

Introduction

If you view all the things that radio provides in its very portable form: information, entertainment, sports – no other medium can replicate it. Good broadcasters are trained to talk directly to the listener. A one-to-one relationship is created. Radio provides affordable and convenient access to the world.¹

Background

- 1.1 On 7 September 2000, the Minister for Communications, Information Technology and the Arts referred to the House of Representatives Standing Committee on Communications, Transport and the Arts the terms of reference for an inquiry into the adequacy of radio services in regional and rural Australia. The Committee has had a long standing interest in radio services and welcomed the opportunity to conduct this inquiry.
- 1.2 With an audience reach of 95 per cent of Australians and an average of five radios per household,² radio plays a significant role in informing and entertaining listeners across Australia. Resilient, ubiquitous, portable, accessible and affordable, radio arguably occupies an even more important place in the lives of people in regional and remote areas.
- 1.3 Radio services have undergone considerable changes in recent years. The changes are the result of a combination of regulatory, economic and technological developments. These developments have affected the range, nature and quality of services for listeners in many parts of Australia, and

1 Submission No 178, Vol 5, p 944 (Department of Commerce and Trade, Western Australia)

2 Federation of Australian Radio Broadcasters, *Radio All Australia Listening Report*, 2000

have dramatically changed the environment for service providers. The effect of the changes has been more apparent in non-metropolitan Australia impacting both positively and negatively on the radio services provided.

1.4 The changes have led to :

- an increase in the number of radio services in nearly all licence areas and a substantial increase in the number of radio services overall;
- increased competition;
- consolidation of ownership in the commercial radio industry with the loss of independently owned local stations and an expansion of networks; and
- an increase in networked, pre-recorded, automated and syndicated programming.

1.5 This inquiry has essentially examined the impact of these changes on radio services in regional areas.

Conduct of the inquiry

1.6 The Committee endeavoured to hear from all sections of the community with an interest in the inquiry.

1.7 The inquiry was advertised in the national media between 23 and 28 September 2000. Submissions were sought directly from a range of organisations and groups including:

- the radio broadcasting industry including national, commercial and community sectors;
- peak industry bodies including the Federation of Australian Radio Broadcasters (FARB) and the Community Broadcasting Association of Australia (CBAA);
- Commonwealth, State and Local Governments;
- State head offices of the Chambers of Commerce and Country Women's Associations of Australia; and
- Members of Parliament.

1.8 Press releases giving notification of the inquiry were also distributed to nearly all media outlets across Australia.

- 1.9 The inquiry generated considerable interest across Australia . We received 290 submissions, as listed in Appendix A, and 42 exhibits as listed as Appendix B, and a number of form letters.
- 1.10 An extensive program of public hearings was developed which comprised seventeen public hearings or meetings, a number of which of which were held in regional centres. Nine volumes of submissions were produced and approximately 1000 pages of transcript were produced. Copies of transcripts and volumes of submissions are available from the Committee Secretariat. Transcripts of evidence and copies of some submissions are also available on the internet at www.aph.gov.au/house/committee/cta.
- 1.11 In the course of the inquiry, we had considerable contact with the Australian Broadcasting Authority (ABA), the Australian Broadcasting Corporation (ABC) and the Federation of Australian Radio Broadcasters (FARB). As certain issues developed during the course of the inquiry and in response to requests for information, all three organisations made a number of supplementary submissions. The Committee appreciates the efforts made by these organisations to provide background information and their ongoing co-operation throughout the inquiry. We also appreciated the assistance provided by the Department of Communications, Information Technology and the Arts (DCITA) and the Independent Regional Broadcasters (IRB).

