



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE

on the

NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Reference: Communications and the external territories

CANBERRA

Friday, 26 June 1998

OFFICIAL HANSARD REPORT

CANBERRA

JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL
TERRITORIES

Members:

Senator McGauran (Chair)

Senator Allison	Mr Dargavel
Senator Crossin	Ms Ellis
Senator Lightfoot	Mrs Johnston
Senator Lundy	Mr Nehl
Senator West	Mr Neville
	Dr Southcott

To inquire into and report on:

Communications to and within Australia's External Territories, with particular reference to:

1. identifying the elements of a comprehensive and modern communications system required by communities with the characteristics of the External Territories;
2. the adequacy of existing services in meeting the communications (being broadcasting, postal, internet and on-line services, and telecommunications) needs of the residents of the External Territories;
3. the extent to which communications services available to the residents of the External Territories are of a similar standard to those available in Australia generally; and
4. the strategies required to address the future communications needs of the residents of the External Territories, including the costs, the roles of government, the private sector and the communities themselves in addressing those needs.

WITNESSES

BROWN, Mrs Shirley Anne, Manager—Corporate, Prime Group, Golden West Network Pty Ltd, c/- Prime Television, 1 Pacific Highway, Sydney, New South Wales	249
CANAVAN, Mr Peter, Engineer, Australian Broadcasting Corporation, 700 Harris Street, Ultimo, New South Wales 2007	214
CARR, Mr David, Legal Officer and Broadcasting Consultant, Golden West Network Pty Ltd, c/- Prime Television, 1 Pacific Highway, Sydney, New South Wales	249
CHEAH, Mr Christopher Michael, Assistant Secretary, Competition and Consumer Branch, Telecommunications Industry Division, Department of Communications and the Arts, 38 Sydney Avenue, Forrest, Australian Capital Territory 2600	196
CORKER, Mr John Simon, Manager, Legal Section, Australian Broadcasting Authority, 201 Sussex Street, Sydney, New South Wales	230
GOUGH, Mr Peter Mervyn, Group Chief Engineer, WIN Television, Television Avenue, Mount Saint Thomas, New South Wales 2500	262
GRIFFITHS, Mr David Colin, Director, National Parks and Wildlife, Environment Australia, GPO Box 636, Canberra, Australian Capital Territory 2601	176
HART, Dr Beverly, Assistant Secretary, Licensed Broadcasting Branch, Department of Communications and the Arts, 38 Sydney Avenue, Forrest, Australian Capital Territory 2600	196
HART, Mr Richard Charles, Acting Director, Information Technology Network Services, Department of Environment, Tobruk House, 15 Moore Street, Canberra City, Australian Capital Territory 2600	176
LAWLER, Mr Peter Grant, Assistant Director, Indian Ocean Territories Section, Territories Office, Department of Transport and Regional Development, GPO Box 594, Canberra, Australian Capital Territory 2601	159
MAWHINNEY, Mr Vivian Hubert, Director, Pacific Territories, Department of Transport and Regional Development, GPO Box 594, Canberra, Australian Capital Territory 2601	159
McGARRITY, Mr Ian Alexander, Head of Development, Australian Broadcasting Corporation, GPO Box 9994, Sydney, New South Wales 2001 . . .	214

NEIL, Mr John Brian, Assistant Secretary, Enterprise and Radiocommunications Branch, Department of Communications and the Arts, PO Box 2154, Canberra, Australian Capital Territory 2601	196
PITT, Mr Kim Frederick Peter, Assistant Director, Expedition Operations, Australian Antarctic Division, Channel Highway, Kingston, Tasmania 7050	176
SEARLE, Mr Robert James, Secretary, Commonwealth Grants Commission, 5 Torrens Street, Braddon, Australian Capital Territory 2612	188
SOOTHILL, Mr David Bernard, Director, Communications and Planning, Special Broadcasting Service, Locked Bag 028, Crows Nest, New South Wales 1585	214
SPENCE, Mr Charles William, Director of Broadcasting Development, Licensed Broadcasting Branch, Licensed Broadcasting and Information Services Division, Department of Communications and the Arts, 38 Sydney Avenue, Forrest, Australian Capital Territory 2600	196
STEVENSON, Mr Paul Murray, Senior Project Officer, Biodiversity Group, Environment Australia, GPO Box 636, Canberra, Australian Capital Territory 2601	176
SUTTON, Mr Michael James, Assistant Secretary, Regional Telecommunications Infrastructure Fund Secretariat, Department of Communications and the Arts, PO Box 2154, Canberra, Australian Capital Territory 2600	196
TURNER, Dr Andrew, Assistant Secretary, Pacific and Indian Ocean Territories Branch, Department of Transport and Regional Development, GPO Box 594, Canberra, Australian Capital Territory 2601	159

JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Communications and the external territories

CANBERRA

Friday, 26 June 1998

Present

Senator McGauran (Chair)

Senator Allison

Mr Nehl

Senator Crossin

Senator Lightfoot

Senator West

Committee met at 9.10 a.m.

Senator McGauran took the chair.

CHAIR—I declare open this public meeting of the Joint Standing Committee on the National Capital and External Territories. The committee has received a number of submissions from the external territories, from relevant departments and from major telecommunications organisations. On behalf of the committee, therefore, I would like to thank those who have provided the details and submissions to the committee.

I would like to draw the attention of members and witnesses to the change in the order of program. A revised program has been distributed today. Before calling the first witnesses, I remind everyone present that these are the proceedings of parliament and warrant the same respect as the proceedings of the parliament itself. The committee does not require witnesses to swear on oath or make an affirmation, but that does not diminish the importance of the evidence or the hearing.

I apologise for having this hearing on a sitting day, for the Senate at least. It is utterly unavoidable these days. One of the criteria the minister gave us was a sense of urgency to complete this committee inquiry, so we just have to plough on with our public hearing, whatever clashes with it.

[9.11 a.m.]

LAWLER, Mr Peter Grant, Assistant Director, Indian Ocean Territories Section, Territories Office, Department of Transport and Regional Development, GPO Box 594, Canberra, Australian Capital Territory 2601

MAWHINNEY, Mr Vivian Hubert, Director, Pacific Territories, Department of Transport and Regional Development, GPO Box 594, Canberra, Australian Capital Territory 2601

TURNER, Dr Andrew, Assistant Secretary, Pacific and Indian Ocean Territories Branch, Department of Transport and Regional Development, GPO Box 594, Canberra, Australian Capital Territory 2601

CHAIR—On behalf of the members of the committee I welcome the officers from the Department of Transport and Regional Development. I invite you to make an short opening statement, if you like, to address parts of your submission.

Dr Turner—Thank you, Senator. I would like to make a brief opening statement. Rather than rehearsing the detail of the submission, I have a couple of overview comments. Firstly, we are very grateful to see the reference and for the opportunity to come and discuss the issue which, for us, has been a perplexing issue over a long period of time. Hopefully, the reference will also provide something of a model for an approach for communications, and particularly telecommunications, for other remote, rural areas of Australia.

I say the issue has been perplexing, at least for us, and I think there are three sorts of reasons for that. One group has to do with some characteristics of the territories. Another group has to do with the speed of technological change—and I recognise that is almost an axiomatic statement these days; nevertheless it has its effects for us. The third group has to do with some characteristics of government approaches to service provision.

We have got some background information here on the three external territories, Norfolk and the two Indian Ocean territories of Christmas and Cocos, which we are happy to leave and which may be of use. I would at least draw your immediate attention to the map, which, if it does not do anything else, gives a very rapid visual impression of just how far away from mainland Australia Norfolk and the Indian Ocean territories are and why, in a technological sense, some of the problems that we have do exist.

Norfolk is a self-governing territory, as you will be well aware from the evidence that has already been given there, so our role is far more constrained with regard to communication issues in Norfolk than it is with the Indian Ocean territories. As with the other non-self-governing territory of Jervis Bay, the role of the Commonwealth in the non-self-governing territories is to be the provider of all state types of services. In a sense, that

is a very unusual role for a Commonwealth department or a Commonwealth agency to play. So we have a very unusual role in the territories: we are, as it were, three state governments.

The two Indian Ocean territories became part of Australia in the 1950s when essentially they were taken from what we might describe as being outside the barrier and put inside the barrier to become part of Australia. In the intervening 40 years or so there has been some inconsistency in the application of that notion of the Indian Ocean territories being inside the barrier. There is some inconsistency in terms of what legislation applies and what legislation does not, and, to some extent, how the territories are treated as being an integral part of Australia. Certainly, communications is not alone in being amongst those issues. But the question of whether the islands are able to receive broadcast services such as television and radio from mainland Australia does have a fairly substantial influence on the perceptions of the local communities on their identity in association with Australia.

Issues of communications in this day and age are central to that very idea of whether the territories are or are not part of Australia, or what part of Australia they form. So, for us, communications is one of those issues where the central question is: what do we mean with the policy position we have of applying mainland standards; what do mainland standards mean when applied to issues like communications to the external territories? We do not necessarily have a concise or precise answer to that issue, and this reference gives us a chance to explore that issue to some degree.

The second issue, as I have said, is the speed of technological change. That is axiomatic for everybody—everybody knows that technology is changing very quickly. But we in the Department of Transport and Regional Development, and certainly in my branch, do not see ourselves as being the repository of technical expertise to deal with those issues. In fact, in many cases we are not in a good position to make our own technical assessments of what is feasible or even optimal; therefore we rely on advice from others, such as Telstra, Optus, Australia Post, the Department of Communications and the Arts, whoever. We are aware of concerns and expectations in the context of the mainland standards issue amongst the community and, in that sense, that is where our expertise lies, rather than in knowing technical issues about telecommunications.

As for government approaches, as I said, the basic policy position or policy objective of the government is to achieve and maintain mainland standards—and by that we mean standards that apply in more or less equivalent remote locations on the Australian mainland—to the Indian Ocean territories and to the other territories. Government policy also includes such things as contestability in the service provision, especially with such ideas as competitive tendering and contracting. However, the remoteness and small population of particularly the Indian Ocean territories, but the other territories as well, mean that each provides substantial economic challenges when it comes to providing services in a commercially profitable way. In many cases, particularly with relation to the

Indian Ocean territories, we are often dealing with examples of what we might call market failure. The most recent, dramatic example has been the provision of air services to the Indian Ocean territories, where no commercial provider has been identified and we have had to go and seek somebody and provide a subsidy or a form of underwriting.

We are often dealing with debates about levels of community service obligations or universal service obligations—CSOs or USOs. A good recent example has been the report of the National Competition Council on the review of Australia Post and the issue of USOs and CSOs that that brought out. From our point of view that leads us to a whole group of questions about what is an appropriate CSO or USO for the Commonwealth to adopt for such a small, remote community as the external territories. There is a model, I suppose, and that might then be applied to other remote communities elsewhere in Australia. Again, we do not have an answer to those questions, so I cannot come along and tell you what we think the answer should be, but that is why we think this reference is an important issue, because it gives us a chance to explore what has been a perplexing issue for us for quite some time. We would obviously note that we think that is a policy question for determination by the government and the parliament, rather than necessarily by us as a department.

CHAIR—Thank you. That was very interesting. On that last point you were making, about the CSOs and USOs and what particular model should fit the Indian Ocean territories specifically, what model are you using? Are you using the rural and remote model for these areas?

Dr Turner—By and large, the approach that we take is that we attempt to look at, on a case-by-case basis, what is the standard that applies elsewhere. For example, when it comes to issues like postal services, we will look at the model that Australia Post applies. That has been the recent subject of some correspondence between ministers. I am aware it came up in discussion with Australia Post in the sense that Australia Post responded to that by saying, ‘In doing our job, we rely on the existing level of air services to remote communities such as these.’ We do not have the authority to say that is the wrong approach but, in our mind, it raises the question, in a theoretical sense, of whether we are saying that, if there were no air services to a particular remote locality, Australia Post is absolved of its USOs or CSOs.

CHAIR—That is an excellent point.

Mr NEHL—A very valid question.

Dr Turner—There is a question that we would say, ‘Hang on a minute, in the model we are using, if we are using that organisation’s judgment, how does that apply in this area if we are not providing underwriting?’ The government is only providing underwriting to air services to the Indian Ocean territories because nobody else will do it. If somebody else would do it—

CHAIR—We can take it that it is not an exact match with the rural and remote areas on the mainland?

Dr Turner—No, it is a sort of best fit.

CHAIR—As you go along?

Dr Turner—As you go along. It is done on a case-by-case basis and part of our problem is that we do not have a concise documentation everywhere of what our CSOs or USOs might be. In the case of the Indian Ocean territories, it was quite clear—and the government was very quick to recognise—that once the only commercial service provider withdrew, it clearly was an obligation, however described, to provide some sort of air link. But at what standard that ought to be in terms of how that compared with government standards elsewhere was hard to determine if for no other reason than the Commonwealth is not actually the service provider in many parts of Australia. So the Commonwealth itself does not have many direct comparisons.

CHAIR—I suppose the minister has the final authority. You said that you do not have the authority. Does the minister have the final authority to gauge whether the CSO or USO is broadly or narrowly interpreted?

Dr Turner—Certainly, on those sorts of issues, we would not expect to make a decision without going to the minister, and the minister may well, depending on what the issue happens to be, choose to consult with other ministers.

CHAIR—Have you ever had to point out to the minister a failure of a USO or a CSO?

Dr Turner—I do not recall ever pointing out a failure of one but there are a number of cases, and again, the Indian Ocean Territories Airline is used as the most recent good example of where a large part of our thinking about what a government response might be is rested on what is a community service or universal service obligation. That inevitably gets us into discussions with the department of finance, who use CSO in a fairly technical way.

We get into discussions about what is a community service obligation or how you are going to define it and at what level. We are frequently, as I said, involved in discussions of what amounts to market failure, in the middle of recognising that outsourcing the management of many of the services we provide, or the actual delivery of those services, is government policy—and we are not for a moment seeking to debate the merit of that approach.

Most of the thinking behind approaches to competitive tendering and contracting is based on at least an implicit assumption that what we are doing is choosing between a

multiplicity of providers who are, as it were, banging on our door, seeking to provide the service. In the case of the external territories, in particular the Indian Ocean territories, the reality of what we are doing is actually going out with a rather long sharp stick, prodding people into providing the service. So we are into arguments about how to identify community service obligations in a financial sense between what the market might charge if it were competitive and the premium we have to pay in what often amounts to a monopoly provider situation.

CHAIR—Have you come up with a formula for market failure? We would love to know for other regions of Australia.

Dr Turner—I do not think we have got a formula as such. The Indian Ocean air services issue has teased out a lot of the issues in terms of what we might call a safety net level as to what is the minimum level of service and what might we have to pay for it. Having found a provider, we have now got a minimum level of service and we are now sort of standing back looking at it and saying that actually teases out all sorts of policy questions which were not necessarily thought through, because our first obligation was to rush out and find somebody to provide a service. So the practicalities came ahead of the policy development, as it were.

CHAIR—To state the obvious, if you just look at the market in regard to the cost of the air services, there probably does reach a point where it is just too much. But then if you do not do it, it has a cascading effect on the other markets on Christmas Island. So market failure is as broad or as thin as you want it to be?

Dr Turner—Absolutely. It is not fair to say that there is not a market in the sense that we usually do find providers for services. But the level of competition is not the same as we are used to. As you say, there are certain key services and, if they are not available, it will affect the whole community. You might as well just walk away, as it were. We are conscious in the sense that there are airline communication problems and exactly the same problems could apply to the shipping community. There is only one shipping service to the island.

Mr NEHL—Who operates that?

Dr Turner—The Clunies Ross family. I have forgotten the name of the ship. It operates out of Perth—between Perth, the islands and Singapore.

CHAIR—How many trips does it make?

Dr Turner—It cycles about every five or six weeks. So there would be nine or 10 per year, something like that.

Mr Lawler—It goes between four to six weeks.

CHAIR—It just does Cocos; it does not do Christmas?

Dr Turner—It goes to Cocos. It does both.

Mr NEHL—And on to Singapore after that?

Dr Turner—And then it goes on to Singapore. I think that is basically the trip. It goes from Fremantle to Cocos, on to Christmas, on to Singapore and then back again.

Mr Lawler—Yes, and that can vary with the seasons.

CHAIR—We have no involvement in it, as a government, do we? It is truly no profit—

Dr Turner—That is the situation at the moment, and we would desperately like to keep it that way.

CHAIR—Are you suggesting that he has approached you.

Dr Turner—No, I am not. What I am saying is that, when there is only one provider, we remain nervous. If you had come to us two years ago, we would have said that we were quite comfortable with Ansett providing an air service to the islands. They were the only provider. They fell over and we have had the history that we have had.

CHAIR—Yes, and of course the Clunies Ross family has a connection with Cocos and that is why they have taken that up. If it was to fail, it could be very difficult to find a provider.

Dr Turner—That is our concern. So in a sense, that is an issue that we now have to go back and revisit.

CHAIR—And would I be right in saying that the shipping service is not a really profitable business?

Dr Turner—I do not know the economics of it but, certainly, Mr Clunies Ross would say that. I think you are right in saying that the reason the business exists in the way that it does is because of the strength of the family's association with the islands. There was another shipping provider, the name of which has just escaped me, which operated on the line for a couple of years.

Mr Lawler—Yes.

Dr Turner—But there just was not enough traffic to sustain the two service providers. That service ceased late last year.

Senator LIGHTFOOT—Dr Turner, I think that service provider, at least for some time, was the government owned Western Australian Stateships.

Dr Turner—The Stateships provided the services some years ago before I joined the department. So they certainly were a provider some time ago, but they were not the most recent alternative provider.

Senator LIGHTFOOT—If my memory serves me right, it was the Stateships that undercut the original shipping line that Clunies Ross had, and they went into receivership.

Dr Turner—I know that there was a contentious issue some years ago before I joined the department, but I do not know the details, I am afraid.

Senator LIGHTFOOT—I think it was a disgraceful episode of government interference in the private sector—probably to the detriment of the private sector, not to the enhancement of it. It has always been a problem with Cocos Island. What is your view with respect to Norfolk Island ? There is a nexus existing between New South Wales and Norfolk already and between Western Australia and the Northern Territory and Christmas Island and the Cocos (Keeling) Islands. What is your view on the respective governments taking more responsibility for service provisions on those territories?

Dr Turner—We have a series of what we describe as service delivery arrangements with individual agencies in the Western Australian government to provide a whole range of services for the Indian Ocean territories. We are currently in the process of preparing what we describe as a memorandum of understanding with the ministry of premier and cabinet in the Western Australian government to provide an overview and a framework for how that is done. Where we go from here is really an issue for the minister. Our arrangement with Western Australia is quite successful in the sense that most of the services that we provide are actually conducted through Western Australian agencies.

Norfolk Island is an entirely different kettle of fish in that it is a self-governing territory and the island is responsible for the provision of most of its services. There are some which are retained by the Commonwealth. The association with New South Wales—or really with the eastern seaboard of Australia as there are very strong connections with Brisbane through the air services as well—means the Commonwealth does not really have a role in providing most of those services. Our relationship to Norfolk is much more like our relationship with the Australian Capital Territory or the Northern Territory than it is like our relationship with Western Australia with regard to the Indian Ocean territories.

Senator LIGHTFOOT—But the experience I have had, which is limited, is that states play very little part in these committees. We have very little input from the states even by way of submissions.

Dr Turner—It is certainly the case that our relationship with Western Australia, as regards the Indian Ocean territories, is very much in terms of service provision in that levels of government do not have contracts with one another. It is a contractual relationship to provide services, and that is, I suppose, very much how the Western Australian government want to play it. Certainly that is the nature of the territories. The role of the Commonwealth in the non-self governing territories is at all three levels of government. The shire councils on the Indian Ocean territories are the creation of the Commonwealth.

Senator LIGHTFOOT—Given the relative geographical closeness—and they are not close—between Christmas and Cocos (Keeling) would it be better if the Western Australian government had more input and was invited to have more input?

Dr Turner—Let me go back a step. There are two sorts of associations. The Indian Ocean territories are politically part of the electorate of the Northern Territory, so it is not true to say that every connection is with Western Australia. But certainly in terms of the links between the communities, the Indian Ocean territories' strongest link is with Western Australia. That is where the children go to school and the state curriculums apply on the islands, et cetera.

Senator LIGHTFOOT—So service providers and employment largely come from Western Australia.

Dr Turner—Absolutely.

Senator LIGHTFOOT—Their telephone links, and other radio links, come not exclusively but predominantly from Western Australia.

Dr Turner—Part of our job is to advise the government on what we describe as the governance arrangements with self-governing territories. There is an option of a closer association between the Indian Ocean territories and Western Australia in exactly the same way that there is an issue about closer association between Jervis Bay on the south coast of New South Wales with New South Wales. But that is not the government position at the moment. We continue to play that major governance and service delivery role and most of that service delivery is done by Western Australia. Norfolk is different because they have had the measure of self-government under the Norfolk Island Act from 1979, so our relationship with Norfolk is very different.

Senator LIGHTFOOT—Are infrastructure air facilities already in existence on Cocos being maintained? Why shouldn't your long-term planning for Cocos (Keeling) use that as a central plank for the development of Cocos?

Dr Turner—Certainly the airport facilities on Cocos, and those on Christmas for that matter as well, are of a very high standard.

Senator LIGHTFOOT—Just on that point, I understand that the facilities on Cocos—and I have not been there—are superior in terms of the infrastructure for aircraft than they are on Christmas.

Dr Turner—That is certainly true.

Senator LIGHTFOOT—That is why I chose Cocos rather than Christmas.

Dr Turner—Apart from ourselves with the weekly flights—or whatever the frequency of the flights happens to be—the major use of that facility is for coast watch and defence purposes. This year's budget included a decision by the government to undertake a review of the long-term economic sustainability of the Indian Ocean territories. That is just starting now between ourselves and the Department of Finance and Administration. Issues like the long-term impact of maintenance of things like the airport facilities are going to be canvassed in that review.

Senator LIGHTFOOT—Are you happy that those airport facilities are being maintained?

Dr Turner—At the moment they are being maintained, but with the introduction of tools like accrual budgeting, we are going to be looking very hard at issues like the impact of long-term maintenance of a facility of that quality on future demands on our funding.

Senator LIGHTFOOT—Would you not agree that, in terms of the defence of the western part of the continent, that makes or could make a significant contribution to forward defence?

Dr Turner—My expertise in defence strategies is very limited, but certainly one of the major interests in the Cocos (Keeling) Islands is their strategic significance for us. We do not have any expectation other than that the Department of Defence will retain very strong interest in maintaining that facility.

Senator LIGHTFOOT—And those facilities will not be downgraded?

Dr Turner—I am certainly not aware that the issue has ever been canvassed. As far as we are aware, the Department of Defence retain a very strong interest in that region.

Senator LIGHTFOOT—So the answer is they will not be downgraded, in your view?

Dr Turner—I cannot make that commitment, but I am certainly not aware of anybody trying to even consider that issue.

CHAIR—This is Cocos you are talking about?

Senator LIGHTFOOT—Yes.

CHAIR—Could you explain to us the strategic importance of Cocos to the Department of Defence, just for the record?

Dr Turner—Essentially it is a strategic post which extends our zone of influence well into the Indian Ocean. The Indian Ocean territories and Norfolk go a long way to explaining why Australia has the second largest exclusive economic zone in the world. They extend our EEZ quite considerably. In economic terms, the territories have that sort of strategic significance for us. Likewise in defence terms, both islands provide staging posts for operations into the oceans both to the east and to the west. The airport facility on Cocos is of a very high standard and can take planes up to—

Mr Lawler—They have actually landed the largest freighter that exists on Cocos, the Russian Antonov.

Senator LIGHTFOOT—What size plane was that which they could take?

Mr Lawler—It is the Russian Antonov.

Senator LIGHTFOOT—Is that right? That is the biggest plane, and not just for freight, in the world, isn't it?

Mr Lawler—Yes.

Senator LIGHTFOOT—I wanted to get back to that 'economic independence', of the Indian Ocean territories in particular. They are underdeveloped compared to Norfolk Island. How are the fishing zone and the economic zone around the respective islands utilised with respect to revenue? Does that revenue come back to the Commonwealth and is it then redistributed to the respective islands or do the islands have some say in revenue collection—with respect to the economic zone, not with respect to the casino?

Dr Turner—The fishing arrangements are managed for the islands in exactly the same way as other fishing arrangements in Commonwealth waters in the sense that they are managed through the Australian Fisheries Management Authority. The revenue from the licences would go back through that organisation and that portfolio rather than through us and, in that sense, it either goes to that portfolio or into consolidated revenue. I am not sure of the details of those mechanics, but the licence revenue goes to the Commonwealth rather than to the island. There is no particular route for that revenue to go to the island.

Most of the revenue collection arrangements are our responsibility and, again, the actual mechanics are undertaken by WA on our behalf. The island has local government

so the local government has a measure of decision making over revenue collection on the island. Most of the operations that we do are in some way based on consultation between the island administration and the shire council. It is not true to say that the islands have no influence, but most of the responsibility rests with Commonwealth agencies of one sort or another.

Senator LIGHTFOOT—So it would appear to be misleading to say that Cocos and Christmas were significantly funded from outside revenue if one took into consideration the revenue raised in the economic zone that is returned to the island via the Treasury?

