COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Reference: Community broadcasting

WEDNESDAY, 24 MAY 2006

CANBERRA

Members: Miss Jackie Kelly *(Chair)*, Ms Owens *(Deputy Chair)*, Mrs Bronwyn Bishop, Mr Garrett, Mr Griffin, Mr Hayes, Mr Johnson, Mr Keenan, Mr Laming and Mr Ticehurst

Members in attendance: Mr Garrett, Mr Hayes, Miss Jackie Kelly, Ms Owens and Mr Ticehurst

Terms of reference for the inquiry:

To inquire into and report on:

- The scope and role of Australian community broadcasting across radio, television, the internet and other broadcasting technologies;

- Content and programming requirements that reflect the character of Australia and its cultural diversity;

- Technological opportunities, including digital, to expand community broadcasting networks; and

- Opportunities and threats to achieving a diverse and robust network of community broadcasters.

WITNESSES

Committee met at 9.12 am

LETCH, Ms Kathleen Sylvia, Station Manager, Triple R Broadcasters Ltd

CHAIR (Miss Jackie Kelly)—Welcome. I declare open this public hearing of the House of Representatives Standing Committee on Communications, Information Technology and the Arts inquiry into community broadcasting. This inquiry arises from a request to this committee by Senator the Hon. Helen Coonan, Federal Minister for Communications, Information Technology and the Arts. Written submissions have been called for and we have received 125 to date. We are now conducting a program of public hearings and informal discussions. The proceedings of this hearing will be made public.

Although the committee does not require witnesses to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament and consequently they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Ours is not as controversial as some committees are, so I do not imagine we will have to make use of that provision. Ms Letch, it would help us if you had a short opening statement, and then we will go into questions from the members.

Ms Letch—As a preface to my comments I should make it clear that I am not representing any area of the community broadcasting sector. There is a very broad range of issues and that will be detailed in submissions from the CBAA and other sector bodies. I am speaking very much as Triple R station manager, and I guess from a personal perspective as well, having been involved in the sector since 1979, originally at a station called 6UVS in Perth, and for many years simply as a volunteer broadcaster, then managing Triple R over the last 11 years, and president of the community broadcasting association for four of those years. So that has given me a broad perspective on the sector.

I will take just a moment to look at where the sector came from. The sector largely grew out of a 1970s impetus for access and participation in the making of media and broadcast content and, in its early stages, that impetus focused around a number of specific areas—classical music, education, ethnic and multicultural services and a kind of general community impetus that led to stations such as 3CR in Melbourne. The origins of the sector lay with both major political parties. The Moss Cass working party in the latter stages of the Whitlam government was instrumental in conceptualising the sector. The sector was licensed, and its regulatory structure was developed under the Liberal government when Tony Staley was minister for something that now sounds very quaint, like wireless and telephony or something of that kind. That early regulatory structure is quite unique, and is really only replicated in Canada. In fact the UK has only started introducing that type of legislative and regulatory structure over the last couple of years.

That Moss Cass working party resulted in a number of experimental licenses being handed out in the mid-seventies, literally in the last days of the Whitlam government, and that was primarily to 12 educational stations, but it also included classical music stations. I think Sydney was the first one of those, then there was 3CR in Melbourne and ethnic and multicultural stations. There are now something like 440 licensed community radio stations, and that includes what is known as BRAC stations—Broadcasting and Remote Aboriginal Communities—and seven community

television stations, five of which are in the capital cities of Sydney, Melbourne, Perth, Adelaide and Brisbane and two of which are in the regional areas of Lismore and Mt Gambier.

There is lots of statistical information about the broad sector in the Community Broadcasting Association's submission, but just very briefly the headlines are: the sector as a whole has a turnover of approximately $50 million; nearly 70 per cent of the sector is in regional, remote and rural areas; there are 20,000 volunteers nationally involved in that; and 50 per cent of the sector has no paid staff at all, so it is a completely voluntary operation. As I say, there are lots more details on that in the CBAA submission.

Traditionally, in terms of federal government funding and the sector body itself, the sector is defined into areas of ethnic and multicultural, Indigenous, radio for the print handicapped, Christian—which is a sector definition rather than a funding definition—and what is called general, which is really everything which is not those four things. In reality, the sector has more subgroups that define it in a functional sense. If there was a whiteboard, this would make a lot more sense to you, but I will just attempt to describe those subgroups very briefly. I came up with 10 subgroups and, of those 10 subgroups, three are exclusively metropolitan services, two are exclusively regional, rural and remote, and the other five are both metro and regional.

