard drive recorders, and wider take-up of faster broadband services. In the UK, a proposal for a joint venture video-on-demand service, 'Project Kangaroo', was rejected by the Competition Commission in February 2009 (Competition Commission 2009). Established by the BBC through BBC Worldwide, Channel 4 and ITV, the assets of this venture were later bought by Arqiva (Sweeney 2009). The BBC Trust is now considering a related joint venture proposal from the BBC Executive, 'Project Canvas'. It aims to offer to consumers 'subscription-free access to on-demand television services and other internet-based content, through a new broadband connected digital device'. The BBC Executive wants to promote 'a standards based open environment for internet-connected digital television devices' (BBC Trust 2009). In the meantime, at least one broadband-enabled digital set-top box has already been launched, accredited by Freeview, and capable of receiving pay-per-view access to films and premium content from Paramount Pictures, National Geographic and the Cartoon Network. Set-top boxes incorporating the BBC's iPlayer and capable of receiving the four planned Freeview HD channels (one each from the BBC, ITV and Channels 4 and 5) are promised (Laughlin 2009a and 2009b).

In Australia and New Zealand, a similar product is being marketed under the TiVo brand. The exclusive licensee of TiVo digital video recorders in Australia and New Zealand, Hybrid Television Services, is jointly owned by Australia's Seven Network (two-thirds) and TVNZ (one third). A broadband-connected device was launched in Australia in July 2008 and will be launched in New Zealand late in 2009. At least one internet service provider in Australia is also offering a TiVo device combining access to digital TV with broadband content and services, a tailored electronic program guide and movies-on-demand (Internode 2009). In New Zealand, TVNZ's role as both the major player in Freeview and the local TiVo licensee gives this broadcaster an unusually big stake in the choice of equipment made by consumers. In Australia, the fragmented free-to-air TV sector seems likely to repeat the struggle for a shared strategy that has dogged DTT throughout its life. But in both places, the hard drive recorder once feared by commercial broadcasters for its ad-skipping ability, is being repositioned as another saviour for a challenged sector, a friendly, free archive of content whose advertising messages can never be skipped.

Broadcasters' ambitions for television are reflected in some of the adaptations of the Freeview brand for which trademark protection have been sought—Freeview Playback and Freeview Built-In (UK); my freeview HD, my freeview satellite (NZ). But others around the edges of their business have ambitions too, like the operators of the unrelated 'FreeviewShop' in New Zealand.

The real Freeview cannot stand up alone because Freeview, like television itself, is different in the markets where it is being deployed and is changing over time. By helping to universalise the multichannel TV experience, resisting the shift towards subscription media, and now beginning to encourage downloading of television content and accumulating personal digital archives, the three Freeviews are influencing similar trends in the United Kingdom, New Zealand and Australia. By providing a brand encompassing the services that are convincing many consumers to purchase receivers to watch free-to-view digital TV, the Freeviews are helping to make it possible to switch off analogue services in three countries and to free up spectrum for other purposes. But as always, these different places are moving in different ways and at different speeds.

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