Dr Turner—I do not know what the figures are in terms of the amount of revenue that comes back. I suspect that it is quite small. It is not an argument that we have, in the sense that it is recognised that the Commonwealth has obligations to maintain the islands, and our budget for the Indian Ocean territories is in the order of \$40 million per year, I think.

Senator LIGHTFOOT—In terms of, for instance, the revenue raised through the issue of fishing licences, would you be kind enough to ascertain what that figure is? I am getting to the centre point of my questions, and that is the supply of services, some of which might be described as entertainment services, by way of TV and radio, and the appearance that that supply is, in fact, a grant by the federal government. If one took into account the revenue that was raised there and offset that against the grant, there may not be a great deal of largesse, if I can put it that way, from the federal government. What is it—and it is something that the chairman put to you—that the islands need as a standard of supply of facilities with respect to television and radio? Could you give us a word picture of what it is compared to? Is it compared with Katherine in the Northern Territory, or Laverton in Western Australia? Is it compared with some other isolated area of New South Wales or Queensland—Tibooburra, for instance? Is it the expectation that it should be greater? Should it be like a major rural centre of Kalgoorlie or Parkes or Toowoomba?

Dr Turner—As a general answer to that question, the government's policy objective in relation to all of the territories—and I am talking about Indian Ocean territories, in particular—is to develop and maintain mainland equivalent standards. What we understand mainland equivalent standards to be are equivalent remote communities on the Australian mainland. So we would be looking at communities—

Senator LIGHTFOOT—Could you put a name on a remote community?

Dr Turner—We would be looking at something like the larger towns in north-west Western Australia—Broome or Derby, that sort of community. The population of Christmas Island varies a little with the current closure of the casino. The population is going down rather than up, but it hovers either side of 2,000 people. Cocos Island is around about 650 or 660, a very small community. We would be looking for equivalents

of those sorts of communities, rather than the Kalgoorlies, or major regional centres.

Mr NEHL—What about other island communities, such as Melville or Bathurst off the Northern Territory?

Dr Turner—They provide something of a comparison, but the government's position, which has been in place for several years now, is mainland equivalents. We tend to look at what is available on the Indian Ocean territories being broadly equivalent to what is available in equivalent mainland centres. The mechanism we use for that comparison are the Commonwealth Grants Commission's periodic reviews of the territories. Their legislation was amended some years ago to enable them to do reviews of the territories. There was one done of Norfolk Island which was concluded about September. The last review of Christmas Island was in 1995 and Cocos Island was in 1994?

Mr Lawler—Sometime before that, yes.

Dr Turner—Just before that. Within the last four years there have been reviews of all the external territories and we use their reports as a basis for our assessment of where we are up to scratch and where we are not.

Senator LIGHTFOOT—Given the similarities between Christmas and Norfolk, and geologically they are very similar, too—although I am not painting a picture that superimposes, of course, but there is a population that is similar in size, the geology is similar, though Christmas is probably a little closer to the equator than Norfolk is—

Dr Turner—Yes, just a bit.

Senator LIGHTFOOT—Given that pro forma that perhaps some Christmas Island people have of Norfolk being independent to a significant degree with its own government—

Dr Turner—It is a big issue.

Senator LIGHTFOOT—what are the prospects of either Christmas or Cocos (Keeling) getting some further measure of independence, other than the local government status they have now?

Dr Turner—This is a personal view, rather than a government view.

Senator LIGHTFOOT—I appreciate that.

Dr Turner—I think that in the case of Christmas Island it is not difficult to see Christmas Island having fairly good prospects of fairly significant economic development. Clearly, the downturn in South-East Asia, particularly in Indonesia, has hit Christmas

fairly hard and, to some degree, has set that back. It is not difficult to foresee a set of circumstances where Christmas could become a larger community and, therefore, take on increased responsibilities and a measure of, let us call it, self-determination, for want of a better phrase.

For Cocos that is much harder to see because it is so much smaller and that much further away. It is difficult to see Cocos being anything other than a strategic interest maintained by the Commonwealth, at Commonwealth expense, to put it crudely.

With the closeness of Christmas's location to Indonesia, it is not difficult to see the tourism industry growing, and the mine is doing very well, thank you very much. There is the prospect of major development with the satellite launching facility, though that remains uncertain at the moment.

Senator LIGHTFOOT—And in relation to the casino, which was the focal point of revenue for Christmas, I take it that that has receded somewhat as a result of the economic downturn in Indonesia—not exclusively so, but that was a major contribution.

Dr Turner—The casino is currently closed. We hope that the casino and resort reopen. That is a decision which is very much in the hands of the owners, rather than the government.

Senator LIGHTFOOT—What encouragement has the government or your department been given?

Dr Turner—The owners have advised us that their plan is to reopen, but they have not put any date on it. There is certainly a lot of discouraging news around at the moment in terms of the failure of the owners to meet their financial obligations to former employees and others. So, in that sense, the current signals are mixed and not very encouraging.

CHAIR—Senator Lightfoot, I would like to cut across there. Given the time, we are going to run a very tight schedule today.

Senator LIGHTFOOT—That is all right, Mr Chairman.

CHAIR—If you have any other questions, we will get back to you.

Mr NEHL—You mentioned the EEZ in relation to the Indian Ocean islands. What about Norfolk? Does it extend—

Dr Turner—Yes. It extends well beyond Norfolk.

Mr NEHL—Does the department view telemedicine as important to island

communities?

Dr Turner—The short answer is, yes, we would. We would rely very much on the sort of professional advice that we get through the Indian Ocean Territories Health Service from our professional advisers in Western Australia in terms of exactly how we might go with that. But, certainly, in terms of the sorts of problems we face in having to evacuate people from the islands, anything which can overtake and replace that but maintain a good health standard is something that we would need to look at.

Mr NEHL—The emphasis so far has been on Norfolk and on Christmas and Cocos (Keeling). Do you have any comment to make on the provision of communications with Australia's Antarctic territories?

Dr Turner—The Antarctic division and Heard and Macdonald islands are the responsibility of the Department of Environment. I was an officer in the Department of the Environment for eight years before I took up this job so I know a little bit about it, but it is not within my professional responsibilities.

Mr NEHL—So your department washes its hands of it?

Dr Turner—Yes. We do not have a role in Antarctica and Heard or Macdonald.

Mr NEHL—Earlier this month the department advertised for an information technology officer class 2 on Christmas Island to provide computer services to the administration. Will this provide any assistance to islanders in dealing with the Internet, or is it going to be purely an internal administrative job?

Dr Turner—The responsibilities of that post are as an officer of the administration on the island, so his job is to serve the administration. But in small communities like that you try to build a critical mass. What is more significant on Christmas is that there is now an Internet service provider, Brian Hill's company Indian Ocean Communications, or some such title—

Mr Lawler—Yes.

Dr Turner—And he is beginning to develop the links.

Mr NEHL—Talking of such things, is the department aware of possible conflicts of interest facing members of island agencies who also operate private businesses in the same sphere of communications? I am referring at this point directly to Norfolk Island—and it may be, of course, elsewhere, too.

Dr Turner—I am not aware of the particulars of that, but let me say as a general comment that, when dealing with small remote communities, conflicts of interest are ever

present. It is just an unavoidable situation. So the answer to the question is, yes, we are always aware of the general principle. I am not aware of the particulars of that one, but as a general principle, yes, we are always aware of it.

Mr NEHL—Senator Lightfoot raised a question of television reception. Because most of the inhabitants are Malay speaking, is there any possibility of getting television transmitting from Malaysia or Indonesia?

Dr Turner—My understanding is that they get it already.

Mr Lawler—Some of the private individuals have satellite dishes set up to receive signals from south-east Asia, but they have done that as a—

Mr NEHL—But that is on an individual basis—?

Mr Lawler—An individual basis, that is right.

Mr NEHL—There is no community or overall provision?

Mr Lawler—No.

Mr NEHL—Do you think there should be?

Dr Turner—That is a difficult issue. Where our priorities lie is in getting the communication to the Australian mainland sorted out. But, certainly, as a community issue, it is one that we cannot avoid thinking about since on Christmas the population is about 70 per cent Chinese in origin, 20 per cent Malay and 10 per cent European, so—

Mr NEHL—What language do the Chinese speak, for instance?

Dr Turner—Various Chinese dialects.

Mr Lawler—I think mandarin is the main one.

Dr Turner—I would have to say that it is not an issue that I am conscious that we have given a great deal of attention to, in the sense that we are more concerned with sorting out the services from Australia. For the community, it is an issue. For us, what it raises is the importance of communications, particularly telecommunications, being a source of identity, in terms of the strength of the association between the territories and Australia.

Mr NEHL—You mentioned the proposed space satellite launch centre on Christmas Island. If that goes ahead, will it have any impact on communications?

Dr Turner—There are lots and lots of ifs and buts in this statement; but, if it goes ahead, we would expect a development of that magnitude to have a significant impact on the whole island's society and economy, in the sense that you would be introducing a technologically very sophisticated operation which we expect would have a major impact on telecommunications, air services, shipping services and just about everything.

Mr NEHL—What is the likelihood of it going ahead, and at what stage is it? When would we expect to see it there?

Dr Turner—The current environmental assessment process is expected to run probably until the end of this year or early next year. We obviously cannot pre-empt any decisions by the Commonwealth ahead of that. The decisions about access to land are really negotiations between the satellite company and Phosphate Resources Ltd, the mining company. All of the signals we have at the moment are very encouraging.

Mr NEHL—If everything falls into place, when will it be operational?

Dr Turner—The end of next year or early in 2000 is the target date.

Mr NEHL—In our hearings, the Norfolk Island government expressed the view that the department rarely consults with islanders on policy issues, nor advises them of impending announcements of change. Can you comment on that?

Dr Turner—I am not surprised to hear that that view was expressed in evidence. We think we spend a lot of time consulting with them, because they are a different government and they often have different views.

Mr Mawhinney—We invited the Norfolk Island government on several occasions to join the range of ministerial committees that exist to address a whole range of Australia-wide policy issues. There are 100-odd committees, and so far they have only joined three. We continue to encourage them to join in those kinds of consultation processes.

Mr NEHL—Has the department made representations to the Department of Communications and the Arts or to the Minister, to have the regional territories infrastructure fund extended to include the external territories?

Dr Turner—There is correspondence between ministers, where we have sought Senator Alston's agreement to provide funding for the external territories. I am not aware that there is a response to that correspondence but I know that there has been contact between the ministers on the issue.

Mr NEHL—I am not quite clear on that. You said you have approached Senator Alston for funding: is that under the RTIF?

Dr Turner—Yes. We have approached Senator Alston to provide funds through the RTIF for the external territories. I am not aware that Senator Alston has yet responded.

Mr NEHL—Thank you very much.

CHAIR—The Norfolk Island government said that they were unaware of the whole RTIF, and that they have put in a submission, of late. That was their example of your not communicating with them.

Dr Turner—I find that odd, because we have certainly had correspondence with the administrator about the issue.

Mr Mawhinney—As I understood it, it was the administrator who initiated the issue with them, and so the information did come from the Commonwealth.

CHAIR—It got through.

Mr NEHL—Another comment about Norfolk Island's feeling of being neglected and not receiving advice was that they complained bitterly that this committee was going to Norfolk Island to conduct public hearings but that they only found out through the press. They gave other instances of that as well. They took the view that there should be prior communication and that the government should be advised formally in advance for something of the nature of this committee's inquiry and other things, rather than find out by seeing it in the *Australian*.

Mr Mawhinney—The only comment I would make is that the suggestion that the communications reference would be appropriate came from the Norfolk Island Chief Administrative Officer something like 18 months ago, and so there has been discussion over quite some time about the process. It may well be that, in terms of your immediate visit, perhaps they only had a week or so's notice; but you have been moving fairly swiftly, in any event.

CHAIR—Indeed we have. Having said that, we will close this section of the meeting and thank you very much for your time. My secretary will write to you if we need to follow up any questions.

Dr Turner—Thank you very much for the opportunity and thank you for your time.

[10.06 a.m.]

GRIFFITHS, Mr David Colin, Director, National Parks and Wildlife, Environment Australia, GPO Box 636, Canberra, Australian Capital Territory 2601

HART, Mr Richard Charles, Acting Director, Information Technology Network Services, Department of Environment, Tobruk House, 15 Moore Street, Canberra City, Australian Capital Territory 2600

PITT, Mr Kim Frederick Peter, Assistant Director, Expedition Operations, Australian Antarctic Division, Channel Highway, Kingston, Tasmania 7050

STEVENSON, Mr Paul Murray, Senior Project Officer, Biodiversity Group, Environment Australia, GPO Box 636, Canberra, Australian Capital Territory 2601

CHAIR—Welcome. Do you have any comment on the capacity in which you appear before the committee?

Mr Stevenson—I am a project officer with the Biodiversity Group, but I have just come back from being the conservator or senior conservation officer on the Cocos (Keeling) Islands for three years and on Norfolk Island for six years, under Parks Australia.

Mr NEHL—Lucky man! Nine years in paradise.

Mr Stevenson—That is one way of looking at it. It has its advantages and its disadvantages.

CHAIR—That is very interesting. Do you have anything you wish to change or add in your submission, and do you wish to make a short opening statement to your submission?

Mr Griffiths—I would mention that in our written submission we made reference only to the Indian Ocean territories in which Parks Australia has an interest, but we should have also mentioned the fact that we have a national parks presence on Norfolk Island as well. The reason we did not mention Norfolk Island was almost like a *deja vu* of the conversation before this, in that people in the Indian Ocean territories seemed to have known about your committee's work and were prepared and had done some work so that, when the notice came out, they were ready with a submission; whereas the people on Norfolk were caught a little by surprise, and we did not actually get some information from them in time to make a formal submission. So I ask that *Hansard* record that we also have a national park as well as a botanic garden on Norfolk Island, and that the same sorts of issues and problems that we adverted to in our submission, as far as the Indian Ocean territories are concerned, are also experienced on Norfolk Island: problems of

remoteness and difficulties of communication.

CHAIR—Certainly. We will now have questions.

Mr NEHL—Do you have any comment to make about the proposition that was put forward in the recent inquiry into communications and transport in Antarctica? Do you have any thoughts on the need for a multi-ship operation and an airstrip so that we can have some air communication as well?

Mr Griffiths—That will be Mr Pitt's responsibility. We in Parks and Environment have no responsibilities directly for the Antarctic territories.

Mr Pitt—We certainly have an interest in telecommunications relating to the expansion of ship operations and, of course, to the possibility of intercontinental and intracontinental air transport. However, it is very early days, and it has only been in the past few weeks that the government has released its response to the Antarctic Science Advisory Committee's *Foresight analysis* report.

Mr NEHL—That was 18 May?

Mr Pitt—Yes. So we do not have any concrete statement that we could provide that might assist you in your deliberations.

Mr NEHL—Do you accept that, in relation particularly to Antarctic territories—but it applies equally to the other islands—the physical presence is equally as important as the telecommunications?

Mr Pitt—I do not feel qualified to comment on the importance of physical presence versus any other. I do know that we have telecommunications facilities at the moment that do support air operations: those of our own and also those of other nations, on occasions. I do not envisage the expansion of telecommunications to be a major factor in any future endeavour we might undertake in relation to transportation.

Mr NEHL—I do not think I made myself clear. I was trying to say that you have satellite communication, Internet and all these things, but what emphasis do you place on the physical communication by ship and by air—if we get an airstrip in? From my point of view, it is of vital importance that we do get a multi-ship operation and an airstrip—and I know exactly where I would put it at Davis—so that we can improve the level of science that goes on. I see that what I have called the physical is a vitally important part of the communications system generally.

Mr Pitt—We have got the stations in place at the moment which provide the majority of infrastructure that would be necessary to meet any requirements that you have stated. We already provide search and rescue facilities for helicopter operations, fixed

wing operations and shipping operations. The fact that some of those may increase in the future will not change the need for telecommunications infrastructure from what we have got at the present time.

Mr NEHL—I am trying to broaden it beyond that.

Mr Pitt—For example, we have a very good high frequency communications system and a very good VHF communications system in place, which provides for the number of flights which we conduct across the three continental stations at the moment, and for the ships that are operating in the ice off the stations. That is quite robust. Looking at the potential to take advantage of other nations' work in the future, the Russians and the Chinese are working diligently at the moment to improve their ability to provide air transportation to the Antarctic. They have already examined what we have in place around Davis and have seen it to be largely all that they would need to meet their future requirements. I do not know that ours would be much different.

Mr NEHL—Can I be a little more direct, Mr Pitt? Do you believe we should have a multi-ship operation: yes or no?

Mr Pitt—Personally, I certainly do.

Mr NEHL—Good. Do you believe we should have an airstrip somewhere, say at Davis, so we can have air communications?

Mr Pitt—I think there would be a tremendous advantage from having air transportation; but there are also many difficulties associated with it which I have not clarified. It is my branch that has the responsibility for conducting a scoping study into the viability of air transportation. I admit quite openly that we favour getting air transportation. The only difficulty we confront is the economic and environmental considerations which go along with that, and they may move things in a different direction from the one which I would prefer.

Mr NEHL—I think we are in unity.

Mr Pitt—Yes.

CHAIR—More environmental than economic, or what?

Mr Pitt—I would not say that at the moment. A lot will depend on the type of runway that we were looking to construct. For example, if we were to look at some of the less robust runway systems and not have major infrastructure around that runway—buildings and the like—then the environmental considerations and financial considerations may be on a par. However, if we were to go for a rock runway it could be argued that the environmental considerations would be the greater concern. We have not done the studies

yet. It is now looking as if the financial cost not just of construction but also of maintaining such a runway would be quite high. So it is a difficult question to answer at this time.

Mr NEHL—Given the crucial importance of reliable communications with the Antarctic region, how do you rate Australia's links with those used by other nations such as China, Japan and the United States?

Mr Pitt—We have got a very good telecommunications system, one which is admired by many. In fact, the Japanese have been working with us to see how they may improve their own system to achieve the same standard. We have got a very sophisticated system in place and it is very effective and admired by many.

Mr NEHL—In terms of the expeditioners who are wintering down there, is there any possibility that we might consider leasing satellite television circuits so that we could provide direct television to the stations down there?

Mr Pitt—We have not considered that. Our focus has been primarily on ensuring that the activities that are undertaken, the scientific endeavours, are met first. While we look after the expeditions as best we can, the cost of enhancing the bandwidth in order to carry television and the like has been seen to be a little bit beyond our capability to cover from within the division.

CHAIR—Speaking of a division, funny you should say that because the bells are now ringing for a division in the House. It will mean you lose your right of privilege should you say anything scandalous. It is all still recorded and everything. Do you want to continue?

Mr NEHL—Yes, let us do that.

CHAIR—Continue on, but just do not say anything slanderous. There is a division and we must go; I apologise.

Mr NEHL—We await your return.

CHAIR—I do not have any questions particularly on communications. I was interested in the parks and gardens because I visited Cocos.

ACTING CHAIR (Mr Nehl)—Thank you. Mr Pitt, your submission complains about AAP news feed costs. What about the use by expeditioners of newsagencies via the Internet? Would this provide an equivalent—

Mr Pitt—They get a very good service through the Internet if they choose to access it. Not all expeditioners have a computer, although many do take a personal computer with them. We have a small number of computers on station which they can use

for their own purposes and if they choose to access those Internet sites that provide news, that is fine. However, not all expeditioners are as comfortable with computer technology as we perhaps might wish them to be. Therefore, the ability to provide them with a daily newspaper of sorts, one produced using the services of a broadcast, has been the standard means of disseminating the information. The difficulty with gathering information off the net and then putting it into a hard copy format is simply one of copyright and one which we have not addressed in any detail within the Antarctic Division itself.

ACTING CHAIR—The issue of news is a very important consideration in communications. I can well remember on both the voyages I have done on the *Icebird* that the AAP feed came in by telex. And even though we were a short time away from Australia, only six weeks on the second voyage, the arrival of the telex with the news was avidly sought, particularly by my friend and now leader, Tim Fischer, who went into withdrawal if he could not hear the news.

I can recall being at Davis when the Iraqi war broke out. I have a photograph of the station leader and the communications person with a copy of that day's *Australian* newspaper which had been sent by fax and then photocopied and put together. Does that still happen?

Mr Pitt—Yes, it does, but that depends on the motivation and commitment of an individual in the station to do that. When there is a particularly newsworthy activity under way most people would be paying a lot of attention and it might generate that activity.

ACTING CHAIR—What is the cost of the AAP news feed?

Mr Pitt—In the order of \$43,000 per year.

ACTING CHAIR—It is significant. You mentioned copyright on the Internet news service that might be there. Is it not then possible to tap into the Internet, find a news summary and print it off?

Mr Pitt—I suspect it is. I have not examined that closely and I would need to find out a bit more to be able to answer you.

ACTING CHAIR—I suppose it depends on each station and the people who are there. I would have thought it would have been a reasonable expectation that the station leader or somebody else would accept the responsibility of providing it, after all, you are talking about 25 people or so during the winter—

Mr Pitt—Where I am unable to comment is on the impact of copyright as a result of doing that for a broader group than an individual reading the service that they have paid for on the Internet.

ACTING CHAIR—Perhaps we might find out just what the copyright situation is. Have expeditioners attempted to use the Internet as a telephone service? Similarly, can expeditioners visiting remote equipment sites utilise data transmission for voice?

Mr Pitt—To my knowledge they have not used the Internet for voice communications. I cannot explain why. I was on a round trip this last season. I visited all the stations and spoke to all the expeditioners and at no time—we were communicating with our families—did anyone state that they had had any success in doing that. They had heard that it was possible but for whatever reason they did not do it. It may just be they did not have the software in their personal computers to permit that to be undertaken. I am not sure.

ACTING CHAIR—Communications have improved an enormous amount. I can recall when I first went there in 1986, while there was telephone satellite communications on the ship and there was the opportunity of using a satellite phone at Casey, it was incredibly expensive. The economic method of communication was by radiophone but sunspots made that very dicey. So communications have improved a lot.

Given that Macquarie Island in law is part of Tasmania, do you believe that STD charges should apply to calls to and from the island?

Mr Pitt—Yes, I do. There is an anomaly in the way in which Macquarie Island is treated at the moment under the present legislation. I believe that is something which we in the Antarctic Division need to take up further with our friends in Telstra.

ACTING CHAIR—This committee and this inquiry will be prepared to take that up too because it appears to be just total discrimination. It is part of Tasmania. It is part of an Australian state. Island communities which are parts of other Australian states, such as Torres Strait islands, get the same thing and so Macquarie Island should be treated on the same basis. You can expect some support from this committee on that.

Mr Pitt—Thank you.

ACTING CHAIR—I might just come undone on this next question because I was being very dogmatic to one of our colleagues on Norfolk Island regarding stamps. What input and what profit-sharing arrangements exist between Australia Post and the division relating to philatelic sales of AAT stamp issues? Are you aware of surcharges paid on AAT stamp sales from mainland agencies? Are the AAT stamps normal Australia Post stamps with an Antarctic theme or are they stamps issued—and I could not see how they possibly could be—by the division or the stations?

Mr Pitt—These are standard issue Australia Post stamps.

ACTING CHAIR—Good. Thank you very much. I have won my argument with

Mr Neville. Please go on.

Mr Pitt—They are very popular because there are still some first day covers out which people like to get to the Antarctic where they can be stamped with the special frank.

ACTING CHAIR—What about the profit sharing? Is there any?

Mr Pitt—There is no profit sharing to my knowledge that the Antarctic Division has with Australia Post. The moneys that are paid are entirely Australia Post's. I do know that the stations themselves, quite separately, offer the ability to have a special station stamp for a particular expedition put on an envelope. They do charge a small fee for that. That is not an Antarctic Division or Australia Post activity.

ACTING CHAIR—Are there any international agreements involved in postal communication with Antarctica?

Mr Pitt—Not to my knowledge. It is treated as a territory of Australia. The rates of postage that would apply in Australia also apply there.

ACTING CHAIR—It is still the 45c stamp?

Mr Pitt—Yes.

ACTING CHAIR—In general terms, what is the level of financial support provided by your department to fund the communications imperatives of the station? Do you provide it all?

Mr Pitt—We have provided the equipment on the ground at each of the stations to permit our systems to connect to Australia through the Intelsat series of satellites and Inmarsat series of satellites. The costs are many and varied: the earth terminals at each station are \$1.2 million; the computer network that we have on each station that interfaces with those terminals is about \$150,000 for each station; the call accounting equipment is \$25,000 per station; and, on top of that, we pay \$480,000 for the leased circuits that we have going to each station which provide the interface between them and the Antarctic Division in Kingston in Tasmania.

ACTING CHAIR—Who is that paid to?

Mr Pitt—That goes to the carrier, which is Telstra. Our system is considered part of the public telecommunications network and we have to achieve standards set by Telstra. We do that using our own staff and they travel to the Antarctic on an annual basis to check the equipment and make sure it is functioning properly. Quite a deal of the Antarctic Division's funds are spent on telecommunications each year looking after

equipment which is not practical for the carrier to get to because of the unique location and geographical difficulties.

ACTING CHAIR—If one is to really apply USOs and community service obligation, why should Antarctica be treated differently to Boree Creek?

Mr Pitt—I would argue that, because we have put a large amount of infrastructure in place, although it is part of the public telecommunications network, we have as a division paid a fair share—that the work undertaken by the expeditioners is in support of government directives and that they are in conditions of some hardship. I believe that the fact that on occasions it is possible for people in Australia to communicate with expeditioners in the Antarctic at a rate that is cheaper than the expeditioners in Antarctica can communicate back to Australia is out of balance.