Those subgroups are ethnic and multicultural; Indigenous; community television; Radio for the Print Handicapped; Christian broadcasting; submetropolitan services, which are services that are localised to small sections of the metropolitan area; regional; rural and remote—and I have split those two because in regional we are talking about larger regional centres, and in rural and remote we are talking about some very remote locations in terms of Indigenous communities; and classical music. The other one, which is influenced by my Triple R perspective, is what I call the metro independents. That group has about 15 stations, and 12 of those are in fact those early seventies educational licenses. Most of them are now divorced from their educational institutions—stations like Triple R, PBS 3CR in Melbourne, 5UV in Adelaide, 2SER and FBi in Sydney, RTR in Perth, Triple Zed in Brisbane and some newer stations such as SYN and Edge. Those stations have broad formats. Some of them have access programming that includes areas of ethnic, multicultural and Indigenous broadcasting and the remainder are more similar if you like to the kind of Triple R model of independent media.

There is a whole set of issues specific to the sector and I am hoping you will have some questions about them. It is difficult to distil that down but, for the sake of discussion, here are three main headlines on those: affordable access to digital capacity for both radio and television; technological and media changes, which are extensive in our current environment; and funding support.

Firstly, on affordable access to the digital spectrum, in radio the existing policy as announced by Senator Coonan last October is that digital capacity for community radio will require major new transmission infrastructure and radical—and I mean radical in the genuine sense—new content management structures for digital radio management. In TV there is an urgent need for basic access to digital capacity as well as funding support, similar to radio.

In terms of technological and media changes, the cultural patterns of consuming media content are rapidly changing. I am sure you are all aware of that; blogs, iPods, podcasts, audio and video-on-demand services and any number of other types of things are changing the

community's patterns of how they utilise media and how they seek to access that content. This sets up a whole set of resource, training and financial issues for stations in developing digital content. Community broadcasting stations are in essence long-term content aggregators, well before that term became used in a new media environment. In essence, community broadcasting stations aggregate content produced by the community and broadcast it. There is a high level of expertise in that aggregation process across the sector. Even for the very largest of metro stations, such as Triple R in Melbourne, this area is a major challenge. A station like Triple R, and as far as I know nearly every other major metro station, does not have the financial or other resources to meet these sorts of issues. If that is the case for the largest of the sector in metro areas then those issues represent a very big challenge for regional and rural stations, which are often completely volunteered.

In terms of funding support, there are a number of significant questions that need to be asked in order to identify the priorities of funding support. What has this sector achieved over the last 30 years? What are the ways it contributes to and reflects Australian culture? To what degree does government wish to support the transition into a digital media landscape? I see it as essential for targeted and project funding to be maintained in areas such as Indigenous broadcasting. I am sure there are submissions in that area, but there has been a very long-term desire within the Indigenous community for a first line of service, and I think there is a very strong argument in that area. Targeted and project funding also needs to be maintained in ethnic and multicultural, regional and rural and project areas, which have recently had renewed funding such as for training.

In terms of funding support, it is absolutely clear that the critical area is digital and digital technology. In terms of radio, as I said before, that relates to both infrastructure and content management. In terms of TV, that requires access to digital spectrum capacity. Community television is already losing audience at this point of time and will deteriorate after close to 30 years of development if digital capacity is not available.

How might some of these issues be addressed? They can be addressed by reviewing current funding; providing additional federal government funding to support digital transmission, infrastructure and content management, both for radio and television; reviewing the role of the CBF and considering giving that body greater flexibility on funding categories so that it can be more responsive to the sector; encouraging that body to stimulate other funding sources, which was part of its original brief; and encouraging more state government engagement, which is a very patchy thing across our sector. In Sydney and Melbourne there is no state government involvement. In Brisbane and Adelaide there is a little.

These issues might further be addressed by stimulating broader funding support in project areas. We have recently lost funding to a project called AMRAP, which is an Australian music project, a critical area that this sector has contributed to that could come through agencies such as the Australia Council, but the sector has a very long-term problem in accessing core areas of arts or social welfare. It is not core specifically to any of those areas. It is quite a unique sector. Finally, these issues can be addressed by revising the sector identity towards media rather than broadcasting, and that is a sector issue; and increasing community media representation in bodies such as the ACMA and industry bodies and arts and cultural organisations, which might help broaden out those funding opportunities.