Scope

- 1.12 The focus of the inquiry was determined largely by the nature of the issues raised in evidence. Two themes dominated the inquiry, namely access and content. Although both themes emerged in evidence pertaining to all radio sectors, access was the dominant issue in submissions focussing on ABC radio services and content was the dominant issue in submissions focussing on commercial radio services. The structure of the report reflects this.
- 1.13 While the issues around access are arguably the most important issues raised in the inquiry, they are relatively straightforward. They are dealt with in Chapter 2.
- 1.14 The issues relating to content are complex. The Committee received many submissions from individual broadcasters and from listeners about this issue and in particular, about the impact of networking on the nature of local radio. From the broadcasters' perspective, the issue was closely related to the issue of commercial viability. These issues are explored in Chapter 3.

- 1.15 In assessing the claims and counter claims that characterised this area of the inquiry, we have been somewhat hampered by the absence of a complete set of hard evidence. While we sense that the extent of the problems noted by listeners is greater than indicated by the evidence received during this inquiry, we have been cautious in our response. The lack of hard data raises serious questions in relation to the ABA's monitoring role and a number of our recommendations are directed towards ensuring that steps are taken to remedy this situation.
- 1.16 One content issue about which the evidence was quite conclusive concerned the role of radio stations in emergency situations. Radio plays a critical role in supporting communities and individuals in such times and it is an area in which there should be no room for poor performance. Our findings and views in relation to this issue are outlined in Chapter 4.
- 1.17 Digital radio and its potential to contribute to radio services in regional and remote Australia has hovered in the background during this inquiry. While all sectors of the industry appear interested in embracing digital radio, for no doubt a range of reasons including the opportunity to diversify their business into datacasting, there is little apparent interest in it at this stage from the listeners' perspective. Despite this, we consider that digital radio has the potential to significantly expand access to a fuller range of services, particularly for listeners in the remoter parts of Australia. We support the steps that have been proposed to further progress its development, as explained in Chapter 5.
- 1.18 Many of the changes in the radio services referred to earlier in this chapter can be directly attributed to the enactment of the *Broadcasting Services Act 1992* (BSA). In performing its role in administering the BSA, the ABA has to balance the needs of industry for an environment which is conducive to providing radio services and the needs of listeners for access to a reasonable range and level radio services.
- 1.19 The issues that have been central to this inquiry, access and content, correspond broadly to two of the objects of the BSA, namely object 3(a) and object 3(g), which read as follows:
- 3(a) to promote the availability to audiences throughout Australia of a diverse range of radio and television services offering entertainment, education and information
- 3(g) to encourage providers of commercial and community broadcasting services to be responsive to the need for a fair and accurate coverage of matters of public interest and for an appropriate coverage of matters of local significance

- 1.20 Although, as explained in the explanatory memorandum to the BSA, the Objects are not listed in any order of priority, and there is an expectation that at times the relative importance of different objects may vary³, we consider that the ABA has concentrated its efforts on achieving diversity and that this has been to the detriment of achieving to the satisfaction of local listeners the provisions of Object 3(g).
- 1.21 We acknowledge that the removal of the obligation on individual broadcasters to provide an adequate and comprehensive coverage leaves the ABA without much recourse to action if it detects that a community is not receiving an adequate and comprehensive coverage of radio services. Our concern, however, is that the ABA has not more forcefully brought such matters to the attention of the Minister. *Without taking more thorough steps to evaluate the impact of its decisions and processes, it is difficult to see how the ABA can perform its monitoring or advisory roles with any rigor.*
- 1.22 Many of our recommendations aim at restoring a balance to the broadcasting regime. We have endeavoured to provide a means by which the system is more responsive to the properly ascertained needs of the community and that developments are in response to community interests as much as entrepreneurial demands.
- 1.23 The Committee intends to continue monitoring developments in radio services over the coming years. The radio broadcasting environment will continue to evolve as technologies develop. Such changes carry with them the potential to significantly enhance the quality of radio services in regional areas. Such changes should not be allowed to lead to the loss of local voices that are the very essence of regional radio.

3 *Broadcasting Services Bill 1992, Explanatory Memorandum, p 9.*