In relation to your reference to Boree Creek, although their postal services may be infrequent, they are perhaps more regular. Their ability to take respite is more easily achieved and they are charged, once they do get the ability to communicate, at about half the rate that the Antarctic expeditioners are. And the Antarctic expeditioner is sitting in an Australian territory which I believe is appropriately able to be appended to the telecommunications act.

Mr NEHL—So you would agree with me that there is discrimination and inequity in the treatment?

Mr Pitt—I may not use those words, but there is certainly an imbalance.

Mr NEHL—That is a very moderate way of saying so. I would imagine we still have meteorological bureau people down there who are carrying out extremely important weather research.

Mr Pitt—Yes.

Mr NEHL—Who pays their telephone bills or communication?

Mr Pitt—If they are communicating from three of the stations, it is covered under the Antarctic division's general agreement. The fourth, Casey, where there is an additional circuit in that, is also covered under the agreement that we have made for the leased circuits that we have in place.

Mr NEHL—In view of the restrictions on funding for the division—and we never get enough, do we?—is there a case that the meteorological bureau should pay its own bills?

Mr Pitt—I think that the partnership that we have with the meteorological bureau is an excellent one and there is mutual benefit in the arrangement. Therefore, this is a

cost, albeit being paid out of the Antarctic division's funds, that is not unreasonable.

Mr NEHL—Does the department play a significant role in negotiating with communications services for the provision of improved services to AAT?

Mr Pitt—Yes, very much. My staff are continually working with Telstra's technicians to improve the telecommunications network. There is a plan to improve the net over the next two years. We are in negotiation for reduction of costs. We have a very good relationship with Telstra on that aspect of our business.

Mr NEHL—Thank you very much for that. I wonder, Mr Griffiths, can you tell us, given Australia's responsibilities to marine environmental protection, are there any special needs or programs for managing the national marine parks in the external territories?

Mr Griffiths—Do you want me to put a communications slant on that or is that a more general question?

Mr NEHL—Both.

Mr Griffiths—Firstly, we need to look at the number of marine parks that we have declared under our legislation. The situation may well be different in each one. We have got—and I am just looking at my list of national parks—the Lihou Reef National Nature Reserve. We have got Ningaloo Marine Park, and Commonwealth water is part of that. We have got Elizabeth and Middleton reefs. We have got Mermaid Reef and Solitary Island Marine Reserve. We also recently declared the Great Australia Bight Marine Park off the waters of South Australia. Each of those parks or reserves that I have just listed have a variety of marine conservation programs in them, consistent with the obligations that we have under the legislation. The amount of dollars that we would spend in each park would be geared into the management and conservation needs of each one of those.

Some of those parks are so remote that they require very little management—nature looks after them for us in a sense—whereas others have a higher degree of visitation. Particularly, I guess, Ashmore and Cartier in the north may be ones where we are required to spend some hundreds of thousands of dollars to protect the marine biodiversity of that particular park. We are just now starting to develop a marine conservation program for the Great Australian Bight Marine Park. That was declared three months or so ago and we are working with the South Australians, who have a park covering the waters out to the three nautical mile limit, which are the state waters. Our park complements that and goes further on out to the edge of the EEZ and we are working with them to try to get to a cooperative arrangement in place to protect the very extensive biodiversity of that particular park.

Mr NEHL—Perhaps you could tell us what communications you actually need, or

use, in the administration of those parks and reserves and what shortcomings there are? What communications do you have now, and what communications do you need to enable you to do your job properly?

Mr Griffiths—I might ask Mr Stevenson, who is perhaps better qualified than I, to answer that, perhaps looking particularly at, I guess, Ashmore and Cartier. The Ashmore Reef National Park would be the one where we have the greatest need to communicate with what is going on up there and the people that visit that park on our behalf.

Mr Stevenson—Yes, we have two areas there where we have officers that patrol regularly. We have a contracted warden who is stationed for 8½ months of the year on Ashmore Cartier reef. Its basic location is close to Indonesia.

Mr NEHL—Can you tell us a little bit about it so we have it on the record?

Mr Stevenson—Ashmore Cartier reef is between the north of Western Australia and Indonesia and it is regularly visited by Indonesian fishing vessels. It is a nature reserve and, to protect the seabird colonies and the turtle component particularly of the biota there outside the cyclone season, when the Indonesian fishermen are likely to come down, we have an officer who is stationed there from about mid-March through until the end of December. It is quite expensive to maintain that officer there. He has to provide his own boat basically. It is a low sand atoll with three small islands there. He parks his boat in the lagoon for that period of time and operates in relation to communications.

Mr NEHL—Is there a local population there?

Mr Stevenson—There is no fixed community.

Mr NEHL—He is on his own?

Mr Stevenson—Yes. The size of the main island is less than the size of Parliament House. There are two smaller islands which you could probably spit over if you had a good wind behind you. It is impossible to operate there for any period of time. The fishermen who come down from Indonesia have a tradition of collecting seabirds from the island in large numbers. They dry them there and take them back—in the past. This is not a practice since it has been declared. It took us some time to work out how we could best patrol that area and enforce the legislation that applies to that area.

The satellite communication is satisfactory in that area, I understand. It is the same with our officer who operates in the Coral Sea territories. I understand that there are only four residents of the Coral Sea territories who are stationed on Willis Island for the met bureau. They have permanent officers there. When I say permanent, they have a year or two that they are stationed there. It is a very isolated position, comparable in many ways to Antarctica. They have a good satellite phone link there, so that they feel that there are

no problems.

Our officer who goes out there in association with the naval patrol boats that go out there also has a satellite phone, even when he is sitting on one of the islands counting seabirds, so his communications are satisfactory. As far as we are concerned, the major problems still lie with the three populated territories, where the communications links that we are talking about are the sorts of things that we wished that we had had.

Mr NEHL—We intend, if an election is not called in the meantime, to visit Christmas and Cocos (Keeling) the week after next. Is there any way in which Parks Australia can assist us while we are there?

Mr Stevenson—Certainly. Perhaps if the secretary of the committee would like to give me a call, we will make sure that we have staff on both of the islands. We will basically be at your disposal if you want to see the two sets of parks and to visit the island in a wider sense and talk to staff.

CHAIR—We are a bit interested in seeing North Keeling, too. You would have to take us across there?

Mr Stevenson—Yes. North Keeling is a problem. The practical access is between 30 and 40 days a year. It is over the horizon—it is 25 kilometres away. There is a three-metre swell 330 days of the year. Unless you want your kidney stones shaken out, it is a problem.

Senator CROSSIN—It is a bit like when you go to Green Island, off Cairns, is it?

Mr Stevenson—I would say that is probably a luxury run in comparison with a run to North Keeling.

CHAIR—This guy does not get seasick, so it does not worry him.

Mr NEHL—And I have been by dinghy from Darnley to Murray Island and back.

CHAIR—It is magnificent—

Mr Stevenson—Do you like swimming ashore, though? That is the problem.

Mr NEHL—I have no difficulty with that, except in Antarctica!

CHAIR—Anyway, we will—

Mr Griffiths—We will do whatever we can. To the extent that we need to make arrangements beforehand to charter a boat or whatever, we can do whatever you want. We

can work out a program together.

CHAIR—Staying within our time. If you can just jog my memory, Mr Stevenson, on Christmas Island, Parks were doing some work with the mines, weren't you—replanting?

Mr Stevenson—We are doing a lot of rehabilitation. The old phosphate mines left a lot of holes in the rainforest canopy. There are problems with one of the major endangered species there, the Abbott's booby. After many years of study we discovered that the birds that are nesting within a certain distance of these holes in the canopy are not able to breed effectively. Because they are very large birds they are not really good at perching, even though they do perch in the tops of trees, and if they cannot land to feed their young they have got problems. So we have been trying to fill in these holes in the canopy. All of this will be explained to you, I am sure, by the staff on Christmas Island and they would be more than happy to take you through an explanation of their operations there.

CHAIR—Thank you very much.

Mr NEHL—I have a final question for Mr Pitt. In terms of communications with the stations at Macquarie, what else do you need that you have not got?

Mr Pitt—An airstrip.

Mr NEHL—We know we need another ship and we need an airstrip, yes.

Mr Pitt—We are particularly interested in increasing the bandwidth of communications that we have available. The speed and volume of communication that we are able to get back to Australia is limited and we are looking to upgrade that in the future. The impact of your committee's work on this will be of great interest to us because if we are able to get the continental stations included under the universal service obligation, then the cost of that will be reduced, which will ease our particular financial burden.

Mr NEHL—I do not know what the chairman thinks, but I would see no difficulty in this committee, as a result of this inquiry, making a very strong recommendation that that should happen.

Mr Pitt—Thank you.

CHAIR—And thank you all for attending.

Mr NEHL—Thank you very much indeed.

[10.46 a.m.]

SEARLE, Mr Robert James, Secretary, Commonwealth Grants Commission, 5 Torrens Street, Braddon, Australian Capital Territory 2612

CHAIR—Welcome. Do you have an opening statement?

Mr Searle—Not really, Senator. I could only reiterate that the commission, when it makes inquiries into the finances and level of services on the island territories of Australia, does not pay great attention to communications issues. They are not a major public service, so we come across issues associated with postal services, telecommunications et cetera in a peripheral way. In some instances they have in the past had a direct impact on the level of government services that are able to be provided. I suppose we were a little surprised to be asked to make a submission to this inquiry—we think there are other people that have more expertise in this area—but we are obviously happy to assist the committee in any way we can.

CHAIR—I am sure. It is just that you basically wrote the Norfolk Island ‘bible’—they remember your visit over there quite well—and, yes, it covered much more than the two chapters in here on communications and everything, so we felt obliged to ask you. We will not keep you long—we have only given you 45 minutes of the inquiry. We know of the Norfolk Island inquiry—it was as late as 1997. With regard to Christmas and Cocos, when were the last inquiries and what did you look at?

Mr Searle—There were very similar inquiries to that which we carried out in relation to Norfolk Island. But because the data sources available for those territories were not as expansive, we were not able to answer the questions in as much detail, I suppose. The commission first became involved in the Cocos (Keeling) Islands territory in 1986 when, as a result of the act of determination that the Cocos Malays went through to become part of Australia, the Commonwealth had an obligation to the United Nations to do an assessment of the level of services and standard of living of the Cocos (Keeling) Islands. The Commonwealth Grants Commission was asked to undertake that inquiry.

The initial inquiry has been updated twice. The first one was in 1986 and then in 1989, I think, and about 1993 or 1994. We have done three inquiries into the Cocos (Keeling) Islands. In late 1995 we completed an inquiry into the Christmas Island territory, where the data was somewhat better because the council has been a longer established organisation and the Territories Office was somewhat more used to providing the commission with information.

The Christmas Island inquiry is similar to the Norfolk inquiry, although Norfolk is the only one of the three, for obvious reasons, in which the commission has been asked to look in such detail at the administrative arrangements that are associated with the provision of government services. It is only in Norfolk that we were asked about, and

commented on, the structure of government and the interface between government and the community.

CHAIR—Everyone who visits Norfolk seems to come across that—I am trying to think of a word for it. It is not a problem. Can you expand on what was in your Norfolk inquiry report about the relationship with the government and what conclusions you came to, particularly with Australia Post? Can you be frank about Australia Post's services to the territories and particularly Norfolk.

Mr Searle—I do not think I can say a great deal that was not in the report. There were certainly indications from people on Norfolk that they were not happy with the Australia Post fee structure. I did not get a great feeling that they were unhappy particularly with the level of services they received from Australia Post, but the fee structure did seem to be a sticking point in the minds of one sector of the community.

Senator CROSSIN—Is it too high?

Mr Searle—Higher than the people on Norfolk expect it to be, but maybe they are taking their expectations from their general attitude towards taxation and fee structures. People on Norfolk Island have a very low charge, as you know, for mail services on the island. Some sectors of the Norfolk Island community think that that kind of fee structure can carry over into all sectors of government activity and yet they can still be provided with a higher standard of services than they currently receive.

CHAIR—It was not a criticism. We have been to Norfolk and there was definitely criticism. It seems the same at Christmas and Cocos. Did you find that on the reliability of Australia Post as much as the fees?

Mr Searle—There is always mention in the Indian Ocean territories of unreliability either because post is put off because there are passengers or because the ships cannot get in on time or whatever. I think the problems in the Indian Ocean territories are much more real in terms of unreliability of mail services than they are on Norfolk. I do not know why the air services to the Indian Ocean Territories are organised the way they are, and they have changed fairly frequently since we began going out there in 1984. There is always mention of mail being put off because people from Canberra want to go to either Cocos or Christmas.

As far as the shipping goes, in small island territories like the three that we are talking about there will always be realistic problems of ships gaining access when they arrive. There will always be cases of ships having to stand offshore or go on. People could hardly call the problems critical, leaving the shipping aside, unless this inquiry is interested in the provision of food supplies for Cocos, which sometimes get a bit low. On Norfolk Island the problem is not as difficult. Our understanding is that there are only maybe half-a-dozen air flights a year that cannot land when they arrive at Norfolk. That

gives some mail delay, but that is not as important we believe in the lives of the people—

CHAIR—When you say they cannot land, what do you mean?

Mr Searle—Because of weather conditions. The planes get to within 40 minutes of Norfolk and decide they cannot land, so they go on to New Zealand or back to Sydney. I cannot recall the people on Norfolk mentioning the unloading of post or freight into the planes that go to Norfolk. I guess that is because there are many more flights, as you know.

CHAIR—This certainly would not be your fault, but I will ask the question anyway. The Norfolk Islanders remembered your inquiry because it was so extensive, but they said nothing came of it, which made them a little cynical about our inquiry. Has anything come of it?

Mr Searle—I should maybe preface that, Senator, by saying that they said the same thing to us. There have been many previous inquiries and nothing has come of them. You get treated the same as everybody else, I guess. My understanding is that some things have come of it and that some legislation that has passed through parliament since our report has resulted directly from the report. The one that immediately comes to mind is the changes in the electoral act or the requirements for citizenship.

CHAIR—Was that picked up in here too?

Mr Searle—Yes, it was.

CHAIR—It was probably the one thing they did not want picked up.

Mr Searle—The fact that you could have a situation where the majority of parliamentarians out there were not Australian citizens and passing laws to prevent mainland Australian citizens from visiting there for any extended period. Anomalies aside, we understand that piece of legislation has come directly from our report.

Other aspects of the report are the major areas of the provision of services and the finance that attaches to that. Those as, as I understand, are being handled through budgetary processes. While the territory office mentioned some aspects in their budget propositions for 1997-98, they will be putting others forward in future years. I would say that is not the kind of response that the people of Norfolk Island were hoping for. I have to say some were hoping for no reaction. In terms of the government's budgetary position that seems the realistic approach.

CHAIR—Rather than tell us to go and read Chapter 7 on taxing and charging, could you go through it? Basically we could come up with every wish list recommendation possible for, say, Norfolk. But how is it going to be financed? If you could just put

on the record the capacity for their government to be able to tax and finance, as outlined in Chapter 7, we will get an idea of who can do what. Perhaps more of the infrastructure should be brought back to bear on the Norfolk Island government, which espouses its independence, but may have a greater capacity to raise its own funds. How does it work over there?

Mr Searle—In summary, the commission found that the Norfolk Island community has a much greater capacity to raise revenue than it is currently using. I should start by saying that the Norfolk Island government's access to revenue sources is much wider than that of any state or territory government on the mainland because they have access to some sources of revenue that on the mainland are restricted to the Commonwealth, the major one being customs and excise duty. To the extent that the commission was able to measure the revenue bases of the Norfolk Island and compare them with the revenue bases of the states and territories in Australia, the commission found that the Norfolk Island government was not taxing the citizens to nearly the same extent as the mainland population was being taxed.

Although the Norfolk Island government say that there is no conscious decision to arrange their affairs in any particular way, the commission found that, in a general sense, there was a tendency to try to raise as much revenue from outside the island or from activities associated with island to mainland communications. For instance, the postal rate on the island was 5c but the postal rate to the mainland was at mainland rates. Local telephone calls were free, but if you were to ring Norfolk Island, it would cost you \$5 per call. The same length of call from Norfolk Island back to the mainland would cost you nearly \$10.

There were many indications that the tendency—although it may have been subconscious on the part of the Norfolk Island government over the years—was to tax the off-island people rather than the residents. We saw this, in the long term, as being detrimental to their major industry of tourism, because they were raising too much of their revenue from the tourists, largely through airport charges and departure taxes. In a general sense, we would say that, if the Norfolk Island government were to operate on a sounder footing, they would probably have a tax structure that encouraged their major industry rather than discouraged it and it would put more of the tax onus on the people of the island.

CHAIR—There is no income tax, is there?

Mr Searle—There is no income tax but, in some ways, the 10 per cent or whatever it is for the customs import duty—it varies from good to good—that they apply acts as a proxy for a general tax across the community.

CHAIR—Did you do any calculations—this would be very hard because you would not know what level to apply—as to the capacity to tax these people? Quite

obviously, their argument would be that they are an isolated island and, if we started to tax them, we would start depopulating the island and there would be no attraction to Norfolk. Was that an argument?

Mr Searle—No, the argument generally was that we raise as much revenue as we need to provide services. They did not associate the level of tax with a philosophy about the level of tax. They associated the level of tax revenue with a philosophy about the level of services that they were prepared to fund.

CHAIR—I am glad that I got that out of you, even though I may have tripped up on it because, if that is the basic philosophy, any future advancements in telecommunications can be funded on that philosophy. There is a capacity to do it within their own government.

Mr Searle—Certainly, the Norfolk Island government, according to our assessments, have revenue raising capacity that they are not using. When I say capacity, I am talking about capacity relative to the mainland. They could apply a tax regime that gained them much more revenue, without the people of Norfolk being taxed more heavily than the people on the mainland in similar circumstances.

CHAIR—That is a key point in our studies, I am sure.

Senator CROSSIN—I have a couple of questions that I am interested to have your comment on, and they relate to increased funding. Would increased funding to the island for teleradiology, ultrasound and other scanning equipment save the Commonwealth in the long term in the cost of providing transport for patients to the mainland?

Mr Searle—I am sorry; I will have to have the reference for that. I take it that is in the hospital's submission.

Senator CROSSIN—What is currently the situation on Norfolk Island in relation to patient services?

Mr Searle—We found that the level of hospital and health services generally provided on Norfolk Island was certainly at or above the level of services provided in small remote communities on the mainland.

Senator CROSSIN—What would you class as a small remote community on the mainland?

Mr Searle—Nothing on the mainland is as remote as Norfolk Island.

Senator CROSSIN—We have remote communities in the Northern Territory that have a health clinic, for example, and they do not have any of that sort of facility. Is

ultrasound equipment and that kind of thing on Norfolk Island?

Mr Searle—I cannot recall the commission saying or thinking that there was more equipment needed at Norfolk Island to make it comparable with services that would be provided to remote communities of that size on the mainland. I might be talking about Tennant Creek, which has a larger population, but not by much.

Senator CROSSIN—It has a hospital there, too.

Mr Searle—It does, but it serves a regional area of the Northern Territory. Its hospital is not much larger than the hospital on Norfolk Island.

Senator CROSSIN—Would providing additional equipment save on the cost of transporting patients to or from the mainland?

Mr Searle—Obviously, it would reduce some costs of transporting patients, but there are costs associated with having equipment. There is the cost associated with buying the equipment, firstly. Remote communities, no matter where they are, have difficulty recruiting and maintaining staff that are correctly trained to use such equipment. They find that they spend a lot more time with staff travelling to and fro to be upgraded in the use of equipment once they have a piece of equipment.

For this reason, the Northern Territory government has quite specific policies about what pieces of equipment it puts into what medical centres in the Territory. Their policy is that they have patients travel to larger centres rather than have equipment scattered through smaller centres, because the patient who travels is more frequently requiring a range of services rather than just that ultrasound or just that piece of equipment, whatever it is.

Senator CROSSIN—Should Medicare be extended to Norfolk Island?

Mr Searle—The commission was most critical of the health insurance system on Norfolk Island. There are some people on Norfolk Island who would benefit from access to services through Medicare.

Senator CROSSIN—And there are some who would not?

Mr Searle—There are some who have sufficient resources to use private hospital facilities anyway. The problem is that the people out there who have sufficient resources find it difficult to perceive the needs of the people who do not have sufficient resources.

Senator CROSSIN—I understand.

CHAIR—As there are no further questions, I thank you very much for coming in

today. Through all that, you did make one very key point in relation to the taxing possibilities of Norfolk Island and it is good to get that on the record.

Mr Searle—I am sorry that I did not find, during the discussion, the commission's quantification of the unused tax capacity on Norfolk Island. It is in this report.

CHAIR—I think it was about \$15 million. You are saying unused if brought to the point of the Australian mainland.

Mr Searle—Yes, that is correct, although I could be wrong.

CHAIR—We will give you a minute or two to find that, because it would be an interesting figure.

Mr Searle—Yes. When you see the island, and no doubt you have been there—

CHAIR—Several times. You have to keep the island attractive, and to bring it up to a mainland standard makes it no more interesting and attractive to the Colleen McCulloughs perhaps of this world than is the mainland itself.

Mr Searle—That depends on who you are making it attractive to. The concept of attractiveness to one group in the community is a lot different from the concept of attractiveness to another group in the community. The concept of attractiveness to tourists, who are their lifeblood—because not everyone can live in isolation and do their research there and raise revenue off-island—is what I think they have to be most aware of. At the stage that it did its report, the commission believed that the level of activity towards maintaining the standards of services that were attractive to tourists was being neglected, probably to the detriment of the tourism industry.

CHAIR—Yes, your point is well and truly taken. The balance will be struck—somewhere. If you cannot find it, we will be happy if you pass it on to Margaret.

Mr Searle—I think it will be faster to do that.

CHAIR—It is a good figure.

Mr Searle—To be honest, I have not read this report except for the post and telegraph section.

CHAIR—You have not blanked it out, have you, as a bad experience? We got what everyone else got when we went over there, I can tell you. We love them, just for the record. Thank you very much. We will send you a copy of this transcript.

Mr Searle—Thank you. I will put something in writing on the untapped revenue

resource that we measured the island as having and get that to you.

CHAIR—Probably from the Grants Commission point of view, that is of most benefit to this inquiry. Then we know, at least in Norfolk's case, what we can or cannot recommend.

Mr Searle—I would add that our measure of untapped capacity related to the revenue sources available to the Norfolk Island government, and so we would always associate that untapped capacity with expenditure responsibilities faced by the Norfolk Island government. If you were considering upgrading facilities between the island and the mainland, I do not know whether that is an island responsibility or a mainland responsibility, and so I could not say immediately whether the level of untapped revenue capacity could logically be used to upgrade that facility.

CHAIR—Correct. The responsibilities must be known.

Mr Searle—Yes. I do not know.

CHAIR—Thank you very much for your evidence today.

[11.17 a.m.]

CHEAH, Mr Christopher Michael, Assistant Secretary, Competition and Consumer Branch, Telecommunications Industry Division, Department of Communications and the Arts, 38 Sydney Avenue, Forrest, Australian Capital Territory 2600

HART, Dr Beverly, Assistant Secretary, Licensed Broadcasting Branch, Department of Communications and the Arts, 38 Sydney Avenue, Forrest, Australian Capital Territory 2600

NEIL, Mr John Brian, Assistant Secretary, Enterprise and Radiocommunications Branch, Department of Communications and the Arts, PO Box 2154, Canberra, Australian Capital Territory 2601

SPENCE, Mr Charles William, Director of Broadcasting Development, Licensed Broadcasting Branch, Licensed Broadcasting and Information Services Division, Department of Communications and the Arts, 38 Sydney Avenue, Forrest, Australian Capital Territory 2600

SUTTON, Mr Michael James, Assistant Secretary, Regional Telecommunications Infrastructure Fund Secretariat, Department of Communications and the Arts, PO Box 2154, Canberra, Australian Capital Territory 2600

CHAIR—Welcome. The minister has given us the brief that the inquiry be short and sharp. That is one reason we are packing as much in as we can. Who knows what is around the corner anyway, with regard to an election? Perhaps I could ask one of you if it is within your capacity to pick up from where we just left off with the Grants Commission. They were speaking about the taxing capacity of the Norfolk Island government. Here is the question; I do not know who can take it.

One of the Grants Commission officers mentioned that the Norfolk Island government has a greater capacity to tax its people. We were looking for the figure, but I think it was up to \$15 million plus, to bring it to the same taxing levels as the Australian mainland. That could finance certain upgrading of telecommunications technology. But, as he qualified it, he does not know where the responsibilities begin and end for the Norfolk Island government, nor what the Australian government has a responsibility to upgrade and maintain anyway. Can someone tell us what are the levels or defining lines of responsibility between the Norfolk Island government and the mainland government, in terms of telecommunications?

Dr Hart—Mr Cheah's brief set out some of these things.

CHAIR—Say that you had to upgrade the cable, for example.

Mr Cheah—Within Norfolk Island itself, the Telecommunications Act does not apply. Basically, the Norfolk Island government has always taken the view that they would prefer to have control of the administration of telecommunications themselves. Obviously, within Australian territorial waters and within the boundaries that otherwise constitute Australia, the domestic Telecommunications Act applies. In terms of any international links, there is going to be an issue in terms of jurisdiction. Those things will cross the areas between Australia and Norfolk Island, and basically go outside Australia. That is a technical legal description about the way things work.