In terms of Triple R itself, the submission, of which I believe you all have a copy, gives a fairly thorough rundown of the type of service that 3RRR provides in Melbourne and a little bit about its history. As with the broad sector, the critical issue for Triple R is digital—digital transmission and digital content—and not having the finances and resources to deal with that. The key platform for Triple R is about its role as an independent media outlet and the capacity for digital content to actually expand the role of independent services.

Having had 30 years of development, it is essential that the localism, the diversity and the independence of this sector is maintained. I would of course say that after such a long time in it. I think the recent federal budget was bitterly disappointing to the sector in terms of those objectives.

CHAIR—Thank you, Kathy.

Mr HAYES—I just want to know a little bit more about digital. What sort of funding would you be looking at? As I understand it, a fair amount of it comes through the TV aspect. There is an advantage for the Commonwealth to assist in the take-up of digital. We actually achieve spectrum out of that. What sort of assistance does an organisation like yours really need? Not the ambit claim, but what would you really need to be able to participate in digital transmission?

Ms Letch—There are now two areas in digital. One is digital transmission infrastructure, and that is something there has been a lot of discussion on over the last decade. There are costings on that for the whole sector. Digital transmission infrastructure for the whole sector is sitting at something like $20 million. That is just absolutely basic, small-scale infrastructure for basic transmission that replaces analog transmission. To some extent the discussion and costings in that area are very well known, they are very clear. The area that, to some extent, has overtaken that—not to say it is not an issue—is the development of digital content and the cross-platform delivery of that. That might go out on a digital transmission system for a radio or TV station, but it might equally turn itself into audio-on-demand, podcasts or other kinds of IP delivery. So that is your other primary area.

Mr HAYES—But not all community radio is going to be up to that stage.

Ms Letch—They are content producers; digital is simply a mechanism. All stations are content producers. In a regional or rural setting where there is a very strong focus on localism, local content and local issues, those stations act as a kind of social and cultural site within those communities. The content for those stations may be different to a large station like Triple R or 2ACR in Sydney, but they are all content producers. Digital is really just a tool, a mechanism for that. In a sense 400 stations suddenly producing massive amounts of digital content would not necessarily occur all at the same time. Quite small levels of funding would make a huge difference to that.

For a metro station like Triple R, $50,000 to $100,000 a year would make a massive difference in generating digital content. If you multiply that across let us say metropolitan services as an initial roll-out, you might be talking about a few million making a really significant impact on what can be produced. It is not necessarily large amounts of funding support in that digital content area. The transmission infrastructure is a bit more hardware chew-up dollars sort of thing but, once in place, it is theoretically there for the long haul.

Mr TICEHURST—I am not quite sure why you are so stuck on this digital, because there is no expectation that analog band is going to be shut down. It is a different scenario to the TV. A lot of the community listeners really have already got their radio stations, and certainly on the Central Coast there are a lot of older listeners and some of them have come to grips with FM and most of the community stuff is on FM. All of their radios, the cars radios and so much of the existing user facilities are analog and I do not see that changing for a long time.

Ms Letch—No, I agree. In terms of radio, I think it will be a very slow transition from analog to digital. As you say, it is not a replacement, so analog has a very long future in radio. In television I think there are different issues going on.

Mr TICEHURST—Totally different.

Ms Letch—In community television that is having a big impact already. The critical thing is about what the community is actually doing in its usage patterns. In terms of my familiarity with a place like Melbourne, the patterns of how people are accessing media are changing very rapidly. If you compare how people now are accessing content compared to 12 months ago, the pace of that is really fast.

Ms OWENS—I am just interested in an explanation—I think I get it—of your perception of yourself as a media outlet. You were using radio, but what you are saying really is that the whole relationship between a person and what used to be a radio station is now changing?

Ms Letch—It is still in place.

Ms OWENS—I know, but there is a parallel stream?

Ms Letch—Yes. It has broadened. We used to be fascinated with wirelesses, but now people are not as interested in how it gets to them. It is just about getting to it; it does not make any difference anymore whether it comes on a computer or radio waves. So I think media is a more relevant term now.