In some ways, the responsibilities are defined in terms of the legislation. The universal service obligation, for example, applies within Australia. The universal service obligation would not apply on Norfolk Island, because the Norfolk Island government does its own thing there. In relation to international links, those are basically left at this stage to commercial arrangements. I am not sure that there is a formal responsibility in terms of the international service between here and Norfolk Island, in the sense that they do get charged STD rates. The Norfolk Island government does have an agreement with Telstra about the way they manage the international side of the links back to Australia, but those are basically done commercially, I think.

CHAIR—I take it from that, that the Norfolk Island government has the responsibility on Norfolk Island.

Mr Cheah—Certainly on Norfolk Island.

CHAIR—Not only do they have the responsibility, but they must fund it.

Mr Cheah—Yes. I would think that the starting position would be that they would fund it.

CHAIR—That is a good point to get down on the record. In relation to the infrastructure fund, they have put in a submission. The question would be in two parts. They were complaining that they were never notified of such a fund, and so perhaps you can address that. Were they? If not, why not? Also, do you know of the application they now have in? Does that in some ways actually cross the advice we just got then, that the infrastructure fund—technically, at least—would not apply to them?

Mr Sutton—Firstly, the fund was announced in December 1996 with the \$250 million allocated between the states according to a formula, and to the ACT and the Northern Territory on the basis of a separate allocation of \$20 million: \$16 million to the Northern Territory, and \$4 million to the ACT. There was no separate allocation made to the island territories.

CHAIR—Do you know the reason?

Mr Sutton—I am not able to comment on that. When the government agreed to the establishment of the fund, this was the way the funds were allocated. I am not aware of whether the external territories were taken into consideration at that time. The matter is currently under consideration by the government as to whether there should be a provision made for the island territories from the regional telecommunications infrastructure fund.

CHAIR—I am sorry, but we have been called to another division. Can you continue answering? I am interested to hear the answer. I will have to read the *Hansard*. We do have a set of formal questions, anyway, and we sometimes stick to that brief.

Senator CROSSIN—I am happy to keep going with those.

CHAIR—Perhaps I will throw them on to the new senator. Be nice to her, because she made her controversial maiden speech only yesterday.

Senator CROSSIN—It was not all that controversial: you guys only thought it was.

CHAIR—The questions are broken up into broadcasting and telecommunications. Would you mind not finishing your answers to the previous questions now? I would like to hear your answers when I return.

ACTING CHAIR (Senator Crossin)—I will keep going with the set questions, but only on the basis that I have probably had this report for less than 48 hours and have not been involved in reading any of the larger submissions. There is a question here about Australia's broadcasting regulations. Do they prohibit Sky Channel New Zealand and other such networks from providing services to Norfolk Island or, indeed, to Australia itself? Could they beam into Norfolk Island?

Dr Hart—Yes.

ACTING CHAIR—For my benefit, what actually happens in Norfolk Island, Christmas Island or Cocos (Keeling) Islands?

Dr Hart—At the moment, they get Australian broadcasting services via the Optus satellite. At the moment, Christmas and Cocos are able to get ABC TV and radio and the Golden West network. Norfolk gets ABC radio and TV, plus SBS.

ACTING CHAIR—Can you explain why the Australian Broadcasting Authority does not plan for Norfolk Island, yet the Australian Communications Authority advertises for microwave distribution system licences on the island?

Mr Spence—In the case of Norfolk Island, the primary responsibility for the broadcasting and television services on the island rests with the Norfolk Island govern-

ment. As I understand it, the ABA does not have formal responsibilities for planning on Norfolk Island.

ACTING CHAIR—Do you have a comment about the current status of pay television services to the external territories?

Mr Spence—There are none at the moment. Potentially, these could be made available if pay TV services were to be placed on the national beam, which is currently operated by Telstra through the PanAmSat PAS 2 satellite. This is the beam that is currently providing the broadcasting services to the Indian Ocean territories. In the case of Norfolk Island, the technical study recently has confirmed that the Optus B3 satellite can provide services there. Again, if a pay TV service were to be placed on the national beam for Optus, that service could be potentially available on Norfolk as well, once they get the dishes and decoders to take it.

Dr Hart—I do not know whether you have had the opportunity to read the brief, but it might be helpful to pull back a little and talk generally about where things have got to. Would that be helpful?

ACTING CHAIR—Yes, that is fine.

Dr Hart—The main point is that the carriers have been digitising those services. The main concern, as a result of that process, is to ensure that at least there is a minimum retention of their existing services. That was agreed by our minister and the minister for sport and territories and local government last year. In fact, the studies that had been initiated through the department's assistance, working with the carriers and the broadcasters, have shown that there is in fact a capacity to increase the services that they are getting. Even though they are switching from the zonal beams that provide the services at the moment to a national beam, it has been shown through the technical studies that have been done that, in the case of the island territories in the Indian Ocean and Norfolk, there is a potential to increase the services they are getting through the use of larger satellite dishes. That is quite a good outcome.

ACTING CHAIR—Is that also the situation for Christmas and Cocos?

Dr Hart—It is the same. Again, with a larger dish there is the potential to increase the range of services that they will be getting—for SBS, in particular.

Mr Spence—The only difference between the island territories is that the Indian Ocean territories are within the footprint on the PanAmSat PAS2 satellite whereas, in Norfolk Island, it will be the Optus satellite.

ACTING CHAIR—I ask this for my own sake. You comment about the Cox Peninsula transmitters and Radio Australia: has that had any effect on the provision of

services, particularly out to the Christmas and Cocos islands?

Dr Hart—No.

ACTING CHAIR—It is not a service that they were reliant on, or had additional need of?

Dr Hart—No, not that I am aware of.

ACTING CHAIR—Where would they have got the normal ABC Radio service from?

Mr Spence—They obtain radio services via the satellite through the zonal beams. At the moment they basically piggyback on the existing broadcasting services going out there to the various territories. With regard to Radio Australia, I am talking a bit beyond my specific knowledge here but I think at the moment they can obtain it through the Palapa satellite on the Indian Ocean territories. I do not know about Norfolk. The ABC obviously could provide the details.

ACTING CHAIR—What would the cost be of providing all three commercial TV networks to the territories?

Mr Spence—There is no cost to the government—

ACTING CHAIR—It will be a cost to the networks, won't it?

Mr Spence—The transmissions are there anyway, it is just a matter of having the infrastructure on the islands to pull them in. It is simply the cost of putting in a satellite dish on the islands and then putting a—

ACTING CHAIR—Norfolk Island must surely have that.

Mr Spence—They do.

Dr Hart—It is not the right size, it has to be a bigger dish.

Mr Spence—To go one step further, at the moment they are pulling in what is called an analog BMAC signal. It is just a variant of analog. In order to transmit it on the island it is pulled in directly from the satellite to a satellite head end. It is basically a big dish. Then it is cabled to a transmitter, basically a small tower with a transmitter on it, and it is then sent out. The people on the island receive it just as you or I would receive our television now.

When they convert to digital, they will need a bigger dish. They have got to

replace the existing dishes on the Indian Ocean territories and on Norfolk with bigger dishes, and get digital decoders, one for each television service they want to transmit. They are the main costs.

ACTING CHAIR—And that is not a cost your department or the government will be wearing? Is it a cost that the Norfolk Island government will wear, or individuals will wear?

Dr Hart—It was agreed between departments that normally it would be borne by the Norfolk administration. Certainly, if it had turned out that they actually needed a dedicated transponder beam or something, that would obviously have been significant and we would have had to look at that. The studies have been really quite positive in the sense that it is only a minimal change that is required in order for them to go on receiving services they get now, plus additional services. There is the issue that the chairman was alluding to earlier with possible access to the TIF money, and that was the question that was asked just before the division bells.

Mr Spence—To this point in time, the cost on the Indian Ocean territories to put in the new dishes and the decoder has been borne by the administration. It is not beyond their budgets.

ACTING CHAIR—With telecommunications, has the department had contact with the Department of Defence or any of its agencies regarding the provision of communications to the external territories, and if so, to what effect?

Mr Cheah—Not that we are aware of, Senator.

ACTING CHAIR—Right, so that is no for that? How does the ACA intend to promote in the territories the new customer service guarantee for communication carriers?

Mr Cheah—That is a question you will have to direct to the Australian Communications Authority people, and they are not here today.

ACTING CHAIR—Noting that Telstra is unable to provide carrier preselection to islanders at present, does this situation occur elsewhere in Australia and, if so, how is it handled?

Mr Cheah—Cocos is the only place where that happens, as far as we are aware.

ACTING CHAIR—So that is the only place where Telstra is unable to provide?

Mr Cheah—That is right, and that is because Telstra has adopted a different solution on Cocos to anywhere else. They provide the standard telephone service by means of an analog mobile phone service. There were some special arrangements which simply

applied on Cocos and those arrangements have not been replicated anywhere else.

ACTING CHAIR—Senator Allison and Senator Lightfoot have returned. I am just moving on through the questions that are on page 29.

Senator ALLISON—I have just come from the division so he will be here shortly.

ACTING CHAIR—Perhaps I will see if any of the other senators have a question, or are you happy for me to keep going?

Senator LIGHTFOOT—Keep going.

ACTING CHAIR—Okay. What action, if any, has the government initiated over Telstra's failure to meet carrier preselection or call number display within the timetable? That will only be to Cocos Island then, is that right?

Mr Cheah—That is right. The call number display issue is not one we were aware has been an issue. In relation to carrier preselection, there were some arrangements that were worked out between Telstra and Optus and they are detailed in the submission which the department put to the committee.

ACTING CHAIR—So call number display would be available at Norfolk or Christmas Island?

Mr Cheah—There may be a problem. I am not sure. It is not a matter which has been brought to our attention, but if there is a problem it would probably be due to the same sorts of issues that the service to Cocos experienced. It is provided by means of an analog mobile phone service. There may be some problems in terms of passing calling line identification information between the analog system and the rest of the system in Australia. I am not sure about that issue because, as I said, it has not been one that has been raised with the department at all.

ACTING CHAIR—As the chairman has returned, I will hand over to him.

CHAIR—Thank you. Let us get back to the infrastructure fund. I am sure Senator Lightfoot will have questions on the infrastructure fund, as will Senator Allison. The whole fund interests us. I will repeat the question I asked before the division. Were the territories entitled to it? One of the criticisms of it was that Norfolk Island was not informed of it. They have now put an application in. Are you aware of it? In fact, as Mr Cheah indicated, it may be that the Norfolk Island government, due to its responsibilities, is not entitled to it? That was the tenor of it.

Mr Cheah—I do not think I said that Norfolk Island was not entitled to the TIF money—it was a separate issue. Your question was about who, if it came to the links

between Norfolk Island and Australia, would be responsible for that. I indicated that there was not any clear responsibility set out in legislation. The way Norfolk Island seems to have established its telecommunications it has indicated it wants responsibility for that. It is more than likely that the way the arrangements are set up at the moment they would have the responsibility for establishing those links.

CHAIR—Quite right, Mr Cheah. I will not put you in on that one; you will never get a holiday on Norfolk Island. I now ask you the wondrous question.

Mr Cheah—Just to go over it, there is actually a benefit for Norfolk Island in the sense that they have got the ability to go and negotiate with different carriers to try to get the best form of international links and the best sort of rates back to Australia as well. Optus is about, for example, to put in a major cable between here and the US. It would be quite open to the Norfolk Island government to engage in discussions with Optus about setting up arrangements in that sort of way. Those sort of possibilities are open to them. They could also make arrangements with satellite companies to arrange to have their telecommunications delivered by satellite and possibly negotiate better rates than they have got with Telstra. They have got an arrangement with Telstra at the moment. If they do not like that arrangement, they can shop around, basically.

Dr Hart—Which is what they are doing in the sense of taking a holistic approach to their communications needs. They have got a consultancy.

Mr Cheah—It has worked very well for them locally in the sense that a lot of their local phone charges are a lot cheaper than they are in the rest of Australia. The local phone costs on Norfolk itself are very cheap. The only issue is the cost back to Australia, and, as I said, they have got the ability to shop around.

Mr Sutton—I might just reiterate what I think I said before the division. That was that the fund was announced in December 1996. It was \$250 million. That \$250 million was fully allocated between the states according to a formula and there was a separate allocation of \$20 million for the ACT and the Northern Territory. That fully exhausted the \$250 million and there was no separate provision made for the island territories. That matter of the issue of the island territories' ability to access the fund is currently under consideration by the government.

In terms of the Norfolk Island application, we have received a letter from the Norfolk Island government proposing that the fund provide some assistance. Until the issue of whether the island territories have an allocation under the program is clarified we are not able to progress consideration of that application. Certainly the independent RTIF board would not be able to make any decisions on any applications from any of the island territories until the issue of the allocation of funds to the island territories had been clarified.

Senator ALLISON—Will whatever goes to the territories come out of the \$20 million that is allocated for the ACT or the Northern Territory, or the balance?

Mr Sutton—A range of possibilities would be available to fund any allocation if the government decided it wanted to make one to the island territories. What you have just described would be one possibility and another would be to increase the overall size of funds.

Senator ALLISON—What do you mean by saying it is all exhausted?

Mr Sutton—The \$250 million has all been exhausted.

Senator ALLISON—In what sense, exhausted?

Mr Sutton—It has all been allocated to the states and the ACT and the Northern Territory.

Senator ALLISON—I see. Not for projects, just lumps of money to states?

Mr Sutton—Not for projects. After the five-year life of the program, it is anticipated that \$4 million would have been spent in the ACT, \$16 million in the Northern Territory, \$58 million in Tasmania and the rest of the states would have all got allocations.

Senator ALLISON—What is the process by which the government will determine moneys going to the territories?

Mr Sutton—That will be a case of our advising the minister. The minister will then decide whether he needs to consult with other ministers, and the Prime Minister, if necessary, to resolve the issue.

Senator ALLISON—Have you told the external territory administrators that this is under way and invited submissions from them?

Mr Sutton—We have been consulting with the territories component of Mr Somlyay's department on this issue. We have not made direct contact with the territories themselves on this issue, but the territories department is aware of consideration in this matter.

Senator ALLISON—There will be a process in each state. Will there be a similar process in the territories with the submissions?

Mr Sutton—The way the program works is that applications are invited from eligible groups. That includes state governments. If the territories are eligible, the Norfolk

Island government would be an eligible applicant for assistance under the program. They would put an application in and that would be subject to decision making by the independent RTIF board.

Senator CROSSIN—If they have been excluded from getting access to those funds, will you have another round of invitations for applications?

Mr Sutton—At the moment we are not able to consider applications from the island territories because there is no allocation for them. Until that issue is clarified, it will not be possible to have any applications considered.

Senator CROSSIN—Are there any time provisions with the money Tasmania and the ACT have? Do they need to tell you what they have done with it or become accountable for it? Are there just millions of dollars you have given them and that is all you hear about it?

Mr Sutton—The same requirements in terms of accessing money under the program are in place for state or territory governments as they are for community groups and any other organisation. The program funds a wide range of bodies. For example, in the Northern Territory's case we funded a very substantial Northern Territory government proposal but the program has also funded a couple of projects from some small indigenous communities. There is a very broad range of applicants. All applicants are required to fill in a standard application form and the board assesses the application against exactly the same selection criteria—whether they are a small indigenous, very remote community or the Northern Territory or Tasmanian government.

Senator LIGHTFOOT—I ask almost a perennial question about the quote:

The Grants Commission recommended an extension of all commonwealth services to Christmas Island. The Government later reaffirmed its policy to align conditions and standards with comparable communities in remote mainland Australia.

What does 'remote mainland Australia' mean? Does it mean an isolated Aboriginal community with 20 people, or does it mean somewhere like Newman which is a large iron-ore mining town on the eastern extremity of the iron-ore fields, or is it somewhere in between?

Mr Sutton—One of the issues that we have become conscious of in administering the RTIF is in many ways exactly that question. The circumstances and needs of people in remote areas of Australia are incredibly diverse. We are finding, as a result, that the sorts of applications that we are getting cover a very broad range of socioeconomic situations.

Senator LIGHTFOOT—As someone who has spent a lifetime in remote areas, could you explain what you mean by 'remote area needs are incredibly diverse'?

Mr Sutton—In the case of indigenous communities in the Northern Territory, once you get off the Stuart Highway and away from the optical fibre cable that goes along there, the telecommunications infrastructure is basically non-existent. They have telephone services often only provided by digital radio concentrator services, the wireless services. We have just heard from an indigenous group this week how difficult using those services is in terms of the availability of the services within the community.

Senator LIGHTFOOT—That does not reflect their needs, with respect, Mr Sutton. You said their needs are incredibly diverse.

Mr Sutton—What those communities would dearly love to have is a reliable telephone service that was available for a large proportion of the time.

Senator LIGHTFOOT—But that does not mean that people's needs are incredibly diverse. That seems to me to be a common factor for all people living in remote and isolated areas.

Mr Sutton—If you asked them what their needs were, they would tell you that that is what they needed.

Senator LIGHTFOOT—Let me clear it up then, if I can. The needs seem to be relatively standard. That is not the diversity of it; the application of their needs makes it diverse, not their needs. If you haven't got that message, Mr Sutton, there is something drastically wrong with our trying to put together something that gives people in remote areas—and that includes Christmas Island, Cocos (Keeling) and Norfolk—what they should have. If their needs are diverse, we are going to have to explain their needs, but I would have thought their needs are quite common.

Mr Sutton—Senator, I could try to elucidate that a little bit further. We find that communities define their needs differently depending on their situation. Remote indigenous communities will tell us that their needs are very basic, but a mining community or a remote pastoral station will tell us that their needs include good access to the Internet and online services, for example.

Senator LIGHTFOOT—Where is the diversity there? Take the Internet as an example. Isn't it common throughout outback Australia that they want the Internet?

Mr Sutton—This extends beyond indigenous communities.

Senator LIGHTFOOT—I am not talking about indigenous communities, Mr Sutton. I have lived in areas as isolated as those and it certainly was not an indigenous community. I really want to establish this because if we are saying their needs are incredibly diverse then I think we are on the wrong track. That is not the evidence I get, and I shift around the outback and have done for decades.

CHAIR—We will have to pick up the threads later; there is a division.

Proceedings suspended from 11.50 a.m. to 11.59 a.m.

CHAIR—We will recommence the meeting and Senator Lightfoot will resume questions.

Senator LIGHTFOOT—Mr Sutton, I trust that you have used that short break that we had to your advantage. With respect to the incredible diversity of needs, I do not see that diversity, in my experience, which is not inconsiderable—at the risk of sounding immodest in that regard. The need for Internet, the need for better telephony, the need for any sort of telephones in the bush, is something common that runs right through isolated areas—and I talk about Western Australia—whether it is Wingelina, Warakurna, Warburton, Jamieson, Balgo, any of those Aboriginal areas, or whether it is Leonora, Leinster, Laverton, some of the other isolated mining towns. They all need, want and, I think, deserve—because a great deal of our wealth comes from those areas—Internet with email and the other attributes that that brings, 24-hour telephony, hand-held telephones within a reasonable radius of their centres and so on. Wouldn't you agree?

Mr Sutton—I would agree. The point I was trying to get across was certainly that there is a commonality of basic telecommunications requirements for all Australians and that what we are finding in the program is that different communities and different regions have different priorities about what they would like the RTIF to help them fund. Some of them, for example, place a very high priority on mobile telephone services, some on a reasonably priced Internet access, some on basic telephone services and some are more concerned with issues associated with public access to facilities in their communities than the services themselves. You are quite right that there is a commonality, but I suppose the point I was trying to make is that priorities are certainly quite different.

Senator LIGHTFOOT—Okay. We could talk about those priorities as different from being an incredible diversity of needs.

Mr Sutton—Yes.

Senator LIGHTFOOT—That is exactly what I was getting at. Of course, the extrapolation, from those places that I have spoken about, extends and can extend to the more geographically isolated areas of Cocos (Keeling), Norfolk and Christmas. That is well known to your department, is it, that commonality of needs there?

Mr Sutton—Yes, very much so.

Senator LIGHTFOOT—You may have already explained that—I do apologise for being away at another division. What is your department's view of that? Is it going to be something comparable to a city that you could give us a picture of, for instance? Is it

going to be the standard that is required in something like Broome or Mackay or Mount Isa or Katherine?

Mr Sutton—In terms of our program, the difference between our program and something like the universal service obligation—and Mr Cheah might like to comment here, if I start getting things wrong—is that under the USO the government makes decisions on what is an appropriate standard of telecommunications services for all Australians, and that is built into the regulatory system under which telecommunications carriers operate. Our program, the RTIF, does not work in that way; it is driven by applications from communities. So it is not so much a case of us making decisions about what sort of services are desirable. Communities, regions, governments come to us with applications saying, ‘We would like to do this in our part of the world. Can you help us do this?’ That is the way we approach those sorts of issues, so we do not have any preconceived ideas about what sorts of services should be in a particular community.

Senator LIGHTFOOT—You do not have a model, in other words?

Mr Sutton—We do not have a particular model, and that is partly because everywhere is different. The situation facing a mining community in the middle of Western Australia is very different from the situation facing Christmas and Cocos islands.

Senator LIGHTFOOT—Yes. Most of the mining companies, of course, supply their own telecommunications, which is not an impost on the Australian taxpayer or an impost on the corporatised/privatised Telstra.

Mr Sutton—Yes, indeed.

Senator LIGHTFOOT—With respect to the Internet and Norfolk Island, where we took some evidence recently, the domain name changes, or there are domain names that seem to be inconsistent with those in Australia. There seems to be some extraordinary measure of autonomy with respect to Norfolk Island Telecom, I think it is, as opposed to the undertaking that Australia has given for consistency.

Mr Sutton—I am unable to comment on that.

Mr Cheah—Basically, Norfolk Island Telecom is not covered by the Telecommunications Act—that is a fairly fundamental issue which was made clear in our submission—which means that they are not covered, for example, by the numbering plan which all Australian telecommunications carriers subscribe to. So, effectively, for the purposes of international telecommunications they are a separate administration.

Senator LIGHTFOOT—Does the ANZCAN cable still run there?

Mr Cheah—As far as I am aware, yes.

Senator LIGHTFOOT—Why is that? Is that an anomaly, or is that part of the expressed explicit autonomy of Norfolk Island?

Mr Cheah—I think that would just be an historical legacy.

Senator LIGHTFOOT—Rather than a legacy, where is the authority that gives it that right to interfere with the consistency that Australia wants with respect to domain?

Mr Cheah—As I said, domain names tend to be decided by national arrangements within separate telecommunications administrations. In any case—and this is not exactly my area of expertise—if this question of domain names is of particular interest to you, I suggest you put some questions to the National Office for the Information Economy, who have some responsibilities in that area. As I understand it, domain names started off by being decided almost at an industry level in the United States and have basically spread out from there. We do have some arrangements in Australia, but they tend to have been done historically, more or less by consent, to date. There are some provisions in the Telecommunications Act which allow for Internet domain name addresses to be brought into the numbering plan if we wanted to formally regulate them, but I do not think the government actually regulates them at the moment.

Senator LIGHTFOOT—So you are not able to tell the committee how far that can go?

CHAIR—I am sorry; we will have to adjourn for a short while as there is a division in the Senate.

Proceedings suspended from 12.07 p.m. to 12.16 p.m.

CHAIR—In regard to questions on online services, given firstly the time and secondly the lack of expertise which is not quite with us at the table, we could put some questions on notice. We have been given the name, Mr Brian Stewart.

Senator LIGHTFOOT—Okay. Could we do something with respect to domain names? That may cause some conflict. I see that as being a fairly important issue because of the commitments and undertaking that Australia has given with respect to uniformity. Could we have something like that? And where does the Norfolk Island act, or the other legislation that gives Norfolk Island the power to change the domain name—that is, make changes that are different from Australia's—derive that power? If you could do that, I would very much appreciate that.

I have one last question on postage. Why is it, when Australia seems to be called on to supply infrastructure to Norfolk Island, that we seem to do it—and this is true with telecommunications and an upgrade of communications generally—but when Norfolk Island wants to, it seems to use its strength with respect to its autonomy to say, 'We

cannot do this,' or 'Australia has no right to interfere.' I think that is with respect to communications. I guess there is someone here—I did not read your CVs, I am sorry—who can speak for Australia Post?

Mr Neil—Australia Post has already appeared. I look after the department's interest in post.

Senator LIGHTFOOT—There is 5c postage on Norfolk which would not, even with just poking letters into letterboxes there, cover costs. Are we, in effect, subsidising Norfolk Island post with the mainland costs and in some way, through the subsidy, they work to get their mail through?

Mr Neil—Although, as I understand the arrangements, because it has got a separate postal administration, Norfolk Island is not formally covered by the USO and they still get the standard letter service.

Senator LIGHTFOOT—That is the 45c one?

Mr Neil—Yes, 45c. Australians who want to send letters to Norfolk Island get it for 45c and, I assume, they get it in reverse. Delivery on the island, I guess, is totally the responsibility of the Norfolk Island administration and, therefore, what they charge is their business. Norfolk Island, as with any other mainland area where the postal costs are not covered by the 45c, are treated the same as any other Australians.

Senator LIGHTFOOT—But is the 45c that they pay to send postage to Australia, in effect, a subsidy for the 5c—which is an extraordinary load by world standards—they pay on the island?