Ms OWENS—Would you see yourself potentially reusing the content in a whole range of different forms?

Ms Letch—Absolutely. As we were saying about analog radio, radio as we know it has a really long-term future. It is not that that is disappearing, it is multiplying and the community is multiplying the ways it wants to access content. To stay part of a broadcast landscape we have to multiply too.

Ms OWENS—Are your digital content management issues about the things like metadata or format or storage?

Ms Letch—It is quite extensive. The policy announcement last year in relation to digital radio was significant in two ways: (1) that the analog band was not disappearing so it is not a replacement technology, it is a parallel technology; and (2) that initially community radio will be allocated 20 per cent of a multiplex system with the initial roll-out in capital cities. Twenty per cent subject to compression and technology changes is equivalent to two FM services at the

moment, and four if you double the compression in terms of technology. There are nine metro services in Melbourne already. Those nine community services will have to work out how to generate and amalgamate content into something which is not a parallel to a normal radio format. That is a very complex thing for nine organisations with very strong identities about who they are.

Mr TICEHURST—Not all the nine surely would take up that option?

Ms Letch—All nine would want to generate content. Those nine are ethnic and multicultural, Indigenous, youth, stations like Triple R and 3CR and Christian. There are a very broad variety of services and they all want to be able to generate content into that service, which is possible. It is possible to amalgamate and have sections of programming, but you have something very different to the kinds of identities that those stations currently have. For example, Triple R and 3CR versus a Christian station. They are very different identities; very different sections of the community.

Mr TICEHURST—They would still keep their analog though, would they not?

Ms Letch—They would still keep their analog. It is the new content delivery that requires management.

Ms OWENS—That trend towards thinking of themselves as content producers that actually spread content beyond the boundaries of their station has been happening for a little while, hasn't it?

Ms Letch—Yes. I think that is accelerating quite rapidly, particularly with metropolitan stations. The acceleration is probably a little bit slower in rural areas, and regional is a bit in between.

Ms OWENS—They are taking more in those areas, aren't they?

Ms Letch—Absolutely. What is occurring in television is that once you start to lose that audience—at the moment if you buy a set-top box you lose access to community television—that is it. That is their audience disappearing. Once your audience disappears, you lose the capacity to engage with your listeners and viewers. You lose an absolutely critical link in the circle between the heart of what community broadcasting is and the people who receive it, because it crosses over in a different way. The makers of the content are part of the community; they are not just receptors of it. This is a critical link in community broadcasting. It is critical within all of the communities; within Indigenous communities, ethnic communities, and whole communities like Melbourne or Sydney. It is a critical part of the chain and it is absolutely unique. It is not replicated in the arts or social welfare. It is a circle between people making that content and people listening, viewing or engaging with the content.

Mr TICEHURST—Even with a set-top box you can still pick up analog as well. It does not exclude you from getting analog.

Ms Letch—You have to actually disconnect the set-top box.

Mr TICEHURST—I do it with mine; no problem.

Ms Letch—Where do you live?

Mr TICEHURST—The Central Coast.

Ms Letch—Maybe there is a difference—in Melbourne you have to disconnect the set-top box and plug in the analog aerial to get community television, and it is the same in Sydney.

Mr TICEHURST—I use the RF and then go to the set-top box.

Ms Letch—Yes, so you have it double linked basically. A lot of people are getting set-top boxes to get better reception, and the majority of people will plug in the set-top box and buy an aerial. The critical issue here is what people are actually doing, how they are actually using media and what they are really doing with it. Community television is absolutely losing audience.

CHAIR—I see that you have been very successful in raising money recently for the Brunswick premises.

Ms Letch—Yes.

CHAIR—What is your potential to then fundraise for the transition to digital, and what level of government funding do you see as necessary for, say, the television sector and the radio transition?

Ms Letch—We have been successful with the relocation but that should be seen in a context of firstly taking out a very large mortgage using a standard commercial loan—that is a 20-year mortgage that the station will carry to deal with its upgrading. That stretches it. Secondly, we have hammered our audience for three years, and every single person in Melbourne in the music industry, to support the station. There is a limit to how far you can push your community of interest to support you. We have a great level of support, but there is a point at which you need to be careful about not pushing that too far. What that leaves us with is a pretty good new set up in Brunswick but being incredibly stretched to deal with digital issues, both in terms of transmission and new content.

CHAIR—Levels, like what per cent from the federal government?

Ms Letch—It would probably be more like 50 per cent. I think the sector is very across the—

CHAIR—From television or radio?

Ms Letch—That is applicable to both. The sector is very accustomed to generating funding. There are differences between the content and the infrastructure. Digital infrastructure for transmission has to be 100 per cent funded or the community broadcasting sector will slowly disappear. That does not have to be funding delivered in a short period; it could be delivered over a 20-year period with metro to regional to rural and remote. In terms of generating new content, the funding support only needs to be 50 per cent. We know a lot about generating the

content and finding funding for it. It is volunteer based; it runs on the passion of those 20,000 people to make things. The content side is really about relatively small levels of funding but levels that are hard for us to find on our own at the moment, and it is a much smaller level of funding. Again, it is a progressive approach and not some huge lump of funding all in one go.

Mr TICEHURST—What percentage of community radio audience is there compared to commercial, say in Melbourne?

Ms Letch—Triple R has an audience of about 10 per cent of people aged over 15 in Melbourne, from surveys last year with McNair. In the CBAA report it talks about the national audience, which I cannot remember precisely but it is a—

Mr TICEHURST—Similar to ABC, is it?

Ms Letch—It is a very substantial level. Being able to pinpoint that data is something that is more recent.

Mr GARRETT—I will just pick up on Ken's question. Kath, it is good to hear the Triple R experience, and from my own experience as a musician the hugely important role the station has played in enabling young Australian artists in particular to get their careers going. It is also a station which has been able to maintain and build support from its listeners. As you rightly point out, you do an enormous amount of fundraising to assist. Are there some special features in the station that have enabled it to have this sort of success over time—notwithstanding your own role?

Ms Letch—It is a tricky question—I never quite know how to answer that one. It comes up a lot in terms of why Triple R has developed that level of support.

Mr GARRETT—It is interesting to know.

Ms Letch—My theory is that it is partially about an incredibly consistent history. It started in the mid-seventies with a certain style and approach that has never changed. Programs change, the focus changes and what is in fashion changes but the core is very much the same. Partially it is consistency and partially it is Melbourne. Melbourne is a strong radio and media community, and so that has an effect. That said, PBS at the moment is functioning live to air 24 hours a day on five half-time staff who are falling over, and that is in Melbourne too. So that is not the whole answer.

My theory is that Triple R taps into the larrikin psyche in the Australian culture. It is absolutely owned by Melbourne as a Melbourne station and it has a very high level of respect for not only its long-term commitment to Australian music at a time when there was hardly any airplay for Australian music but also the kind of cultural issues it deals with. I do not mean some sort of homogenised white middle-class culture but the cultural issues that we grapple with as a country come through in that service quite strongly. It is a lot to do with that sense of larrikinism that is hard to describe in Australian culture but which is a special thing.

Triple R does it really strongly, but I think it is an element of many other stations. I went to the first broadcast of 3KND, the Indigenous station in Melbourne. It was exactly the same thing.

They had Kutcha Edwards playing and they were halfway through the performance and Kutcha said, 'I am sorry I have got to go and get me cousin from the airport.' So they then had a chat about having to get his cousin from the airport. It was the same thing. It was a special event, but he could say, 'Sorry, I have got to go now—gotta pick up the family at the airport,' and they had a chat about that. I went down there one day and six middle-aged Indigenous women in the studio were talking as they would at someone's kitchen table. Triple R is a very different service, but to some extent there are stations all around the country that might not perform to their potential and might not harness the same sort of support as Triple R. The sector is enormously underskilled; 50 per cent are volunteers and there is hardly any decent management in the sector. There is very little career path—those that are paid are paid incredibly small salaries and work incredibly hard.

CHAIR—How many paid staff are at Triple R?

Ms Letch—About 12.

CHAIR—What is your salary bill for the year?

Ms Letch—Around $550,000.

CHAIR—That is 12 full time, or have you got three full time and some part time?

Ms Letch—That is 12 almost full time and then there are another three part-timers.

CHAIR—Volunteers?

Ms Letch—There are about 200. For example, we have a team of three breakfast broadcasters who are on $20,000 per year, that is compared to commercial breakfast teams around the country, many of whom started in community broadcasting. Training is another critical issue.