Mr Neil—I could not comment on the relative cost structures. I simply do not know enough about it, to be honest, Senator.

Senator LIGHTFOOT—Maybe you could look into that. I will put that on notice.

Mr Neil—I doubt that I would have the resources, or the sources of information, without going and asking the Norfolk Island administration what the costs of their postal services are. I think that is something that we could not usefully comment on, basically, even if you put it on notice. We just do not have the information.

Senator LIGHTFOOT—You do not have the information?

Mr Neil—We do not have information about the cost of provision of postal services on Norfolk Island because we are not responsible for it, and we do not have any access to that information other than asking the Norfolk administration itself, which the committee could do.

Senator LIGHTFOOT—Thank you for that direction; I appreciate it.

Senator ALLISON—I have a question about the universal service obligation—the plan. I do not know whether you have already covered it today while I have not been here. The commitment that the government has given is to a service connection within 12 months of the request. I understand—and I am not sure who I am directing this to—that the commitment is within six months. Can I ask how many requests there have been and whether you are satisfied that that plan is online? Could I have a bit of a report on how we are going in terms of the status of that.

Mr Cheah—Telstra's new plan was approved by the minister on 18 May, so it has not really been going for very long. We would not be able to tell you how many requests. The plan, as it relates to the territories, would only be for the Indian island territories, at this stage, so it would be Cocos and Christmas. We could find out from Telstra how many new applications they have received under Telstra's new universal service plan in that time and how things have gone there. But you are quite right—

Senator ALLISON—Does it not include the Antarctic islands?

Mr Cheah—No, it does not. For the Telecommunications Act, the only territories which are included are Christmas and Cocos and any other prescribed territory. So there are no territories other than Christmas and Cocos which are prescribed for the purposes of the act.

Senator ALLISON—Is prescription something done by regulation?

Mr Cheah—Prescription is regulations, basically. You can bring the other territories in by coverage of the Telecommunications Act by regulation.

Senator ALLISON—Has there been any discussion about that?

Mr Cheah—No, because the issue has not been raised with the department at this stage.

Senator ALLISON—That might be one of the things which is an outcome of this hearing—a recommendation along the lines of extending.

Mr Cheah—Presumably, but then presumably the committee would want to think through what the implications of possibly extending the application of the act to the territories might be.

Senator ALLISON—I suppose the question is: what are the implications?

Mr Cheah—One of the implications would be an extension of the universal

service obligation to, for example, the Antarctic territories, and that obviously would have implications in terms of the potential universal service costs and benefits of actually doing that.

Senator ALLISON—Have you made an estimate of what that might be?

Mr Cheah—We have not made any estimates at all—

Senator ALLISON—Do you intend to?

Mr Cheah—It has not been raised as an issue with us. If it were, then we could turn our minds to it.

Senator ALLISON—Yes, I think it might be useful for the committee to have that information, because, if we are making a recommendation about extending to the Antarctic islands or—

Mr Cheah—We would probably have to get the cost information from Telstra or one of the other carriers. In terms of measuring benefits, I am trying to figure out how you would actually address that issue. It would be interesting, but we could think about it.

CHAIR—While you are working out costs and loss, you also say in your submission:

It is understood that Telstra's provision of services to the IOTs is currently running at a substantial loss.

Could you perhaps also work out what that is?

Mr Cheah—I would suggest you address that question to the Australian Communications Authority, which basically administers the universal service levy arrangements. The way the arrangement works is that Telstra may regard an area as being a net cost area. In other words, in the long term, if the provision of services to that area or defined group of customers is likely to result in the avoidable revenue over time being less than the avoidable cost, then Telstra declares that as being in a cost area—and both the Indian Ocean territories are in cost areas at the moment—and the ACA would have the actual annualised cost figures.

Senator ALLISON—Can I just go back to the universal service plan and ask whether, in your view, Telstra is likely to run into any problems in meeting its obligations? Are there particular areas where, in your view, there are going to be difficulties?

Mr Cheah—I am not sure that I would be in a position to make any particular judgment about their ability to meet their plan in relation to the territories at all.

Senator ALLISON—So they have not made any representation to you?

Mr Cheah—They have not made any representations, no, and Telstra, as you know, under the plan, has basically made commitments to these new time frames. Presumably, if they did not consider they would be able to meet those commitments, then they would not have made them in the first place.

Senator ALLISON—You say in your submission, I think, that there is going to be a need for us to promote the customer service guarantee and erase community awareness. Can I ask you how you are doing that?

Mr Cheah—That question has been asked before and that is a question which I would suggest the committee address to the Australian Communications Authority, which has been given a direction from the minister to look at the issue of promoting customer awareness. It is their responsibility under the legislative arrangements to do that. How they are actually proposing to implement that ministerial direction in respect of the external territories is an issue to direct to them.

Senator ALLISON—Thank you.

CHAIR—Where is the ACA? Weren't they to be a part of this delegation?

Mr Cheah—I am afraid that I cannot give you advice on their attendance today.

Dr Hart—They are a separate authority in the same way that you have made provision for the ABA and the ABC, and so on, to see you. That will be the appropriate arrangement with the ACA.

CHAIR—Are they a separate authority, but within the department?

Dr Hart—No, they are within the portfolio but they are not within the department.

Mr Cheah—Similar to the Australian Broadcasting Authority.

CHAIR—Anyway, it is a bit disappointing that you will not be here for that, but it does not matter. We apologise for having to break because of the division bells. We will finish your session here.

Proceedings suspended from 12.26 p.m. to 12.35 p.m.

CANAVAN, Mr Peter, Engineer, Australian Broadcasting Corporation, 700 Harris Street, Ultimo, New South Wales 2007

McGARRITY, Mr Ian Alexander, Head of Development, Australian Broadcasting Corporation, GPO Box 9994, Sydney, New South Wales 2001

SOOTHILL, Mr David Bernard, Director, Communications and Planning, Special Broadcasting Service, Locked Bag 028, Crows Nest, New South Wales 1585

CHAIR—Welcome. As it is a sitting day we have had some troubles. With the previous witnesses, we had to rise three times, so we apologise for that. We have been given a brief by the minister to be as fast as possible with this inquiry, so we are ploughing on regardless. It is not meant to be a long drawn-out inquiry—in depth, certainly, but time is of the essence. Do you wish to make an opening statement?

Mr McGarrity—Effectively, so far as the three territories that I think are relevant to the ABC and SBS are concerned—Christmas, Cocos and Norfolk islands—a full range of ABC services has been available in the past to those islands. We believe that a bigger and fuller range of services will be available in the foreseeable future to those island territories. However, the availability of ABC services does depend on the island communities arranging for the necessary re-transmission facilities on the islands to take advantage of that. The ABC does not provide re-transmission facilities, either on those islands or anywhere in mainland Australia.

The ABC will continue to purchase appropriate satellite capacity in the future to enable it to feed its mainland and island territory audiences, but we cannot guarantee that the satellite providers will necessarily design products that will allow the island territories to be serviced by those or by that satellite capacity. However, we did note the evidence of Optus here on 5 June, and we were pleased to see that the design of the C-series of satellites is to enable coverage to the external island territories.

In summary, in the digital future, which in Western Australia we are already into, we believe that Triple J and PNN will be available for the first time to the remote areas and to the island communities. Better Radio Australia reception is available through the satellite audio channel from Australia Television—that has occurred since 1993.

On Cocos and Christmas islands we believe the reception of our television and radio services will be better than before. On Norfolk Island, we suspect that the technical quality of our services will probably be better than before, but the overall availability of them may be slightly down on before. We feel that that may well be offset by the fact that that island will have commercial television available to it, provided the ABA and the other regulatory authorities allow TAL from Queensland or Imparja from the central Australian states to be re-transmitted on the islands.

Mr Soothill—I will not reiterate matters that are in common with Ian McGarrity's introductory remarks. SBS believes that the populated territories should receive broadcasting services on an equal basis with regional and remote Australia. That is one of the matters in our submission. For several years, SBS has had a service on Norfolk Island. It is done through what is called the self-help scheme, which means that the community has funded that transmitter. That is the present arrangement. There are no arrangements at this time for government funding of services on Norfolk Island. When we change to digital, we expect that service to continue. Mr McGarrity has outlined some remarks on that.

As far as Cocos and Christmas islands are concerned, SBS has limited coverage of Australia with satellite services. Only very recently did we get an interim service covering Western Australia. Prior to that, we could not in fact be received on Cocos or Christmas islands. The service on PanAmSat, which is provided through an arrangement we have with Telstra, is interim. We cannot guarantee it will continue beyond the initial period, which I think is three years.

As Mr McGarrity said, we really are looking forward to new ranges of satellites that will provide coverage of these offshore islands to ensure that our services can be received there. I think it should be said that we are not funded to provide services to these islands, therefore we must rely upon satellite manufacturers providing satellites that do actually have some coverage of the islands in order to deliver services.

I should just mention that Norfolk Island receives services in New South Wales time. The present reception of our PanAmSat service on Cocos and Christmas is in Western Australian time. SBS is prepared to assist with the planning and development of services for these islands to the extent to which we can do so.

CHAIR—Thank you very much. I have a couple of quick questions. In your position, Mr McGarrity, as head of ABC development, could you outline your responsibilities?

Mr McGarrity—Effectively, what passes my way is major multifaceted development projects. The movement of our satellite services from analog to digital and the prospective change of responsibility of our terrestrial analog transmission services is seen as one such project, so it falls to my area of responsibility. It so happened that I dealt with it when I used to work entirely with television in any case, so there is some degree of continuity involved.

CHAIR—Mr Soothill, is SBS available today on Cocos and Christmas islands?

Mr Soothill—I believe it is. Someone has provided a large satellite dish which can pick up the interim PanAmSat service and rebroadcast it. The way the self-help arrangements work, we are not always told about arrangements, so I cannot give you an assurance

on that matter.

CHAIR—Even reading the submissions, the bottom line was that I was not sure whether SBS was available on Christmas and Cocos islands. And even listening to you, I am still not sure. The bottom line is, you are not sure.

Mr Soothill—Absolutely.

CHAIR—So I suppose we will have to wait until we get to Christmas Island. There is a difference between being available and being there. I guess if someone were to pay for a satellite dish or something of that nature, they would pick it up one way or another. But is it available generally to people—to households?

Mr Soothill—It is my understanding that there were plans to put quite a large satellite dish there, which would be able to pick up both ABC and SBS from PanAmSat, and that transmission facilities were then going to be provided to rebroadcast that to people living on those islands. The reason why I cannot give you a categorical answer is I just do not know how far down the track that process is—whether in fact they have got to the stage where they are broadcasting, or whether it is still in the planning stages.

Mr McGarrity—I can give you what is my best understanding at the moment. My understanding is that on Christmas Island, the ABC is being rebroadcast at the moment from new digital facilities, but SBS is not. However, it is available there on the satellite should the community wish to put in the facilities and the transmitter to re-transmit it. That happened some time ago.

On Cocos Island, again, my current information is that the ABC is being re-transmitted there, but I do not believe the SBS is. I am not absolutely sure about GWN on both islands, but that may have come to you from other submitters.

Senator ALLISON—Could I have an expansion on your answer, please: did you say that Triple J and PNN are going to be available soon to Christmas, Cocos and Norfolk?

Mr McGarrity—Senator, everybody who receives their ABC services direct from satellite will have available PNN and Triple J. Fundamentally, it is on every one of the transponders. It will start, at the moment, on 14 August. From that time, Triple J and PNN will be available from the satellite for the first time as well as the three ABC radio services that have been available there since 1985, which are Regional Radio, Classic FM and Radio National.

Senator ALLISON—And you say that reception will improve. Why will it and how will it be better?

Mr McGarrity—I may ask my colleague to flesh out a little bit more on that. There has been an increase in size of the earth station dish that has been put in on Christmas and Cocos, and we understand there will be one put in on Norfolk. But I will deal with Christmas and Cocos first. The actual signal that is available from that dish and from the decoder, from the digital technology, is a superior quality picture and service than was available from the analog service and the analog decoders. I do not believe that exactly the same thing will necessarily happen on Norfolk Island in such a certain way. Even there we think the quality of the picture may be better, but in view of rain—weather conditions that attenuate the signal—and various other things, there may be greater times of outage for that signal.

Senator ALLISON—You say that availability will be down—I think they were your words—but it will allow outside commercial channels to be transmitted into those territories. Is there anything stopping that from happening now? Are there any impediments?

Mr McGarrity—Senator, I am just not quite sure on the ABA's position on the Queensland remote commercial television service and the Northern Territory-South Australian remote commercial television service being able to be re-transmitted essentially out of their licence areas on Norfolk Island. If you ask me for a guess, I am sure they would allow them to be, but I am not sure that the particular—

Senator ALLISON—‘They’ being the Queensland government.

Mr McGarrity—No, it would be the Australian Broadcasting Authority who would effectively allow an out of licence area rebroadcast of those two RCTS services. But certainly those RCTS services are available at exactly the same quality and at exactly the same level of availability as ourselves.

Senator ALLISON—What is RCTS?

Mr McGarrity—Remote commercial television service, of which there are three in Australia. They were established in 1985-86 along with our remote area services to produce a commercial and a national service to the people living beyond the reach of the normal terrestrial television.

Senator ALLISON—What about overseas commercial television?

Mr McGarrity—For overseas commercial television, there are no restrictions on your being able to receive it. It is just a matter of whether you have got the money and the desire to put in the earth station facilities to receive it. To the best of my knowledge, the only legislative or regulatory restriction that would be on overseas services is that you would not be allowed to collect subscriptions. As an overseas operator, I think you might find a difficulty in collecting subscriptions under Australian regulations and laws.

Senator ALLISON—Mr Soothill, you mentioned that, on Norfolk, you had what you called a self-help scheme where the community funds its own transmitter. What does it cost a community and in what sense is this a scheme? Do you provide some money, start it up or put a kit together? How does it work?

Mr Soothill—We provide whatever assistance we can, except that we are not funded to provide financial assistance to organisations with self-help. The self-help scheme started about 1986 when it was realised that the government would have some difficulty funding rebroadcast transmitters for television throughout Australia. There are probably some 200 to 300 self-help television transmitters in Australia at the moment. SBS has 60 altogether. There is one at Norfolk Island and 59 in Australia—two at Lord Howe Island and the remainder are on the mainland. They cover towns such as Alice Springs, Mount Isa, Barcaldine, Boulia and Kalgoorlie.

Senator ALLISON—What is the cost?

Mr Soothill—The way they work is that the community pays for a satellite dish, satellite receiver, television transmitter and television aerial. If it is a small community, the cost may be in the range of \$10,000 to \$15,000—that is a capital cost. In a large community, the most expensive I know of was a bit over \$100,000. There are some operating costs associated with that on an annual basis, mainly for electricity consumption and any maintenance services that you may need. They would be typically a few hundred dollars per year.

CHAIR—What is the cost of a digital decoder?

Mr Soothill—If you need a professional decoder, which is what you would normally use, it is around \$3,000 to \$4,000. A domestic decoder is around \$1,000 or just under.

CHAIR—That would go in each household?

Mr Soothill—Yes. A household would use a small dish and a domestic decoder. The dish is about \$200 or \$300; the decoder is about \$1,000. If you install it yourself, it will all cost you \$1,400 to \$1,500. If you get it commercially installed, it might be \$2,000.

Senator ALLISON—What is the process for these communities? Who organises it? Who pays? Does somebody borrow money?

Mr Soothill—It is relatively straightforward. In most cases, the community forms a group for self-help—in our case for SBS self-help. We produce a self-help booklet which tells them what they might need to do. Usually, they get some enthusiasm going and they will raise funds. They normally then get the shire council or the local council to come in behind them with funding. There are many arrangements that have been done with

funding. They then need to get a licence from the ABA and get someone to provide the facility. It is a fairly straightforward process and they do not even need to tell us that they are doing it. It is licensed by the Australian Broadcasting Authority. It is a self-help rebroadcast service.

Mr McGarrity—In the past, if you had a look at the capital works program of the National Transmission Agency, you could see at what time communities would be provided by government with re-transmission facilities. In the past, many communities would see that it would be five years before they got it. They would gather up their money and establish the facility. And at the time when they otherwise would have got it from the government, the facility would then transfer to the NTA and effectively they would get their money back. That did operate in the past during the expansionary phases of ABC services throughout the regional and remote areas. That was a way in which people could accelerate the provision of what otherwise would have been government rebroadcasting facilities, and they would have an interim period where effectively they were self-help and then it would be passed across to the National Transmission Network.

Mr Soothill—The other group is what is called the BRACS, which is the broadcasting for remote Aboriginal communities scheme, where there are over 100 rebroadcast transmitters. There are many ABC, some SBS and some commercial. They are all licensed under the same scheme and the same arrangements. This is really an arrangement outlined in section 212 of the Broadcasting Services Act which allows a community to rebroadcast a television service within its licence area.

Senator ALLISON—What about services to the Antarctic islands?

Mr McGarrity—We have never had satellite arrangements that would enable coverage to those areas. Hence, they just simply have not been provided with services.

Mr Canavan—It is not really possible, certainly for the Antarctic. Their satellites are all geostationary and cannot reach arctic regions. Macquarie Island you would just get by with on some sites, but I do not know of any beams that cover that area. I did look into that at one stage.

Senator ALLISON—Are the satellites not in the right spot?

Mr Canavan—The satellites are all above the equator and, by the time you are getting to very high latitudes, they are very low on the horizon.

Senator ALLISON—So, there is absolutely no technical way currently of providing to the—

Mr Canavan—Not with a geostationary satellite. With other satellites, it could be arranged but there are no satellites flying that are providing that service at the moment—

not for broadcasting. Telephony you would get in on satellites fairly shortly, if not now, through low orbit service satellites, but not geostationary ones. All broadcasting satellites are geostationary because you do not need to track them with a dish. They are kept simple for simple reception.

Mr McGarrity—One of the great problems is whether you could ever get a satellite, irrespective of where it was, that could provide a strong enough signal over Australia to produce receivable signals with a 1½-metre dish, whilst also producing signals over Antarctica, Heard Island or wherever you might be wanting it. As I read it as a layman, imagine you have got a torch and you are trying to focus the torch in over Australia: if you were to move the focus out so that you could get some light at Heard Island in Antarctica, imagine how much less illumination you would get over the primary areas of service.

Mr Canavan—That is a good analogy.

Senator LIGHTFOOT—Mr McGarrity, I am sure you are as aware as I am that the broadcasting and television with respect to Norfolk Island are the responsibility of the Norfolk Island government, under the 35th schedule of the Norfolk Island Act. Given that, where do you draw the compulsion from to supply radio and telecommunications and television facilities to Norfolk Island? Remember that the ABC, of course, is a totally taxpayer funded organisation in Australia. The other point I could make, of course, just for the record, is that Norfolk Island people do not pay any Australian taxes.

Mr McGarrity—In our submission, even though it is hard necessarily to articulate perhaps this proposition, what we try to do is this: if we can buy satellite capacity that allows us to provide for what we need to do for the re-transmission sites and the remote areas on the mainland and it also provides a useable signal for the island territories, we will do that.

Senator LIGHTFOOT—I can understand Cocos (Keeling) and Christmas, because they are an integral part of Australia, whereas Norfolk is a dependency of Australia, not a territory of Australia.

Mr McGarrity—At the moment, the signals that will be available from the Optus B3 satellite on Norfolk are at no marginal cost to us. They are just as the signals that have been available to them since 1985: they are there.

Senator LIGHTFOOT—So the footprint is sufficiently big enough to encompass Norfolk?

Mr McGarrity—That is right.

Senator LIGHTFOOT—Without any additional cost to the ABC?

Mr McGarrity—Yes. And the signal only just reaches out there. They need a significantly larger dish to receive it, but that is basically their problem and not ours.

Senator LIGHTFOOT—Whereas the signal from Auckland, New Zealand easily reaches there, given the same energy of signal: is that correct?

Mr McGarrity—I am not sure what signal we are talking about. Which satellite is that?

Senator LIGHTFOOT—I do not know. I assume they have a very close contact with New Zealand, because it is geographically closer. Do their communications extend—

Mr Canavan—I do not know of any satellite signals coming from New Zealand services that are received or rebroadcast on Norfolk. Certainly, they can pull down Palapa and several other satellites, but I do not know of any—

Senator LIGHTFOOT—They are not rebroadcast, to your knowledge?

Mr Canavan—Not to my knowledge.

Senator LIGHTFOOT—Are you sure about that?

Mr Canavan—When I was there last, they were not. They may have been since, but I think they would have said.

Mr McGarrity—I am aware from evidence that has been put to you as a committee that there have been discussions with Sky New Zealand, which is a pay operator. If they have any availability of television services from New Zealand, I suspect it would be pulling down the so-called TV New Zealand South Pacific Service, which is a service aimed at TV New Zealand-run re-transmission sites throughout the Polynesian areas of the Pacific. But I do not believe they pull those signals down and re-transmit them at Norfolk.

Mr Canavan—Those signals are redistributed through the South Pacific. They were, until recently, in Western Samoa; but they come at a significant cost, beyond the budgets of most Pacific islands—which is why there is a large swing from the New Zealand digital feed to what was our Aus-TV feed: the Aus-TV programs are, effectively, free for rebroadcast.

Senator LIGHTFOOT—Is the signal that goes from the satellite that we are discussing from Australia, from the ABC, in digital mode or in analog?

Mr McGarrity—Senator, are you speaking now of Australia Television?

Senator LIGHTFOOT—Yes.

Mr McGarrity—As you are probably aware, we sold Australia Television to the Seven Network on 11 February 1998.

Senator LIGHTFOOT—I was aware of that, yes.

Mr McGarrity—We maintain a minority shareholding position with preferential shares, and we have three board members out of a total of seven, but that service is in analog. Whether or when it moves to digital will be a decision fundamentally for Seven, but we will have some influence on that through our board membership and preferential shareholding.

Senator LIGHTFOOT—As a de facto board member, what would your advice be to Channel 7 with respect to the time of changeover from analog to digital?

Mr Canavan—My understanding on that is that they have no intention in the foreseeable future of changing to digital, because they perceive the bulk of their market to be in Indonesia, primarily Java, and the bulk of the receivers out there are analog, not digital. The marketplace has not yet moved to digital for a whole range of other services. Once it does—

Senator LIGHTFOOT—Couldn't that apply to Australia?

Mr Canavan—Once it does, then they will move across. They are following the market, not driving it.

Mr McGarrity—The other critical thing is that Australia Television Pty Ltd is a company, and the directors will be bound to make decisions in the best interests of their shareholders.

Senator LIGHTFOOT—Yes, we have no doubt about that.

Mr McGarrity—Therefore they will follow where they believe the best return for that company is, in an attempt to get it to a break-even and profitable point.

Senator LIGHTFOOT—After all that, is the continuity of that existing signal to Norfolk Island guaranteed in the foreseeable future—to use your terminology?

Mr Canavan—It is not a signal that I know they are using at the moment. We have suggested that they could use it to pull down our Radio Australia feeds, which are subcarriers on the main television feed. That remains an ABC service, even though it is carried as a part of a commercial operation.

Senator LIGHTFOOT—That is not collected in Norfolk Island?

Mr Canavan—It is available, but it is not used.

Senator LIGHTFOOT—Why isn't it used?

Mr Canavan—They simply have not got around to it.

Senator LIGHTFOOT—Any idea why?

Mr Canavan—Because they can pick up Radio Australia off the air: it is worse quality, but it is there.

Senator LIGHTFOOT—Okay. There is no ulterior motive for not using it?

Mr Canavan—No, Senator; it costs money to put in a dish.

Mr McGarrity—I believe that when they do put in their digital dish, a very good use of their three-metre existing dish will be to direct it to the Palapa satellite and then get virtually perfect reception of Radio Australia, rather than suffering the vagaries of the short-wave reception, which I think is now re-transmitted by VL2NI for about 30 hours per week.

Senator LIGHTFOOT—Is the dish omni, or has it got a specific direction to it?

Mr McGarrity—They would have to redirect it to the Palapa satellite, but I am sure that would be fine.

Mr Canavan—They have to change it from one band to another. It is a significant amount of work. They need to convert it from a KU band to a C band. There is a fair degree of work involved.

Senator LIGHTFOOT—Thank you for that answer. I think you mentioned Triple J as being broadcast to both Cocos (Keeling) and Christmas. Given the cultural differences of both those islands, which are predominantly non-European, if you like—I could be more specific and say 'non-Anglo-Saxon-Celt'—is that, on reflection, an appropriate radio channel for them to switch on to, given the paucity of choice?

Mr McGarrity—I do not believe anybody on Christmas or Cocos as an individual is going to put in a six-metre dish to pull down that service. Hence the re-transmission of Triple J or PNN or any of the services will fundamentally be a decision for the island administration or a community group—or, in the case of Home Island in the Cocos area, the phosphate company. The community will effectively make their own decision on what is appropriate. What is available up there, is, if you like, available fortuitously as a result

of satellite design and as a result of us fundamentally providing those programs to mainland Australia.

Senator LIGHTFOOT—Does Christmas gather any signals at all from Indonesia, given that it is much closer to Indonesia than to Australia?

Mr McGarrity—My understanding is that there is a cable system on Home Island which rebroadcasts through the cable Australia Television and some other services from Palapa, but I am not sure what those other services are.

Mr Canavan—I believe there are individual household dishes. You do not need a very big dish to pick up the Indonesian satellite from there, so individual homes do have their own satellite dishes to pull down signals.