Mr GARRETT—That brings us to an important part of hearing this submission. It cuts both ways with community broadcasting because it also effectively acts as a training school for people who then go into commercial broadcasting and to the ABC. There is almost a career path that effectively takes people out of that sector. Even if you do not have the resources, you are performing a very valuable training function on the way through.

Ms Letch—That is enormously under-recognised within the industry, and only recently in the last 12 months has it been recognised in terms of any funding support. DCITA has been critical in measuring that training role, and it applies to a huge list of people who have come through.

CHAIR—You mentioned the lack of skills in the sector, particularly in management, and we have seen that in other submissions. Can you take me through Triple R's history of management? Have you had a steady board? Have the personnel changes and managers been unique?

Ms Letch—Probably a little more consistent than even most other metro stations. There have been five station managers in 30 years and I have been there for 11 years, and that is probably more consistent than most.

CHAIR—In your 11 years, how has the board changed?

Ms Letch—Not much. The board is made up of nominations from RMIT, the University of Melbourne and the station.

CHAIR—Do you have an educator?

Ms Letch—Yes, RMIT and Melbourne university are the two remaining institutions.

CHAIR—So you have two educators. Do you have a finance person, an accountant or someone with that background? What are the backgrounds of the people on your board?

Ms Letch—Usually part of the RMIT role has been someone from that sort of area.

CHAIR—It is not just one from each—they nominate a number of—

Ms Letch—Yes, there are a number of members from each of those institutions.

CHAIR—Is your board made up of skilled personnel that would not usually be found on community radio boards?

Ms Letch—I would say that it is similar to the skills range in most metro station boards.

CHAIR—Metro commercial or metro community?

Ms Letch—Metro community. I do not think there are any more skills in the Triple R board than for most other metropolitan stations.

CHAIR—In terms of HR, management and financial transparency?

Ms Letch—Yes, and in fact it has not always had strong skills in that area. They are academics and that does not always result in strong skills in business development, for example. It has had very consistent station management in terms of the general management roles. That is a pretty cool area.

Mr TICEHURST—Peter's point with Australian artists is a very important point. Certainly two of the community stations on the Central Coast have many new Australian artists. That is where they differentiate themselves from the commercial stations.

Ms Letch—Yes.

Mr TICEHURST—That is a very important area—to give exposure.

Ms Letch—What is critical about that area is the way there is a cultural food chain, if you like. How do you know about things within your community and things you can go and see and the people who can support the things you might like? It does not land out of thin air on the ABC or commercial broadcasters—although it can occasionally, and we all know those stories where

something springs out of thin air. Mostly people have been practising their craft as musicians, artists or performers for a very long time before they are on the ABC or on a commercial play list. Many musicians and many types of music will never ever be on a commercial play list. It does not fit being there. It does not aspire to that. It is not about that.

Mr TICEHURST—How much do the sponsors actually contribute to the overall costs of running the station?

Ms Letch—In Triple R's case, roughly 50 per cent. We have 50 per cent balance between sponsorship and subscription, but in the community broadcasting submission I noticed that sponsorship sits at 35 per cent for the sector nationally.

Mr TICEHURST—Do you have any issue with commercial stations? I know some of the commercial stations have really been monitoring community stations regularly to look at their timing.

Ms Letch—There are localised issues in that regard and different types of relationships. I also have some real concerns about some of the ACMA's findings recently relating to sponsorship in our sector. There has to be a very pragmatic view of the sector. If it is self-funded then there are only two primary areas for that to come from—sponsorship and listener subscriptions. I think some of the ACMA findings recently are quite bizarre in that regard. For example, a finding that an interview with an artist about an upcoming show in a regional area was contravening sponsorship because it was promoting their show. Well, hello—why else do people go on radio? That would wipe out 80 per cent of Triple R's interviews, because everybody has a CD out or a gig or a show coming up; that is why you are going in to talk to the local media. It is a bizarre finding. There are real issues.

The sector has a healthy attitude to self-funding. Most stations are very responsible in how they blend sponsorship—which is fundamentally a business transaction and a commercial activity—with being a non-commercial service. There are some quasi-commercial services that I think go too far, but that could be dealt with in our sector with training and education.

CHAIR—You think five minutes an hour is fine?