Senator LIGHTFOOT—In a multicultural society, as Australia professes to be, that is not necessarily bad, but I wonder whether we should give them at least an equal choice of what signals they can get, in the interests of equity in a multicultural society.

Mr Canavan—I think anyone who could afford to build and devise a system that could receive the thing is going to be sophisticated enough to handle Triple J. Whether it is rebroadcast on the island, as Ian as said, is entirely up to the island's administration. The signal is available, but they do not have to rebroadcast it.

It is interesting that we have had requests from Papua New Guinea, who would very much like to pull down Triple J, and there is the capability to pull that off in a different format of satellite. We have denied that to them for copyright reasons, but the demand is there.

Senator LIGHTFOOT—Given the proximity of Christmas Island, particularly, to Indonesia, is the ABC given any special directions from government departments to carry out a more comprehensive relay and broadcast of signals to Christmas Island—both television and radio?

Mr McGarrity—I know of no direction, other than the discussions and the documentation that existed between the minister, the department and us about their desire for a continuation of the availability of ABC services to the external territories when the change to digital occurred. I do not believe we would be in a position to specifically tailor a particular service for the particular make-up of the Christmas or Cocos community—or, for that matter, Norfolk Island—bearing in mind that what is up there on the satellite is also the feed that provides Triple J at Kalgoorlie or Radio National at Geraldton or regional radio at Kununurra. So whatever you put up there is fundamentally the feed for all of those re-transmission sites on the mainland of WA.

Senator LIGHTFOOT—So it is possible in a technical sense to be able to pull

those signals down?

Mr Canavan—Yes.

Senator LIGHTFOOT—Just very briefly, GWN, the Golden West Network from Western Australia, is talked about on Norfolk Island as being something that is imminent. Is that possible? You are not from GWN, and I understand that, but you do have some interest in that particular signal and in that particular company. It seems a paradox to me that the western end of our continent should be broadcasting to the extreme east of Australian dependency.

Mr McGarrity—It is really almost accidental, and I believe GWN would have to be subject to the same regulatory decision of the ABA that I mentioned for the Queensland and central Australian zone RCT services. It is available because they are now on digital, on the PanAmSat 2 satellite footprint which covers Norfolk Island as well as Cocos and Christmas islands. As soon as Television Australia Ltd, which is the Channel 10 affiliate in Queensland, and Imparja, which is the CAAMA Aboriginal service run from Alice Springs, are on Optus B3—indeed, Imparja will be on it from about middle to late August—you will be able to receive those services on Norfolk as well.

Of course, they will be in a much closer time zone to the GWN service, and I would have little doubt that if the Norfolk Island community had a choice of CWN in WA time, Imparja in central Australian time or TAL in Queensland time, they would choose to re-transmit TAL because it is within 1½ hours constantly.

Senator LIGHTFOOT—As opposed to 5½ hours in daylight saving time.

Mr McGarrity—Yes.

Senator LIGHTFOOT—Are the low earth orbiting satellites, LEOS, going to make any difference in the foreseeable future to the ability to draw down signals in any of our external territories?

Mr Canavan—Probably not. I would imagine they are going to be used mainly for telephony services. I cannot see them being used in the short term—and no-one can see much beyond that these days—for direct broadcast or applicable services. Again, broadcasting stays mainly within a geostationary satellite, because you do not need to move the antenna. The LEOS work because they are much lower down and work in a totally different frequency band which does not have television services allocated to it.

Senator LIGHTFOOT—In your view, they will offer very little benefit or no benefits at all to any of the external territories?

Mr Canavan—I am always hesitant to say something is impossible, cannot be done or will not happen, but I cannot see any benefit in the foreseeable future.

Senator LIGHTFOOT—Thank you very much. I did have a question for you, Mr Soothill, but I think I have pushed my luck enough.

Senator CROSSIN—Going back to your comment about Imparja, did they hit that new band or satellite in August?

Mr McGarrity—I stand to be corrected but I think you will find that they begin telecasting in digital with their South Australian service on 14 August and in the Northern Territory on 1 October. People in the Northern Territory and South Australia will have two months from 1 October to actually make the conversion. I believe those signals would be capable of being picked up on Optus B3 from about 14 August on Norfolk Island. With the north-eastern RCTS, TAL, operating out of Townsville, I have a feeling they start in November so those signals would become available, as planned, in November—actually it is 26 October.

Senator CROSSIN—I see. I want to finish up with a comment on Triple J in relation to the Northern Territory. You would be aware of a commercial radio station operating just out of Darwin called Hot 100. Its market is really 8- to 14-year-olds, and even then I am probably being generous. Triple J is really the only radio broadcasting service in the territory outside the Darwin region—or inside Darwin if you want to compare quality—that 15- to 25-year-olds actually have access to. Is it getting around to most of the communities, as far as you know? By that I mean anywhere that picks up the normal ABC transmission.

Mr McGarrity—There are two critical things. The signal will be available from 14 August for communities who do not receive Triple J over a normal radio set to set up a re-transmission service and receiver. It requires them to be a self-help type of operation, as Mr Soothill was describing before. I believe that in Darwin and Alice Springs Triple J is rebroadcast by the NTA already.

Mr Canavan—Correct. There are two means of delivering Triple J. The one we use at the moment—before the digital system comes in—is yet another digital system, also on a national beam but primarily intended for re-transmission sites. It is a professional system. The receivers cost several thousand dollars for a single radio station, and they are meant only for rebroadcast. A number of sites have set up rebroadcast community aid systems using that. The next one to go in is Robe River.

This is generally beyond the range of a domestic user. Once the digital service comes in, Triple J will be available throughout the country off the standard consumer receiver, but only the south-east program. It will only be one Triple J feed.

Community rebroadcasts will have two choices: they can buy an expensive Triple J receiver and buy the Triple J service intended for their state and in their time zone, which Robe River has done, or they can buy the domestic or professional IRD, or digital

receiver, and get the Sydney program along with a whole lot of other stuff. It really depends on their funds and what they want to do. If they are prepared to take Sydney notices, Sydney news and Sydney time zones—

Senator CROSSIN—I see. That will be available from 14 August?

Mr McGarrity—Yes, that is correct. I do not know if you are particularly considering the BRAC sites. If indeed the people who control the BRAC sites regard Triple J as an appropriate service for that community, the discussions probably as to the expenditure on any extra transmitters that might be required to then reticulate the Triple J service would be something taken up within the BRAC funding environment, which I suspect involves ATSIIC.

Senator CROSSIN—We were talking before about the infrastructure funding. Can communities access some of that funding to do this: to purchase or upgrade their re-transmission facilities?

Mr McGarrity—I think that probably overall Mike Sutton, who was here, is the man who could tell you. For swapping existing B-Mac analog decoders, which are used now and were purchased before 25 November 1997, the RTIF is giving a \$750 subsidy for domestics and \$2,500 for professionals. That is the sum total of what I know to be the assistance available through the RTIF.

Senator ALLISON—The committee understands that the ABC sent a consultant to Norfolk Island to measure the size of the digital dish that was required and it just happened to have a second-hand one available. Is that the case?

Mr McGarrity—It was not our dish. My colleague could tell you what he understands to be the arrangements now.

Mr Canavan—We actually sent two expeditions to Norfolk Island. I did the first one. The second one was done by an independent consultant with funds from the SBS to provide an objective view of things. The two expeditions generally agreed on what would be required. I understand there is a number of people offering dishes to Norfolk Island. Amongst them, I believe, is Telstra. I think John Marsden, the second consultant, may have made recommendations or suggestions that he knew where dishes were, and I know they have looked at dishes from New Zealand as well. There are a number of interested players only too happy to sell them a dish.

Senator ALLISON—So you are not concerned that it just happened to coincide with the one that was available?

Mr Canavan—If we started to make those sorts of things available to communities, it would be impossible to determine who should get one and who should not, so we

really stay out of it.

CHAIR—I think that was Senator Allison's very point: not that you should be starting to do it, but that perhaps you should stay out of it.

Mr Canavan—If we provided cash to Norfolk Island, why shouldn't we for Longreach? Where does that end?

Mr McGarrity—The consultant was there because, if indeed that signal was not viable for re-transmission purposes, I think we would have thought we were duty-bound to then recommend to DOCA and all the authorities the most cost beneficial way to provide a continued availability to allow the government to then make a relevant decision.

CHAIR—Is that the point you are trying to make, Senator Allison? Are they missing your point?

Senator ALLISON—I think the question has been answered anyway. One thing that we have not asked you about so far is the legal regime operating on Norfolk Island since the Norfolk Island Act of 1979. What sort of impact has that had on the role of the ABC in providing services?

Mr McGarrity—I have to say that I am ignorant of that act and I am ignorant of any impact on us.

Senator ALLISON—Perhaps that could be taken on notice.

Mr McGarrity—Certainly. We will respond one way or the other.

Mr Canavan—Before the first trip out to Norfolk Island, we were not very sure at all what they were doing out there.

Mr Soothill—This is, in fact, one of the features of the self-help arrangements: that communities just do things their way with their funding. As to how they choose solutions, they are not obliged to tell the ABC or SBS what they are doing. While I am sure all three of us here would love to go to Norfolk Island to find out what they are doing, it really cannot be justified.

Senator ALLISON—We will tell you when we come back.

CHAIR—Thank you very much, gentlemen. If there is any further information we need to get from you, we will contact you. We will send you copies of the transcript.

Mr McGarrity—Thank you.

Proceedings suspended from 1.19 p.m. to 2.04 p.m.

CORKER, Mr John Simon, Manager, Legal Section, Australian Broadcasting Authority, 201 Sussex Street, Sydney, New South Wales

CHAIR—We welcome you. You may or may not have noticed the Senate is sitting and the hearings have been disrupted from time to time by the calling of a division. But we chose to continue on with the meeting because we are under the brief by the minister to provide a short and snappy, but informative, report. This is not a six- or 12-month report. It is a very short one and we are off to the islands in about a fortnight. So that is why we are holding the meeting here today. Do you have a short opening statement?

Mr Corker—I will make a short opening statement if I may. The ABA's role as set out in its submission is to really provide the regulatory environment for broadcasting in Australia. In particular, I suppose, as it relates to the external territories, the act says that the Broadcasting Services Act does extend to all the external territories. However, the main function, I suppose, that we have had in the external territories since 1992, when the ABA came into being, has been the planning of new services as part of the ABA's planning process.

The planning section in the Broadcasting Services Act requires the ABA to create licence area plans which determine the number and characteristics of broadcasting services that are to be made available within particular areas of Australia. There is no definition of Australia in our act, so we take the definition in the Acts Interpretation Act which includes the Cocos (Keeling) Islands and Christmas Island, but excludes other external territories.

In carrying out our planning function for Australia as we are required to do, in August 1996 we completed the licence area plan for remote Western Australia within which was included the Christmas and Cocos islands. That process involved wide public consultation which involved release of a discussion paper about services, calling for submissions from those areas about the need for new broadcasting services and then making a decision about planning those services, that is setting the technical characteristics for those services and establishing transmission sites, frequencies and power levels.

CHAIR—When was that undertaken?

Mr Corker—The consultation process was done in approximately mid-1995 and, as our submission sets out on page 4, there were two submissions received: one from Mr Dan Gillespie, the administrator of the territory of Christmas Island, and a submission dated 2 November 1995 provided by Dr Martin Mowbray, the administrator of the Cocos (Keeling) Islands. So as a result of that process, the licence area plan for remote Western Australia planned for two new community radio services.

CHAIR—One on each?

Mr Corker—One on each, correct.

Senator LIGHTFOOT—There is one on Christmas and one on—?

Mr Corker—One on Christmas and one on Cocos Island. I understand that the demand, if you like, for these, which is really the primary criterion that the ABA plans new services on, was a result of the broadcasting consultant who was engaged by, I think, the administration of the two islands. Those two services or those licences have been available for allocation since that time, August 1996. Our staff have had discussions with the administration of both the Christmas islands and the Cocos islands to find out whether there is a group there who is interested in acquiring their licence. The information I have is that, in either place at this stage, while there may be a group that is interested, there is certainly not a group that is in a position to establish that service, should the licence be granted.

CHAIR—How much would the licence cost, say, on Christmas?

Mr Corker—The licence does not cost anything. Community radio licences in a sense are a free allocation of spectrum.

Senator LIGHTFOOT—Is it allocated on performance, or guaranteed on performance?

Mr Corker—The allocation criteria are merit based allocation criteria. They take into account the needs and interests of the community. They also take into account the capability of the applicant to provide the service. The ABA does look at the financial management and technical capability of the applicant before it.

CHAIR—You would think someone on Christmas—I just make this as an observation—would pick that up. It has a bigger population than Cocos and someone like the phosphate union that runs the phosphate company might be interested. No nibbles in that?

Mr Corker—All our discussions have been with the administration of the Cocos and Christmas islands. I do not think we have had discussion with any other person on the islands—that is my understanding. I am probably not in a position to comment on that.

CHAIR—As you know, they have got one on Norfolk, haven't they?

Mr Corker—My understanding is there are existing radio stations on both Christmas and Cocos islands on the AM frequencies. I have picked part of this up from reading some of the other submissions. There is a radio VL2NI, a community radio station on Christmas Island. I could not find anything in the submissions but my staff advise me that there is also a similar AM radio station, whether it is community or otherwise, that

has been operated by the administrator of Cocos Island for some time as well.

CHAIR—That answers the question. No-one is taking it up because there is already one.

Mr Corker—There is already one existing station.

CHAIR—You do not need two community radio stations, that is for sure, on an island like that?

Mr Corker—I suppose it is a question for the community there, whether they think that they have got a sufficient diversity of services available to them and whether anyone is interested.

CHAIR—But you have made it available?

Mr Corker—In a sense, we have done our task in making it available but at this stage no-one has taken it up. They may in the future. It is there, if you like, as a planned service.

CHAIR—You may have already answered this, but I will ask this anyway. The authority says it also conducts research into community attitudes on programming matters and publishes these findings. Would you have any of those publications for us?

Mr Corker—Yes, there are a number of publications.

CHAIR—Just the latest?

Mr Corker—I do not believe that we have done any specific to the external territories.

CHAIR—Right, not to the external territories.

Mr Corker—Most of the research we do is qualitative research in the Australian population of attitudes to particular issues, be it violence or children's radio or television, that sort of thing. We do not have any research specific to the external territories. It is of a more general nature.

CHAIR—Right. You also did mention you had done studies and research papers on the services in 1995. That was the date, was it? Can we have a copy of that too in regard to the services on Cocos and Christmas islands?

Mr Corker—Yes, I can make a copy available of the Western Australian licence area plan which may have some more information. I have not had a chance to have a

close look at that.

CHAIR—It may be of interest to the committee.

Mr Corker—I will certainly make that available.

Senator LIGHTFOOT—Mr Corker, you would be aware of the fundamental difference between Cocos (Keeling) and Christmas as Australian territories and Norfolk Island as a dependency. How do you see your jurisdiction with respect to Norfolk, given that the Norfolk Island Act and, more specifically, schedule 35 and 36 allow them to conduct their own radio and television services?

Mr Corker—It is a difficult question in a sense, because the act extends to all the territories, so in some form the Broadcasting Services Act does apply to Norfolk Island.

Senator LIGHTFOOT—In what form? I suspect we might have to take that on notice.

Mr Corker—If I might just say something about it, legal advice we have received says the BSA is in force on Norfolk Island only in accordance with its tenor, and section 10 does not change the meaning of the word 'Australia'. If it does not apply to the planning of new services, then it would not apply to the licensing of those new services either. So I suppose, to the extent that it does apply, it would apply perhaps in the ABA in monitoring the broadcasting industry, which parliament charges the ABA with doing generally. It would perhaps impose some responsibility on the ABA at least to be aware of what is happening with broadcasting services in Norfolk Island and, if possible, to assist in the re-transmission of services or the start-up of new services in that area.

Senator LIGHTFOOT—That is an equivocal answer. Is it possible that you could give the committee a more definitive answer with respect to that question?

Mr Corker—I can certainly take that question on notice.

Senator LIGHTFOOT—Yes. I think I speak for the committee when I say it is our view that schedule 36 relates to television and section 35 to radio—it may be the other way around—and the Norfolk Island Act 1979 clearly gives the Norfolk Island government—the assembly—the right to make laws with respect to broadcasting. Just what role the ABA should play and can play in that in the legal and constitutional sense seems a little bit clouded, but I think we ought to understand very clearly whether your authority extends to Norfolk Island or not, particularly given that it has got a different status to Cocos (Keeling) and Christmas.

Mr Corker—All I would say is that the ABA, as a statutory authority, has a list of specific functions that are set down by parliament.

Senator LIGHTFOOT—Exactly.

Mr Corker—I cannot think of any of those functions which would specifically apply to Norfolk Island, except for the planning of new services. The legal advice that we have received and the position we have adopted in relation to that is that we do not have that responsibility in relation to the planning of new services.

Senator LIGHTFOOT—Yes.

Mr Corker—I am at a loss to find any other specific function in the act which would apply to Norfolk Island, other than a general statement of monitoring the broadcasting industry, which, I agree, is not particularly helpful.

Senator LIGHTFOOT—No, because you can monitor it, but then so can Vanuatu or the People's Republic of China. But that does not give them any jurisdiction there.

Senator ALLISON—Just following up on that, what is the complaints regime for Norfolk? Do you receive correspondence or complaints from Norfolk residents?

Mr Corker—I am not aware of any complaints that have been received from Norfolk Island. The complaints system essentially works on the basis of sections of the industry forming codes of practice. For example, the commercial television industry has the FACTS—Federation of Australian Commercial Television Stations—code for its members. I do not believe that Norfolk Island is a member of that body. Likewise, with the FARB code for commercial radio, I do not believe that Norfolk Island is a member of that body either.

CHAIR—But they do not need to. It is the stations who are the members of the body.

Mr Corker—The stations, yes. But the stations, as I understand it, are run by the administrator of the islands. No broadcasting service licence has been actually issued for those stations on Norfolk Island.

Senator LIGHTFOOT—Can I just say for the benefit of *Hansard* that the radio stations are not run by the administrator, as I understand it. He may have power of veto but I understand they are run by the Norfolk Island government, which has its own assembly. Is that the way you see it, Mr Chairman?

CHAIR—The radio stations, yes. But also the television?

Senator LIGHTFOOT—Yes, I think so.

Senator ALLISON—So the ABA has no role in the complaints process?

Mr Corker—I do not believe it has, because of the structure of the act. The complaints process works from the codes; the codes represent sections of the industry. If Norfolk Island is not part of that section of the industry, then they are outside of that regime. That is my understanding.

Senator LIGHTFOOT—If I could carry on from Senator Allison, then why is it that they do not have Sky Channel or other commercial free to air and pay channels? Is that subject to veto by the ABA?

Mr Corker—No, not at all. That is entirely a commercial matter for them.

Senator LIGHTFOOT—So it is entirely a commercial matter for the Norfolk Island government?

Mr Corker—Yes.

Senator LIGHTFOOT—Could you take Senator Allison's question on notice and find out for sure the complaint process on Norfolk Island for television—if someone wanted to complain about a particular show. That is right, isn't it—is that what you wanted?

Senator ALLISON—I imagine it is more the service itself—with the reception.

Mr Corker—There are two questions there; that is quite different. I think if someone did want to complain about a service that emanated from Australia—for example, the Golden West Network service, which I understand is received on both Cocos and Christmas islands—then we would be required to investigate that complaint under our act and provide the results of the investigation to the complainant.

CHAIR—That is, to show content? Sorry, we are crossing paths.

Senator ALLISON—Well, they are two interesting questions.

Senator LIGHTFOOT—Senator, you were thinking it was framed around Norfolk—or includes Norfolk. That is the difference. The difference is that Cocos (Keeling) and Christmas are subject to the ABA because they are territories of Australia, and they do not have their own governments. They have local authorities there the same as that which exists on the mainland, but, with Norfolk, they have their own assembly. They are members of the legislative assembly, which has nine members; they are elected every three years. It is a government in every sense of the word, Mr Corker. So they are able to make laws as a result of several acts, the last one being, I think, the Norfolk Island Act 1979. What we will need to understand is: does the ABA's authority extend to Norfolk—put aside the other two external territories—and, if so, does it extend to receiving and taking action with respect to complaints about the content or the quality of the broadcast-

ing systems there?

Mr Corker—And by the ‘broadcasting systems there’, you mean the broadcasting systems that are operated by the Norfolk Island government?

Senator LIGHTFOOT—If you wish to, yes; my view is that you cannot. But that is only my view. I understand that the ABA could take some steps to rectify broadcast and/or quality problems with respect to those programs emanating from Australia. You can take it on notice.

Mr Corker—Yes, I think that is right. These are the different divisions you need to make to answer the question: in a sense, I think, if the service emanates from Australia, and if it is a service licensed to provide services in Australia, a complaint, certainly made on Christmas and Cocos islands, would be within jurisdiction and we would have to investigate it.

Senator LIGHTFOOT—Absolutely. That is what I am saying.

Mr Corker—A complaint made about those services from a resident of Norfolk Island, I believe, would fall within the Broadcasting Services Act in the sense that the act extends to all external territories.

Senator LIGHTFOOT—I think we might move on, if you are happy with that, Mr Chairman. But that will have to be taken on notice. What you are saying is equivocal, and we do not want equivocal answers; we want answers that are positive and concise. With respect, would you be kind enough to come back to the committee on notice. It will give you all the time in the world to—

Mr Corker—And I am trying to understand the question. I will just clarify it, if I might. Your question is: taking a person who is resident on Norfolk Island and who is receiving a service that emanates from Australia, what is the jurisdiction of the ABA in investigating that complaint?

Senator LIGHTFOOT—If that is a complaint, yes. On the other one, my view—which is not set in concrete—is that programs that emanate from, or have their genesis in, Norfolk Island are not the subject, and cannot be the subject, of an ABA review.

Mr Corker—I think that has to be right. I agree with that. It is more difficult when the service emanates from Australia.

Senator LIGHTFOOT—Senator Allison, is that okay with you?

Senator ALLISON—Could I ask a question about the Antarctic islands and Macquarie Island and others. They do not have radio or television broadcasts at present.

We heard from the ABC a little earlier today and they suggested that a satellite which tried to cover this whole region would not work, that it was too expensive and technically difficult, but that Optus, in designing satellites, is able to do what was described as a 'blip' at either side of the satellite—I do not understand how this would work—which would actually reach specific islands and external territories. Is that your understanding? And what role have you played in trying to encourage satellites to have this extra blip which would provide services for the territories?

Mr Corker—I think that is really outside the jurisdiction of the ABA. From my own knowledge about the way services operate, I am aware that satellite service providers can provide spot beams and therefore target specific areas for the transmission of, for example, radio or television services. But they are very much commercial matters for the satellite service providers as to how they configure the beams that emanate from the transponders on the satellite.

Senator ALLISON—Given that there is only a handful of people on Macquarie Island, a commercial consideration is not likely to get the service to them, is it?

Mr Corker—I think that is right. My understanding is that recently in Western Australia, where Golden West Network have transferred their signal from analog transmission to digital transmission and gone from the Optus satellite to the PanAmSat satellite as their satellite service provider, it is now more difficult to get the same quality of signal out on the Cocos and Christmas islands. That is a commercial decision that PanAmSat have made about how to configure their particular satellite footprint.

Senator ALLISON—But isn't Macquarie part of Tasmania? Don't you have an obligation because of that connection?

Mr Corker—If Macquarie Island is part of Tasmania—I do not know that—then, yes, it would be within Australia and it may be a matter that we would look at in terms of planning a service there.

Senator ALLISON—I am told it is part of Tasmania.

Mr Corker—In that event, we have not reached planning for Tasmania yet. That is in our group 5 priority zone, and that is a matter we are yet to consider.

Senator ALLISON—If you accept that it is part of Tasmania and you have got a plan coming, would a consideration of spot beams be something you would contemplate?

Mr Corker—No, because that would be a commercial matter for the satellite service provider. All we would do is go in and establish whether or not there was demand for a service, and then, if there was, we would establish the technical characteristics for that service for a terrestrial transmission.

Senator ALLISON—I see. So Macquarie cannot look forward to having radio or television under those circumstances? If it is a commercial decision, it is really the end?

Mr Corker—Unless the administrator or the Tasmanian government establishes some sort of re-transmission site there for radio and television services. Presumably, they would be received via satellite and then re-transmitted terrestrially.

Senator ALLISON—Okay, but wouldn't they still need to have the spot beam?

Mr Corker—Yes, they would.

Senator ALLISON—And they would have to negotiate that with Optus?

Mr Corker—That is right. But the ABA only plans the terrestrial spectrum, the broadcasting services band spectrum, that spectrum which allows services to be carried through the air from a transmitter that is located, let us say, on top of a mountain or a mountain range.

Senator ALLISON—So if we ask the same question of the Tasmanian government, do you think that would be their understanding too—that it was their responsibility, not yours?

Mr Corker—To establish new services there?

Senator ALLISON—Or to plan for Macquarie Island?

Mr Corker—It is a joint function. Planning, in the sense that I am using it, involves planning the terrestrial radio frequency spectrum and establishing a set of technical characteristics by which a service could be transmitted if someone came along and put up a mast and a tower and a transmitter and, in some way, fed the service to that transmitter. The latter part of that has nothing to do with the ABA. Our function is simply to establish the envelope of technical characteristics within which a service might be provided by some entrepreneur or government willing to install the necessary equipment to provide the service.