Ms Letch—I think five minutes is okay. We have a policy at Triple R of four—we stayed with the old one—but I think five minutes is fine. No-one is running anywhere near that other than in a few popular programs. If we could run five minutes an hour for 10 hours a day we would be in a totally different circumstance. I cannot see any need for that to be increased. I know there is an argument in community television that it should be higher and I cannot see any need for that either. I think five minutes for non-commercial not-for-profit services is absolutely adequate and gives us a good level of self-funding.

Mr TICEHURST—Some of these community stations run lots of American type canned programs. To me community should be out of the community. You were talking earlier about what Triple R is doing in aggregating local content. What is your view on other stations that are rebroadcasting American programs?

Ms Letch—I think it is disappointing and it is not necessary. There is a lot of pressure in regional areas for program makers, and sometimes it comes about because they cannot find sufficient local content. It is not necessarily their preference. The sector's infrastructure nationally is important in that regard. For example, the overnight service runs from the community broadcasting satellite system on many regional stations. It is very hard to find people to stay up all night in small communities. It is still local Australian-produced content going to that. There is no need to be networking anything other than Australian content. I do understand that in regional areas there is a much greater limit on who can produce programs, so you do need some level of program feed.

Ms OWENS—Perhaps in some foreign language or multicultural areas where at the moment the skill base would have to develop incredibly fast to actually fill 24 hours. There is a reason why they would select certain programs from elsewhere—to serve a particular community need.

Mr TICEHURST—I was talking about English language. Some community stations have continuous playing of music that essentially just runs off computers. That is another way of providing the 24-hour-a-day service without having operators there.

Ms Letch—That is often in your later time slots and overnight services and it is a really practical way to maintain a live service.

CHAIR—On that, obviously digital production as well as transfer storage and then broadcast really aids that, because then you can chop it all up on a computer and go. In the community sector, how computerised are they? Is it still largely—

Ms Letch—It is quite a low level, and that is part of my emphasis on infrastructure.

CHAIR—In terms of production, are most of them still producing in analog?

Ms Letch—Yes.

CHAIR—Their storage?

Ms Letch—There is a level of digital storage across 70 per cent of the sector. It is a minor level; things like saving onto a computer, then taking it off a computer, putting it onto a CD disk, and filing it somewhere because there is not enough memory on the computer to keep it there. There is a lot of duplication of putting it onto a computer because your station might only actually have one. In regional stations they probably only have one computer with audio capacity. You will get anomalies; a regional station somewhere that has a computer freak will have five computers, but on average they probably only have one, so they put it onto it, then they have to store it and there is a lot of duplication.

CHAIR—For a rural area that wanted to run the BBC overnight they would have to have some level to do that?

Ms Letch—Most of that is coming on satellite feed, and satellite is an effective mechanism for Australia because of its large footprint and because it is cheap.

CHAIR—They would receive that in digital format and they then just have to have a digital broadcaster, or do they then convert it and then put it out on analog?

Ms Letch—That is mostly happening on a mixture of analog and digital. The analog satellite system delivers to a dish on radio stations, the signal is brought up on an analog desk and literally channelled from the satellite. The CBAA also has a system called DDN, digital delivery network, which allows that satellite feed. It is cheap and can spread across the country easily to be stored on a computer and played at another time. In rural areas, that computer would often be the one main computer in a station that could do that.

CHAIR—Most community broadcasters would have that capability?

Ms Letch—They would have that capability but it is precarious; it is one computer that is handling all of that work. The moment its hard drive dies or whatever you are in trouble. If you are lucky, you have a good computer volunteer, but that is not always the case, particularly in rural communities, in much smaller communities.

Mr TICEHURST—Computers and hard drives are pretty cheap these days.

Ms Letch—They are cheap, but there are stations with an income of $10,000 a year who are really struggling to keep the door open. IT is expensive. If you do not have a volunteer with those skills, it is another $500 or, if you are remote, you have to send it somewhere. You are already struggling to keep the CD players going in the studios. You would not believe the enthusiasm of rural stations when they get a grant from the CBF for $2,000 to buy new CD players; you would think they just got a $500,000 grant.

It is a fascinating sector in its diversity, but some of it is existing at the most marginal and small-scale levels. That is what I mean; there is the digital transmission infrastructure which has a higher dollar attached, but small amounts of funding can go a very long way in this sector because we are accustomed to doing it that way. The Australian music project was $1.5 million for three years and we stretched that to six years—that is $250,000 a year for Australian music content delivery to 400 stations nationally. We can do a lot with small amounts. It is the same as an individual; there is a whole lot of difference between $10 in your pocket and nothing. Many of these stations exist at marginal levels and the pressure they are under is enormous.