Senator ALLISON—What is the situation with Lord Howe Island? I know that is not so far away and so, technically, it is easier. But what is your role in relation to Lord Howe, since that is not terrestrial?

Mr Corker—Lord Howe, as I understand it, is part of New South Wales and, therefore, part of Australia. It was considered as part of the remote area planning process. I am unaware of whether we planned any new services there. I do not think I have that information with me.

Senator ALLISON—You can see what I am getting at: is there a different treatment of Lord Howe than Macquarie?

Mr Corker—No; they are both part of Australia and, therefore, they would be treated equally.

Senator ALLISON—By you?

Mr Corker—Yes, by us.

Senator ALLISON—But they have a service and Macquarie does not?

Mr Corker—That is right. All we can do is plan for the service. We cannot introduce it—that is up to a government or an entrepreneur or a community group who wishes to establish a service.

Senator ALLISON—Given that there are no community groups at Macquarie and no commercial interests, the opportunity is probably fairly remote, isn't it?

Mr Corker—If that is the case, I would probably agree with you. Probably an important thing to say is that a number of services have been introduced in Australia by self-help re-transmission sites. Even small groups of people have banded together and found sufficient funds from amongst themselves to establish a re-transmission site. In that way, services can be introduced to remote areas. There is quite a significant incidence of that, particularly in remote Western Australia.

Senator ALLISON—Macquarie is not a community in the normal sense of the word, is it? It is a group of employees—mostly federal, aren't they?—in a base station.

Mr Corker—It may be a matter for government then, the Tasmanian government.

Senator ALLISON—Could you outline how the conversion from analog to digital is going for the territories and answer the question which has been raised about the level of service? I understand it is a better picture, when we are talking about television, but that the service can cut out at any time—it is better quality but it is less reliable in some sense. Is that your understanding too? What sort of measures—

Mr Corker—My understanding about digital transmission of broadcasting services is that it has different propagation characteristics from analog transmission. I am not an engineer but I have heard engineers talk about the 'cliff effect' of digital, in the sense that the signal will carry out to a certain distance on a certain power but will then drop away very quickly, which is a characteristic of digital transmission, whereas analog transmission tends to fall off more gradually. So it depends on the power levels that are associated with the digital or the analog transmission as to how far it might carry and whether or not it is

able to be received at a particular place.

In relation to your question about how the transition from analog to digital will apply to the external territories, the first part of that is that it depends on what the law is in relation to that and, in fact, whether the bill that is presently before the parliament for conversion of broadcasting services in Australia from analog to digital gets through, and in what form it gets through.

CHAIR—It is being debated right now in the Senate.

Mr Corker—I am aware of that. In that bill at the moment, the conversion scheme which would be determined by the ABA pursuant to the bill has to find frequencies for simultaneous digital transmission with the analog transmission from all national and commercial television services. Again, it will depend on which territory we are talking about as to how it will affect it. If we start with the Cocos and the Christmas islands, which we can probably deal with together, there is no existing commercial service on those islands, other than a re-transmission of the Golden West Network.

CHAIR—What do you mean by re-transmission? Please explain that.

Mr Corker—The service itself originates from the Golden West studios in Bunbury in Western Australia.

CHAIR—Okay.

Mr Corker—It goes up to the satellite and it is downlinked on the island with the satellite dish and then re-transmitted terrestrially using a transmitter so that that whole community within the area of that transmitter can receive it using an ordinary television aerial. As I understand it, the digital conversion bill does not apply to satellite transmissions and, as that is not part of Golden West's licence area, there would be no obligation to provide a digital transmission. In fact, as I understand it, the re-transmission facilities on those islands are owned by the administrators of those islands. If they wanted to convert to digital, the digital signal would be available on the satellite, but they would have to advance the funds necessary to provide the simultaneous digital transmission on those islands.

Senator CROSSIN—What is the cost involved in, say, Cocos Island doing that? What would be your estimation?

Mr Corker—I really do not know. I know that, in a sense, the technology is still being developed. I know that FACTS has given some estimations in the Senate committee on the digital bill.

CHAIR—My secretary has told me that there are about 660 people on Cocos. I do

not know if this is a fair question to you: how many own a television set?

Mr Corker—I have no idea.

CHAIR—You have not come across it in your surveys?

Mr Corker—No. The information I have is from reading the submissions to this inquiry. I do not know.

Senator ALLISON—You said earlier that Tasmania still had to be planned. Is that right?

Mr Corker—That is right.

Senator ALLISON—Where are you at with the plans? Which states have been done and where do the territories figure in that planning? Where are they in terms of the program?

Mr Corker—In 1993 the ABA determined its planning priorities for Australia and broke Australia into five priority groups. Broadly speaking, planning in group 1 was remote areas, which has been completed. Group 2 was—

Senator ALLISON—Does that include remote territories, or just remote terrestrial?

Mr Corker—Not all of them. For example, Cocos (Keeling) Islands have been done, but Macquarie Island has not been done because Macquarie Island is part of Tasmania. Basically, we are doing consultation now on the metropolitan areas in terms of planning new services. Most of regional Australia has been done, apart from Canberra and Newcastle, which, I think, are still to be done. Group 4 is the metropolitans and group 5 is various areas where there was very little demand expressed for new services in 1993, which includes Tasmania.

Senator ALLISON—This is planning for what?

Mr Corker—Planning for new services.

Senator ALLISON—This is reordering the spectrum, I suppose, is it?

Mr Corker—That is right. Examining the spectrum scene and what capability there is to plan for new commercial radio and television services and then establishing technical characteristics for those services. Then the next stage is licence allocation.

Senator LIGHTFOOT—With the future of high definition television for Australia

and, thus, the external territories, what consultation, if any, has your authority had with respect to Cocos (Keeling), Christmas and Norfolk?

Mr Corker—I do not believe that we have had any. The policy in relation to high definition television and digital has been developed by the Department of Communications and the Arts.

Senator LIGHTFOOT—Do you see it as something on your agenda in the near future to discuss that with the authorities on the respective territories?

Mr Corker—I think that depends on the passage of the digital television bill. If that bill becomes law, then we have some functions under it.

Senator LIGHTFOOT—You have some functions, or you will be obliged to consult?

Mr Corker—We will be obliged to consult.

Senator LIGHTFOOT—You do not think that it should have been policy, then, to consult in anticipation of the bill being approved?

Mr Corker—I am not sure I am in a position to comment on that. I think that is a matter for government policy.

Senator LIGHTFOOT—It really was not much to do with government policy; it was something I thought your authority might have shown some initiative on. That is, if the bill is going to come into force at the time that it gets royal assent, then you would be behind somewhat in your negotiations. You might have negotiated prior to that, in anticipation of it. It will come in eventually. It is not as if it is going to be yes or no and that will go on in infinitum; it will come in eventually. I think you would agree with that, wouldn't you?

Mr Corker—Yes. The ABA has done some work, as directed by the minister, on the way in which digital television might be introduced into Australia. But it has had very limited resources to do that and therefore has not been able to consult as widely as you might be suggesting.

Senator LIGHTFOOT—Do you think, then, that as a result of that reticence, either because of budgetary problems or, as you initially said, because the authority given to you has yet to proceed through the parliament, the territories may be somewhat disadvantaged in terms of getting high definition television after the amendment?

Mr Corker—It is very hard to judge at this stage as to how digital television will be rolled out. In a sense it is very complex—there are so many players and incidents or

events that have to occur for it to be introduced.

Senator LIGHTFOOT—Let me tie you down a little bit more, Mr Corker. I am not talking about the generality of the bill, or the act, as it affects Australia and as it gives its legal consent to establish high definition television in Australia and its territories. What I am saying—and we agreed—is that it is going to come in at some stage. Whether the bill goes through the parliament this time or next session or next year or the year after, high definition television will come in.

Are the territories going to be disadvantaged in terms of time if it does come in? If the bill gives assent to high definition television in Australia next week or next month when it gets royal assent after proceeding through the parliament, how is your authority going to accommodate the territories?

Mr Corker—If the bill goes through, we will plan spectrum for digital conversion in the territories to the extent that we are required to. We will do that as part of an Australia-wide digital conversion plan—

Senator LIGHTFOOT—And you will not have a separate program for the territories?

Mr Corker—But whether that leads to the introduction of those services is not a matter for the ABA. That is a matter—

Senator LIGHTFOOT—I am not suggesting that it is. I am just saying—

Mr Corker—So they may be disadvantaged, but not by reason of planning that the ABA may undertake.

Senator LIGHTFOOT—I am not looking to tie you down, I am not looking for you to contradict anyone on the ABA and I am certainly not looking for you to contradict or contravene anything that may or may not be in the act. All I am asking—perhaps you could give me a yes or no answer—is this: are the territories going to be disadvantaged in any way once the act has been given royal assent and it is activated? Is your authority going to extend as a blanket all over the Australian mainland plus the external territories?

Mr Corker—I think the answer is the latter: we will plan for the whole of Australia at once.

Senator LIGHTFOOT—You will plan for the whole of Australia. Is it implicit in what you are saying, then, that the external territories will be not disadvantaged?

Mr Corker—That is correct.

Senator LIGHTFOOT—That is good. Perhaps I could just shift onto Norfolk Island again. The transmitters on its highest point, which I think is Mount Pitt, require greater power to reach all over the island; otherwise there is a shadow in some parts of it. I was not quite sure whether you had received any complaints from Norfolk, or whether, if you had, you were prepared to deal with them. Given the re-transmitter there carries or is likely to carry Australian signals, have you had complaints with respect to that?

Mr Corker—Not to my knowledge, and not from the inquiries I have made of officers within my organisation.

Senator LIGHTFOOT—There is very low transmitting energy from the Mount Pitt transmitter now. Are you aware of that?

Mr Corker—No.

Senator LIGHTFOOT—It is extraordinarily low. I think it is about one-tenth of what its recommended power should be. You were not aware of that?

Mr Corker—Not aware of that, no.

Senator LIGHTFOOT—We concurred that there was a responsibility, in part at least, for some of the broadcasting that reaches television sets and radios on Norfolk Island. How do you monitor that? Do you monitor it purely on the basis of complaints—in other words, that you are reactive to it—or is there some proactive way that you are able to ascertain and eliminate some of those problems?

Mr Corker—It is more on a reactive basis. We do not have the resources to be as proactive as that, particularly with external territories. In a sense, the whole Broadcasting Services Act is an exceptions regime: it is based on people from the community bringing things to our notice, or else the processes which we are required to do bringing things to our notice.

Senator LIGHTFOOT—So you say that you do not have the resources. Is that an anomaly in planning by your authority, or are there some budgetary restrictions that cause the problem, or is it a mixture of both?

Mr Corker—It is just a simple statement of fact, that we do not have the resources to monitor everything that is going on with broadcasting services everywhere in Australia and its external territories. It is a vast piece of land territory.

Senator LIGHTFOOT—I am aware of it, Mr Corker. The mainland of Australia is just a smidgin under three million square miles, and that is a lot. But what is the problem then? Is it budgetary?

Mr Corker—No, I did not mean to imply any budgetary problems.

Senator LIGHTFOOT—If it is not budgetary problems, is it the authority's forward planning?

Mr Corker—No, I do not believe it is. I believe it is the way the Broadcasting Services Act works. It is an exceptions based regime, and we are not required to know what every broadcaster is doing. We do not even keep a list any more of every broadcasting service in Australia.

Senator LIGHTFOOT—Do you think you should?

Mr Corker—We are not required to, under the act of parliament.

Senator LIGHTFOOT—That really was not what I asked. Do you think you should keep it?

Mr Corker—I think it is a useful thing to have.

Senator LIGHTFOOT—I would have thought so. If you are a broadcasting authority and you have only got half a list of the people broadcasting through one means or another—

CHAIR—It is an interesting admission.

Senator LIGHTFOOT—you have got one hand tied behind your back. It seems to me that, in a sense—I mean this figuratively—you have been emasculated somewhat.

Mr Corker—I think it is part of the deregulation of broadcasting services and communication services generally. There are many hundreds of low powered open narrowcasters now operating, such as all the tourist information services that are only one-watt services.

Senator LIGHTFOOT—How is that detrimental to Australia—if it is?

Mr Corker—Detrimental because of the lack of information or what?

Senator LIGHTFOOT—How is it detrimental to Australia that there are some broadcasting entities that are not monitored in any way, to go by what you say, by the ABA? Is there a security problem? Is it a moral issue?

Mr Corker—I do not believe it is detrimental, because there is a complaints regime in place which brings matters to our attention very quickly once there is any problem.

Senator LIGHTFOOT—So if someone sees or hears something on television and radio, they say, ‘Oh, I don’t like that. I’ll get in touch with the ABA. I have got their number in my teledex.’ Is that so?

Mr Corker—They ring someone. It comes to our attention one way or another.

Senator LIGHTFOOT—If only life were that simple, Mr Corker. With the remote area broadcasting service, how is that going to affect the territories, if at all? That is with the shift from analog to—

Mr Corker—My understanding would be that the remote area broadcasting service is the Golden West Network area, in particular, for Cocos and Christmas islands. What I understand about that is that that service, having shifted its transmission to PanAmSat from Optus in the west, will still be able to be received in Christmas and Cocos islands, but they will need a larger dish to receive it because of the change in the satellite footprint. I only know that from reading the other submissions.

Senator LIGHTFOOT—We certainly do not expect the ABA to fund that shift.

Mr Corker—I am glad to hear that.

Senator LIGHTFOOT—What about something like Triple J, which can be picked up, I understand, in the territories of Cocos and Christmas? I find some of Triple J offensive, but I am more inclined to think that someone who is less egalitarian, if you like, may find it more offensive, like the communities on Christmas and Cocos that are significantly Muslim religion in terms of their religious backgrounds. They would not have that facility to ring you up at the ABA and say, ‘I do not like some of these things that I have heard on Triple J.’ What recourse do they have to stop that signal coming into their homes?

Mr Corker—Without being facile, the direct answer to your question is to turn off the radio and not have that signal coming into your home.

Senator LIGHTFOOT—That is the simplistic approach to it, but that does not happen in practice. What do you think they should do in practice if, for instance, the local authorities there—and both those entities are governed on a local authority basis—said they did not want that beamed into Christmas or Cocos? Would you support that?

Mr Corker—I think it is a matter of whether it is re-transmitted in Cocos or Keeling as to whether it is received there. People can have a radio receiver but they will not be able to receive that signal if it is not retransmitted there.

Senator LIGHTFOOT—But if it is re-transmitted?

Mr Corker—Presumably, the administrator of Cocos (Keeling) Islands has made a decision that they are willing to have it re-transmitted, and that is where the decision is made and the responsibility, presumably, for that decision lies.

Senator LIGHTFOOT—I am just using that as a pro forma. I am not necessarily saying that is the only potential for complaint. If the pro forma was that they did not like Triple J, that they complained to the administrator, would the administrator come back to you—to the ABA?

Mr Corker—This is where the other side of your question is: what happens if there is a complaint about content.

CHAIR—Yes.

Mr Corker—The regime for that is that, in the first instance, the complaint is made, as with all national broadcasting services, directly to the national broadcaster, be it ABC or the SBS. If the complainant is not satisfied with the investigation and the results of the investigation done by the ABC or the SBS then, within 60 days after making the original complaint, they can complain to the ABA. The ABA must then investigate that complaint and, if it is satisfied that the complaint was a breach of the national broadcasters code of practice, which is required to be lodged with the ABA, then it can write to the national broadcaster and indicate that, if the ABA is satisfied, the ABA should take action under this section to encourage the ABC or the SBS to comply with the relevant code of practice. The ABA may give to the ABC or the SBS a notice which recommends that it take action to comply with the relevant code and take such other action as is specified in the notice. That other action may include broadcasting or otherwise, publishing an apology or a retraction, and the ABA must notify the complainant of the results of the investigation.

If the ABC or the SBS then decline to take that action, the ABA can give a written report on the matter to the minister, who must cause a copy of that report to be laid before each house of parliament within seven sitting days after the minister has received the report. That is the complaint process from beginning to end for national broadcasters.

Senator LIGHTFOOT—For a sectarian community on Christmas and Cocos, where English may be their second language and they do not get this sort of information every day, are there any provisions for dealing with, particularly, the sectarian interests, albeit of a minor nature? There are fewer than 700 people on Cocos, about 1,700 on Christmas—and about the same number on Norfolk, but it has a different administration from the other two. So there is nothing specifically designed so that those sectarian interests, other than those represented by the broad Australian acceptance of some of these broadcasts, could take effective action.

Mr Corker—I think I agree with you, and what you are pointing to is a very real

issue for the administrator of those territories as to whether they allow that service to be introduced, particularly where you have sectarian interests and people from different religious backgrounds and different religious mores.

Senator LIGHTFOOT—I think that is something we will probably look at, Mr Chairman.

CHAIR—Yes. When we are over there we will talk to the administrator. Have you finished, Senator Allison?

Senator ALLISON—Yes.

CHAIR—I will ask one question in regard to pay television. What do you know of the current status of the pay television service on the external territories, Christmas and Cocos? How can the viewers cope with two different standards for satellite subscription television decoding systems on the mainland and possibly on the islands. Admittedly, that is a set question we have, and we would like it for the record.

Mr Corker—My understanding is that there is no pay television being received on Cocos and Christmas islands, although I may be wrong.

CHAIR—No, you are right.

Mr Corker—I am not sure that the rest of the question, with respect, is relevant.

CHAIR—Do you know what the future plans are of the territories in regard to pay television?

Mr Corker—It is really a matter for subscription television operators as to how they might get that service to the external territories. By and large I would expect it to be delivered by satellite and therefore be available direct to the home, possibly by satellite, and for people therefore to have to purchase individual satellite reception dishes and decoding equipment to be able to receive pay television.

That, of course, depends on where the territory is and whether it is in a satellite beam, whether it is within a satellite footprint, and where exactly it is within that footprint, so as to determine the size of the dish that they have to purchase to receive a service. But I do understand, just from reading the submission, that some of the Cocos Malays watch Indonesian and Malaysian stations, which they receive via satellite off the Indonesian Palapa satellite which they presumably are receiving direct to home on satellite dishes.

CHAIR—Thank you for that. That puts us on to schedule. If we have any further information we need to follow up, the secretary will be in contact with you. We will also forward the transcript of this meeting for you to browse over or to make any editorial corrections. Thank you very much.

[3.00 p.m.]

BROWN, Mrs Shirley Anne, Manager—Corporate, Prime Group, Golden West Network Pty Ltd, c/- Prime Television, 1 Pacific Highway, Sydney, New South Wales

CARR, Mr David, Legal Officer and Broadcasting Consultant, Golden West Network Pty Ltd, c/- Prime Television, 1 Pacific Highway, Sydney, New South Wales

CHAIR—Welcome. Thank you for coming in. You have probably noticed that the Senate is still sitting. If the division bells happen to ring, we will have to leave and they will be ringing on a very important issue, as you may have just heard. I have a feeling that debate is going to continue. Mr Carr, do you have an opening statement, or would you like to address your submission?

Mr Carr—We have not lodged a submission to this inquiry, for one reason, principally that the Golden West licence area does not include the territories. Therefore, at the time the inquiry was announced, Golden West did not believe that the inquiry was of particular relevance to it. Having said that, though, we do have an opening statement that I would like to read, if I may. I have copies of it for you.

The Golden West Network is the licensee of the commercial television broadcasting services SSW, GTW, VEW and WAW. The combined licence areas of these services cover the entire mainland area of regional and remote Western Australia. It is important to note that Golden West is not licensed to broadcast outside of mainland remote and regional Western Australia. Consequently, Golden West does not hold a licence to serve the Cocos and Christmas islands.

Golden West's service is broadcast both terrestrially and by way of satellite. Until November last year, Golden West's satellite service was provided on the analog Optus B3 satellite. The contract for that service with Optus entitled Optus to reconfigure its transmission system. For commercial reasons, Optus decided to convert all its satellite services to digital transmission format.

From 1 July 1997, the provision of satellite services for broadcasting throughout Australia was deregulated. This enabled Golden West to negotiate with other satellite providers in order to obtain the most appropriate delivery service for Golden West's broadcast signal. The analog service provided by Optus had a satellite footprint that enabled Golden West's services to be fortuitously received in the Cocos and Christmas Islands. The Broadcasting Services Act permits any person to re-transmit those services outside a licence area if permitted by the ABA. Consequently, the people living on the Cocos and Christmas islands were able to access Golden West's service via the Optus analog satellite.

Golden West became aware that the footprint for the proposed Optus Aurora digital

satellite would not be fortuitously received in the Cocos and Christmas islands. This was a factor taken into account by Golden West in determining the most appropriate satellite operator for the delivery of its broadcast service. Golden West selected Telstra's PanAmSat instead of Optus Aurora as the preferred satellite service provider for a number of reasons. Firstly, Telstra was prepared to allow Golden West to maintain control of its signal for encryption and uplinking, whereas Optus required Golden West to hand control of the encryption and uplinking to it.

CHAIR—Can you explain what that means?

Mr Carr—Certainly. The remote area broadcasting scheme, as it was established, required all commercial broadcasters to encrypt their signal. This was the only way of protecting licence area integrity. Every receiver of a remote signal decodes the signal, and the decoders are controlled by computer by the broadcaster. A signal can be broadcast to the whole of Australia but, by encryption, may only be received within a particular licensed area. That was the only means of ensuring licence area integrity; otherwise the signal would be received in Sydney and Perth. The encryption, since the commencement of remote broadcasting, has been carried out by the commercial broadcasters.

Under the Optus proposal, Optus requires the broadcasters to deliver their signal in the clear, unencrypted, to them at Belrose in Sydney, and then they, Optus, encrypt it in combination with all the other signals that they are uplinking. Optus is therefore responsible for the integrity of maintenance of the licence area.

Golden West was not prepared to hand that responsibility to a third party because it, Golden West, is the responsible licensee and if the third party makes an error it is not the third party that is in breach of the licence condition. Golden West, therefore, refused to agree to those terms in the Optus agreement.

That problem with Optus re-transmitting signals outside licence areas actually came about subsequent to the digital conversion. Optus elected to unlawfully obtain a decoder to take the signal of Golden West and transmit it in the clear to the whole of Australia in order to try and give itself a commercial advantage because it was technically unable to launch its own digital platform at the same time as Telstra. As a consequence, the major programming suppliers to Golden West threatened removal of the programming rights because their signal was being received outside their service area. In particular, sports programs—football—were being received in Perth in real time whereas they were otherwise on delay, with blackouts.

CHAIR—That is a good way of explaining it. For someone like myself, not having the intelligence of Ross Lightfoot or Lyn Allison, that is a good way of explaining it. That is when I started to understand you.

Senator LIGHTFOOT—He is a very modest man.

CHAIR—Bring the technical language down to the TV watcher.

Mr Carr—In effect, Optus was broadcasting the AFL at the same time as it was going to air in Sydney, whereas, in Perth, it was on a two-hour delay, at a minimum, and sometimes on an even greater delay if it was a live match in Perth. By taking Golden West's signal and putting it into Perth at an earlier time, people were capable of receiving it in Perth. Therefore, the program supplier said, 'You are in breach of your programming agreement' and they withdrew the rights to football.

CHAIR—How were they able to see? On what channel?

Mr Carr—It was on any set capable of receiving a satellite broadcast.

Senator LIGHTFOOT—That is most sets.

Mr Carr—All sets can receive it but they need a decoder. What had happened was that with the digital conversion, all of the old analog decoders were out there in the market and Cash Converters went around and bought them and sold them in Perth for \$50 each. So the Perth people rushed out and bought their decoders because—

CHAIR—I am sure we are sidetracking here, but how does that profit Optus?

Mr Carr—It profited Optus because Optus wanted to be the monopoly satellite broadcaster. GWN had elected to go with Telstra and commenced broadcasting in November last year. Optus was supposed to be broadcasting 12 months ago, but they have been incapable of getting their digital platform launched. They are still not broadcasting. They still have not set a date for broadcast and we do not know when they are going to commence broadcasting.

By Telstra establishing its PanAmSat service, all of the dishes in Western Australia are now oriented towards PanAmSat. So when Optus launches its service, nobody is going to want to put in a second dish to turn and watch Optus. Optus will not have the commercial edge that Telstra has in that all of the viewers are watching Telstra because it was first on air. By continuing to broadcast GWN on the Optus analog satellite after GWN had in fact switched their own service off, Optus was trying to maintain loyalty of viewers. Indeed, Optus has told viewers that it will continue to broadcast GWN on the Optus Aurora satellite.

This led to a number of the problems that we are facing in the Cocos islands where they did nothing in response to the digital conversion program. If they had listened to the broadcaster GWN, they would have installed their new transmission equipment sooner, because GWN is not and cannot ever be available on an Optus Aurora. The footprint does not reach the Cocos islands. The Cocos Island administrator was misled and did nothing. Christmas Island on the other hand thought their equipment was out of date. It needed

upgrading anyway, so they took the plunge and upgraded. Christmas Island suffered less interruption as a consequence.

Senator LIGHTFOOT—The footprint does or can reach Norfolk—is that correct?

Mr Carr—I am not aware of what happens on the east coast. I do not know the east coast footprint for the Optus Aurora. To finish, the other reason that we chose PanAmSat was that the satellite footprint more closely replicated the analog footprint that Golden West was using than that provided by Optus Aurora. Telstra was also prepared to contract with Golden West to provide the ABC television and radio services on PanAmSat alongside Golden West's service, which ensured that all Golden West viewers could access the full suite of ABC services from the same satellite dish and decoder.

The reason for that was that Golden West was aware that the Optus Aurora satellite would not cover the same area. So a number of viewers would lose access to the Golden West service if they stayed with Optus Aurora. Those same viewers would also lose access to all the ABC services if they stayed with Aurora, and in particular the people in the Cocos and Christmas islands. By ensuring and making it a condition of the satellite contract that Telstra had to carry the ABC free of charge, that ensured that anybody that chose to go with Golden West and watch them on their satellite receiver would get a full suite of programs.

As a consequence of that decision, Cocos and Christmas islands are able to maintain access to the Golden West service, and the contractual obligation between Telstra and Golden West also ensures that the people of the Cocos and Christmas islands are also able to access the full suite of ABC television and radio services. Neither of those options would have been available if Golden West had elected to rely on the Optus Aurora satellite.

Since the commencement of Golden West's digital service, Telstra has also arranged for Golden West to uplink the SBS service, which is now available for the first time to the people of the Cocos and Christmas islands. Golden West has also continued to uplink the West Link Educational Service produced by the Western Australian government. However, West Link has contracted with Optus for its service to be carried on the Optus Aurora satellite. The people of the Cocos and Christmas islands who presently access the West Link service should be made aware that West Link will no longer be available to them once the service switches to the Optus Aurora platform.

CHAIR—Can you explain the full extent of that West Link service?

Mr Carr—West Link is an educational service which broadcasts school programs and technical college TAFE programs to schools, remote communities throughout the whole of regional Western Australia and the Cocos and Christmas islands. It is a service which is put together by the Western Australian government. The government contracted

initially with Golden West to uplink the service using Golden West's uplink facilities and to re-transmit on the Optus analog satellite. Golden West then contracted with Optus to take over that uplinking from the beginning of this year. However, Optus were unable to launch their satellites in time, so Golden West agreed to continue to uplink West Link until such time as Optus is in a position to take over its contractual obligations.

CHAIR—Optus is having terrible trouble, aren't they?

Mr Carr—They are. It is one of the reasons that Optus would not promise. That was another matter that we have not mentioned here. Optus would not contract a commencement date. Telstra were prepared to contract a commencement date and they started on time and the switch over was seamless.

CHAIR—You think they would jump on Optus. Optus are going to have trouble attracting custom, aren't they?

Mr Carr—They have signed all of the other broadcasters up.

CHAIR—Yes, I know.

Mr Carr—They do not have the service area integrity problems that we have. The Optus service on the eastern seaboard and central Australia is almost identical to what they are providing by way of analog, but they still are not broadcasting. I think that is a critical factor. If you look at their web page, they need to be reminded constantly to change the start dates because they have passed.

CHAIR—Go on!

Mr Carr—GWN will continue that service to the Western Australian community of uplinking West Link for as long as it is needed. But obviously, once Optus commences doing it, GWN will cease doing it unless they are paid, because it is not a community service they can continue to provide, because it is costing.

Senator ALLISON—Mr Carr, I am sorry, does that mean that Optus cannot provide this West Link service to the territories and parts of—

Mr Carr—Yes.

Senator ALLISON—I still do not quite understand why not.

Mr Carr—Because they do not have a satellite footprint that covers the territories.

Senator ALLISON—Okay. What has the WA government said about this?

Mr Carr—I do not know that they know.

Senator LIGHTFOOT—I do not know whether they care. They do not really have any say in it.

Senator ALLISON—What sort of state of affairs is this?

Mr Carr—They did have an option. They had the same option that Golden West had. Once Optus made the decision that it was going to digitalise its satellite transmission, all of the broadcasters had the right to either proceed with Optus or to examine other opportunities and other satellite broadcasters. Golden West examined the field and determined that the satellite broadcast service that would best cover the Western Australian area and the territories was the PanAmSat service, so they signed with Telstra for PanAmSat to deliver. PanAmSat negotiated with the Western Australian government, but Optus offered a deal that was commercially much better.

Senator LIGHTFOOT—We do not have any legislative jurisdiction as far as I am concerned with respect to broadcasting in Western Australia.

Mr Carr—No.

Senator LIGHTFOOT—It was a matter of courtesy rather than a matter of Western Australia being able to legislate for one particular satellite system or another.

Mr Carr—That is right. Really, it is for the broadcaster to determine what is the most efficient and effective means of delivering their signal throughout their licence area. As we have mentioned, Golden West is not licensed to serve the Cocos and Christmas islands, but their service has been the only one received there. It is fortuitous. It is a spill over. It is like a light shining through the door that the people are able to access. It was mindful of that and did not want to take something away from people, if it could be avoided. And there were ways of avoiding it. But that was not the critical deciding factor. The critical factor was the unwillingness of Golden West to hand its encryption to a third party.

Senator ALLISON—We heard earlier that it is possible in designing satellites for them to have spot signals, I think they are called.

Mr Carr—Yes.

Senator ALLISON—Could this problem with West—what is it called?

Mr Carr—West Link.

Senator ALLISON—Could that be solved by design of the satellite?

Mr Carr—That is right. It could be solved by a spot beam. But spot beams are very expensive.

Senator ALLISON—How much do they cost?

Mr Carr—You would probably be looking at paying the same rental for a spot beam as you would for a national beam. You would be basically doubling your rental cost on your transponder. You would probably be looking at about another \$1 million a year—\$1 million to \$1.2 million.

Senator ALLISON—So, if the Western Australian education department decided that, for the sake of their remote students, that was absolutely essential, they could negotiate with Optus to have a spot link for those students?

Mr Carr—For about that. Alternatively—

Senator ALLISON—Is it a million dollars for Cocos and another million for Christmas and another \$1 million for Hedland or somewhere?

Mr Carr—No, the spot beam would be able to cover Cocos and Christmas. But the more sensible solution would be for them to contract with Telstra-PanAmSat and pay one fee and cover the whole area. That would make more sense than paying double the transponder costs.

Senator ALLISON—When will this all happen? When will West Link be suddenly unavailable?

Mr Carr—It is up to Optus. We do not know. I note in the ABC and the SBS submissions that they say that digital transmission is to commence in September this year. That was going to be November last year. It has been rolled back constantly.

Mrs Brown—If I could just say that the West Link contract with Golden West terminated in January, and that was when they were expecting to go to Optus. We have renewed on a month by month basis and are still doing that.

Senator ALLISON—But West Link does not understand that Optus is not going to be able to deliver?

Mrs Brown—We do not know. They would have had the same information from Optus and Telstra that we at Golden West had as to what services could be provided. That is a judgment for them.

CHAIR—Of all the losses of service this would be the most important. We want a seamless transition. You have alerted us to something important.

Mrs Brown—Golden West has always had that contract and then re-tendered for the contract, but the Western Australian government chose to go with Optus, and that is their right.

Senator ALLISON—How critical is it to students? Is this the means by which they get most of their education in remote areas?

Mr Carr—It is. There were more complaints about the possibility of loss of West Link than the possibility of loss of the GWN service when the analog to digital conversion happened.

Senator ALLISON—Complaints by who? Who is alerted to this?

Mr Carr—The remote viewers were concerned when the GWN analog service was going off that that was what they were watching West Link on and that they would lose it. But we were quick to reassure them that was not going to be the case.

Senator ALLISON—I met recently with the isolated children's parents association and they did not seem aware of it. At least they did not raise it with me.

Mr Carr—They may not be aware that it is going to be lost in the territories.

Senator ALLISON—But didn't you say the more remote parts of Western Australia as well?

Mr Carr—No, it is only the territories. They cover the whole of Western Australia. They cover the whole of the mainland.

CHAIR—But there is a rather major secondary school on Christmas Island, isn't there?

Mr Carr—Yes.

Mrs Brown—Yes.

CHAIR—They would really feel the effect.

Mrs Brown—Yes.

Mr Carr—Judging from the submissions received, I do not think they are aware of it, because none of the submissions speak of the potential to lose West Link. It is probably something that needs to be raised with them.

CHAIR—We will take note of that.

Senator ALLISON—On the question of cultural appropriateness of your services, I presume you put together television programs, do you? Is that what you are? Is it broadcasting?

Mrs Brown—Yes. We broadcast programs.

Senator ALLISON—Do you take your audience in the territories into account in those programs in a language or cultural sense?

Mrs Brown—No.

Senator ALLISON—They are very small I suppose in the scheme of things.

Mrs Brown—Having said that, being able to provide the SBS service was considered another advantage to the territories.

Senator ALLISON—Does SBS broadcast those sorts of programs that might be—

Mrs Brown—Some programs may be quite good, but some may offend.

CHAIR—SBS could not tell us whether they were in Christmas or Cocos at all, but you can tell us they are?

Mr Carr—Yes.

Mrs Brown—They are on our satellite through our service.

CHAIR—On both Christmas and Cocos islands, how many people have television sets? I would like to know what we are arguing over or reporting on.

Mr Carr—I do not know.

Mrs Brown—We cannot say, because we deal with the administrator.

Mr Carr—The administrator would be the person who would be best able to tell you that. Our only dealings are with the administrator.

CHAIR—You are not interested in knowing who is watching you? I know they are only small.

Mrs Brown—It is not fair to say, 'You are not interested.' However, we pretend to say it is not our licence area. Having said that, we took all precautions to say, 'Yes, it is a fortuitous service and we don't want anybody to lose what they had before.' But it is fair to say that we have had quite enough problems in serving that whole remote area without

specifically singling out the Christmas islands—other than when we did change over and we got the call from the administrator we certainly got Telstra to supply dishes immediately to assist them, as we did for the rest of the remote areas that were perhaps caught short. So we do treat them as part of our viewers, but we do not single them out.

Mr Carr—Perhaps I should indicate why people were caught short. Once the decision was made to go with Telstra, Optus launched a massive media campaign to tell people, ‘Ignore anything you are told by Telstra or GWN. Do nothing. We are going to continue the service. It will be there until we go to digital, so you don’t need to rush out and buy dishes.’ When the GWN service was switched off at the end of January, as GWN had been advising people since the July previously, people screamed because there was no service on Optus because Optus did not have the technical facilities to broadcast it.

CHAIR—Is this the famous blackout?

Mr Carr—Yes.

CHAIR—Optus are to blame?

Mr Carr—Yes. The ABA is conducting a detailed inquiry into what actually happened, but Optus told people, ‘Do nothing. We will continue to broadcast.’ They did not have a licence to broadcast and they did not have the technical capacity to encrypt. They ultimately were granted permission by the ABA to broadcast. Again, they did not have the capacity to encrypt, and that is when they started broadcasting without encryption into Perth. That was when the programmers threatened withdrawal of programming. It was not until half an hour before the VFL football went to air one Friday night that we finally agreed with Optus that we would encrypt for them for a limited period of time. They wanted it until they commenced digital transmission but were unwilling to tell us when that day would be. We said that we were not prepared to provide that service, which was costing GWN money—they had to have additional staff on to run two services—but Optus still were not able to tell us when they would in fact be switching off the service.

Senator LIGHTFOOT—So you can change your encryption to suit a particular decoder?

Mr Carr—Yes.

Senator LIGHTFOOT—Is that limitless—

Mr Carr—Yes.

Senator LIGHTFOOT—or is it confined? It is limitless?

Mr Carr—Yes. There was the famous blackout. The second blackout was when

Optus applied for and were granted a licence to retransmit GWN's WAW service but instead of doing that, because they did not have the technical facilities to do that either, they had to take a service from Bunbury which is a totally different service from the one that goes remotely. It creates all sorts of commercial problems for GWN in that advertisers who pay to advertise in Bunbury do not necessarily want that message going out into the remote areas because it may be a different range of products or it may be a different price, and specials that are available in Bunbury may not be available in Broome. GWN received complaints because advertisements were going to air outside the service area because Optus were taking the signal from Bunbury and re-transmitting it. But they were taking it on a decoder which was an analog decoder and we had the power to zap it, so we switched that off as well. Then they had to come cap in hand and ask us, 'Will you—

Senator LIGHTFOOT—So you have a computer derived encryptor that is compatible with your PanAmSat?

Mr Carr—We have two computers. One is the analog encryptor. That is capable of enabling or disabling any receiver, provided we know the serial number of the receiver. So we can switch on or switch off a receiver if we know its serial number.

Senator LIGHTFOOT—Receiver equals decoder?

Mr Carr—Decoder. The digital encryptor is far more advanced than that and can actually fingerprint a decoder, so we can determine if a decoder is receiving our signal outside our service area.

Senator LIGHTFOOT—What carriers is that compatible with? PanAmSat obviously.

Mr Carr—Yes. It is compatible with any carrier. The carrier is not—

Senator LIGHTFOOT—Asiasat?

Mr Carr—Yes.

Senator LIGHTFOOT—Intelsat?

Mr Carr—Yes. The carrier is nothing more than a dish in the sky that bounces the signal back.

Senator LIGHTFOOT—Why, then, aren't other signals, other programs, using other than your contracted PanAmSat to carry signals of other programs into external territories?

Mr Carr—Why aren't other?

Senator LIGHTFOOT—Why aren't other organisations, other than GWN, using other than your carrier to send signals in free, without the decoder, into external territories?

Mr Carr—There is nothing stopping them, provided they have a satellite footprint that gets there.

Senator LIGHTFOOT—I understand that Intelsat, Asiasat and PanAmSat, and probably others, do have a footprint that covers Cocos and—

Mr Carr—Yes, and those signals are accessible in the territories.

Senator LIGHTFOOT—They can carry free to air signals?

Mr Carr—That is right.

Senator LIGHTFOOT—They do not need a decoder for some of those?

Mr Carr—Some of them are in clear, but it is an offence to have a decoder that is receiving a broadcasting service that is not licensed for that area, or permitted.

Senator LIGHTFOOT—Okay. You can supply two decoders and you can get signals other than GWN—is that correct?

Mr Carr—That is right.

Senator LIGHTFOOT—Isn't there also technology that will allow the dish to oscillate—that is, the terrestrial dish—and pick up another signal without having another decoder?

Mr Carr—That is right.

Senator LIGHTFOOT—Isn't that a cheaper alternative to the decoder?

Mr Carr—No, not necessarily.

Senator LIGHTFOOT—Can it be a cheaper alternative?

Mr Carr—There are two issues. One is the decoder being capable of decoding whatever the signal is. The second is the orientation of the dish. It depends on the encryption method that is going to be used by the other broadcasters as to whether the decoder can read it. GWN is using Scientific Atlanta equipment. I do not know that a decision has been made on what the other broadcasters are using yet. If they choose to use Scientific Atlanta, then certainly if their footprint is there that decoder could decode that.

The Sky Channel services can be decoded on a GWN decoder. That is how the pubs and clubs started accessing the live football by taking GWN off air. The dish can be oriented in a number of ways. Some of the dishes have a slip thing on them and you can physically go out and slip that to the next point so you have two fixed points if you are looking at two satellites. There are methods of having them remotely moved. Most of the installations in hotels have an automated relocation system.

Senator LIGHTFOOT—Thank you very much, Mr Carr. It was great.

Mr Carr—You are welcome.

CHAIR—Thank you very much for your attendance.

Mr Carr—Thank you very much.

[3.33 p.m.]

GOUGH, Mr Peter Mervyn, Group Chief Engineer, WIN Television, Television Avenue, Mount Saint Thomas, New South Wales 2500

CHAIR—As with the witness before us, a submission was not made, but we need to talk to you to put certain matters on the record for our inquiry. If you wish to make an opening statement, it would be most useful.

Mr Gough—Yes. Thank you, Senator, and thank you for the opportunity of speaking on behalf of our company. I should indicate to you that WIN Television is a free to air broadcaster operating throughout the regional centres of eastern Australia and in recent times was successful in being awarded the second commercial television licence for regional and remote Western Australia. So, as we speak, we have not yet commenced service over there. Indeed, there is a mad rush under way in terms of planning and the preparations necessary to introduce a service. We are hopeful and, in fact, quite confident of introducing a service to quite a substantial portion of the population within the licensed area that we have commencing at the beginning of the second quarter next year, hopefully ahead of the beginning of the television season. We are right onto that as we speak.

Senator ALLISON—What is the television season?

Mr Gough—The television season really starts right after the holiday hiatus. So, for want of a better term, mid-February or the beginning of March is when we start television in a more commercially oriented fashion. Putting a finer point on it, it means that we have come out of that period when we are no longer looking at the numbers that are viewing at any given time. That is our position. I guess we are the new boys on the block. Unlike some of your previous speakers, we do not have a presence already in the state. We are commencing service from the ground up. We are different in that respect.

CHAIR—How will that affect the territories, the two islands?

Mr Gough—That is an interesting question. If we start from the ABA's position, as you would be aware, we have a licence to serve the regional and remote parts of Western Australia. Indeed, the two islands, to the best of our understanding, are not included within our obligation in terms of service provision. However, having said that, we are particularly interested in making sure that we can provide service to whomever is able to receive it and legally entitled to receive it. It is an important issue that this entitlement is clear to us all.

We have not determined at this moment which of the two satellite providers we should be engaging with. In fact, we are down towards the end of the discussions with both the principal providers of that. We are dealing with commercial as well as technical issues in that. Until that is clear, we are probably not in a position to clarify our exact

position with respect to either Cocos or Christmas islands as it stands.

CHAIR—Would that make it mutually exclusive though? I cannot recall the previous witness's evidence on this, but if you were to go to one satellite provider, say, Telstra PanAmSat, does that then eliminate the islands? Is your decision mutually exclusive to which one you pick? Is it going to affect the territories if you go one way or the other?

Mr Gough—I do not believe so. In the conversations, meetings and discussions we have had to date with the two satellite service providers, neither of them have been able to assure us that they can provide a service to the islands. Indeed, I was somewhat surprised to hear, read and note some of the comments of previous speakers who suggested that they may be able to do otherwise. That may bear further investigation on our behalf. In other words, we will need to take that back to the satellite providers and ask them.

CHAIR—Yes, because Golden West Network told us they are in the islands with Telstra.

Mr Gough—In our conversations with Telstra as recently as last Friday, they have not assured us that they can supply a service to the islands. In anticipation of this meeting, I have asked the questions, as you would expect. We understand that they are there. We are aware that they are there. We are aware that they are there probably by fortuitous means. In other words, the signal happens to get there rather more than it is guaranteed to be available there. Telstra have been conducting some experimentations to understand what is capable of being done and not being done, suggesting that there is some signal there. However, in the commercial arrangements we are having with the two satellite providers, neither are able to give us a clear, concise guarantee of providing a service to the islands.

Senator ALLISON—Is this what is called a fortuitous signal, is it?

Mr Gough—I think that is probably the term.

Senator ALLISON—You talk about commercial decisions. What sort of revenue would you expect from the islands if you were to transmit there?

Mr Gough—The bulk of the revenue for us comes from what we call national or regionalised commercial activities—that is, those advertising contents that are meaningful in a wider range of places such as Coca-Cola commercials and those sorts of things. That therefore works for us purely on numbers. If Cocos and Christmas islands added additional numbers to our audience base, then it does reflect very marginally on a potential opportunity for us. Localised commercial revenue is probably somewhat limited because the small markets typically are not able to sustain a lot of localised small activities.

Senator ALLISON—But it is all advertising, isn't it? Do you receive a fee from anyone?

Mr Gough—We only make our dollars out of advertising.

CHAIR—I will ask you a couple of technical questions we have been given by our expert. You have answered the first one in relation to which satellite, and that is still in discussion. It would seem important for our purposes which one you choose. It would seem to us that if you choose the Telstra one then it would get into the islands. You would be as fortuitous as GWN, wouldn't you?

Mr Gough—That is right. To be quite honest, I am not absolutely confident that that is the case.

CHAIR—How does that work?

Mr Gough—The Telstra people have not been able to assure us of this. It may be that there is some fortuitous reception there, but we are not yet totally cognisant of that fact. I am certainly intending to ask Telstra in a very meaningful way just exactly what their service provisions are for the islands and just exactly what we could anticipate from them if we were to use their service. But, at this stage, it is certainly not something that they have put before us in a meaningful way and said, 'Do you realise that, if you come with us, our service extends beyond the territorial waters right out into the islands?' We have not had that explained to us or shown to us.

CHAIR—Have you had any consultations with the now administrator? There is only one covering both islands now.

Mr Gough—Not that I am aware of. I do not believe we have.

CHAIR—I suppose if you were honest with us—which you are—

Mr Gough—I trust I am.

CHAIR—Until we had brought it to your attention and called you before us, you had not really factored the external territories in, had you?

Mr Gough—That is an honest appraisal. I will go one step further and suggest to you that until we were successful with the acquisition of the licence there were a large number of communities in and around Western Australia that we were not really aware of anyway. We are still on the learning curve. We are still rapidly climbing the ramp to find out what we are able to do.

CHAIR—Fair enough, too. I accept that. But on the other side of the coast, the

east coast, you have been there for a long time. In fact, I advertise on WIN TV myself in country Victoria.

Mr Gough—That is excellent. I am pleased about that.

CHAIR—I am a big customer. Why aren't you in Norfolk Island?

Mr Gough—Norfolk Island and Lord Howe Island basically are not associated with those markets for which we presently serve. Just putting clarity on that, the markets that we serve are regional Queensland; southern New South Wales, which encapsulates that area south of Sydney including Canberra, Wollongong and the coastal line from Sydney down to the Victorian border; Victoria itself of course; and Tasmania. Those islands are in fact associated more with northern parts of New South Wales for which we do not presently have any position.

CHAIR—Do you have any desire or future plans to get into Norfolk?

Mr Gough—We have an interest in expanding our operation right around Australia. The acquisition of the licence in WA has probably reflected this. If we have an opportunity of expanding into northern New South Wales and other areas, clearly we would like to do so. We have not specifically looked at the islands in isolation of other mainland components as such.

CHAIR—Because they are all Australians, of course.

Mr Gough—Yes, great place to go for a holiday, too.

CHAIR—Have you been there?

Mr Gough—Yes, Lord Howe Island.

CHAIR—The rest of the set questions we have are based on the satellite you would choose. You are still in limbo. But we still wanted to see you to complete our inquiry. They are very much pending on that and whether it will get into the territories or not.

Senator ALLISON—In relation to the question of the territories having to cope with two different digital systems, is that a problem from your point of view?

Mr Gough—It is. We entered the fray—if I can use that term—at a time when there is an element of confusion on the ground. It is a concern. One of our deliberations over whom we should use and the technology we should use is very much driven by the need to ease our entry into the market as best we can and ease the pain for the viewers and other parties that we wish to reach. In summary, I would say, yes, it is a concern and

a consideration. It has certainly been an interesting arrangement in WA to say the least.

Senator ALLISON—Does it require two sets of infrastructure? Do you actually have to have two lots of cabling?

Mr Gough—At the domestic installation?

Senator ALLISON—There and between the satellite and the terrestrial distribution?

Mr Gough—If we take the terrestrial distribution, what we do in the main is receive the signal down off the satellite into a rebroadcast facility which is constructed in a little brick building. We then transmit it over there on conventional television channels to the viewer. So the viewer ordinarily only has to choose between one channel and another in exactly the same way that you would choose between the channels available to you in your own home location.

The difficulty arises where the viewer is receiving satellite signals directly, or what we call direct to home. Those are the people who will have to have dual sets of cabling and antennas, et cetera. Irrespective of which way we choose to go, they are already faced with that situation with the national services being on one platform and Golden West being on the other platform. They are already in that situation. So, irrespective of which of the two carriers we choose to make use of—

Senator ALLISON—So what do they need? Do they need decoders or something?

Mr Gough—In those circumstances, they need two antennas because the two satellites are distinctly located in different parts of the sky. So you have two dishes looking at the two antennas. Each one comes down to what is called the IRD—integrated receiver decoder—which Mr Carr was telling you about before which sits on top of the television set, the output of which goes into the TV set. So, for those homes receiving the signal direct from the satellite, they have no choice but to have two systems to enable them to get the benefit of all the services available to them.

I will use Broome as an example. In a town like Broome the signal is brought down to the ground to a repeater station and then transmitted over the air using conventional channels to the viewer. All the viewer does in that circumstance is identical to what a viewer here in Canberra would do, and that is switch between the channels using a conventional television receiver. It is only those people who are remote from the towns and more isolated who find it necessary to have satellite reception.

Senator ALLISON—They do not have to change their television receivers at all?

Mr Gough—No, just these things. They are a box about yea by yea that sits on

the top. It is a nice looking thing that sits on top. They need two—one on top of the other, that is all.

Senator ALLISON—Something you can put a vase on.

Mr Gough—That is right, and the VCR underneath. So you have a big pile of these things.

CHAIR—I would like to thank you very much. It has been short but necessary for the purposes of *Hansard* and for our inquiry. If nothing else, maybe the inquiry has jogged your interest in the external territories and on the west coast. We would welcome WIN TV's entry into the rural and remote areas because they have been successful on the east coast. I am surprised it has taken you so long to get across there.

Mr Gough—The licence was only just recently made available. That was literally the background to it. It has only become available in recent times. Prior to that, we had no opportunity of participating.

CHAIR—You will be a good competitor. We will be in contact with you if we need to follow up on any further information. Thank you again for coming.

Mr Gough—Good. Thank you.

Resolved (on motion by **Senator Allison**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 3.48 p.m.