That is not Triple R's circumstance. We are in Melbourne and are fortunate to have a high level of support. We still do not have the resources to deal with some of these issues but we do not completely have our back to the wall. Having your back to the wall produces less effective community relationships, less effective management and a much less creative approach to finding resources. The sector is a very mixed bag in that way. In terms of regional areas, there is a need for a much more direct level of government support—state and federal.

Secretary—A couple of weeks ago at the Rural and Regional Conference for Community Broadcasters in Shepparton the CBF gave a presentation. We will be talking with them in a couple of weeks. With the DDN service, the CBF have a separate bucket of money for stations to apply for that computing equipment and not all the delegates at the conference either knew about it or had applied for it.

Ms Letch—Yes.

Secretary—So there is a bucket of money sitting there waiting to be used and the stations are not using it.

Ms OWENS—They are trying to get information out to all volunteer-run organisations but I think it hits the wrong person.

Secretary—That did come up a couple of times with the CBF and we will discuss that further with them.

Ms Letch—It is certainly a complex sector for that.

Secretary—There are the means to be able to do those sorts of things.

CHAIR—There is no central coordination of the 400? I was interested in your comments on going to podcasting; clearly, even if you are still broadcasting analog, it is going to be a lot easier if everything else is digital given how ubiquitous and cheap iPods are. Surely every bit of replacement equipment that has been happening over the last decade in a radio station has been digital?

Ms Letch—No. Triple R has just put second-hand desks that came from SBS into its three new broadcast studios. They are all analog desks. We did not have the money for digital, as they are almost $30,000. We have three broadcast studios and we wanted to set them up for training and the SBS desks were about $4,000 each. That is the scale the sector operates on and there is no reason to have to have digital at the studio end. You can feed that in.

CHAIR—We will have to suspend proceedings while we go to a division in the House of Representatives.

Proceedings suspended from 10.07 am to 10.27 am

CHAIR—I will just run through a few questions that I had based on your submission. Can you discuss the range of developments and content that will be made possible through digital broadcasting? What is holding Triple R back from developing this content? What is the demand for different methods of accessing content? Can you give more elaboration on the use of podcasting and the restrictions that might inhibit that development?

Ms Letch—What is holding us back, I guess, is money and resources, really. I am speaking solely in relation to Triple R. Our whole focus over the last two or three years has been on relocating the station; buying a building so that we were not subject to the sorts of changes that are occurring around the inner city and not being able to have secure, long-term premises.

CHAIR—Did either of the universities give you an offer of a site location, or did you do that independently?

Ms Letch—No. The universities, I think, are preoccupied with some fairly significant issues of their own. We are quite marginal to their interests. We wrote lots of funding submissions for

the relocation. What occurs in that process is what always occurs for community broadcasting: you are not core enough to any central area. It is not well understood in terms of how it functions. You meet all the criteria, everyone says it is a really interesting thing, but we were not successful in attracting any level of support other than from one philanthropic trust.

Our focus has been about purchasing the building, which we did on a straight commercial loan basis, and fitting out the building. It was an empty kind of warehouse space. All of the focus has been about infrastructure, really. We have managed to achieve that quite well. We are quite happy with the studio facilities. The design of the place has been set up to have more studio facilities and different kinds of access to studios for making content, so that you can generate things more easily. There are a few shows that are already doing podcasts. There is a sort of set of logistics in taking what is an existing radio program and turning it into a podcast, so you need to go through a digital editing process, take out sponsorship announcements, time calls, all the things you might do within a live broadcast that do not make any sense on an audio-on-demand podcast. So, you are repackaging that content. In terms of podcasts specifically, we can only do talks programming at the moment. There is not a copyright agreement in place for the sector for music. I expect that that will come about, probably within the next 12 months, but that is limiting the music side of things.

We have been doing audio streaming since 2001, and that is building. I think what is interesting about streaming is that I always thought of streaming as people from somewhere else outside of Melbourne and Victoria. But what is really interesting about streaming—and I think this is being found in a number of different places—is that it changes your local patterns of listenership. We have a lot of daytime listeners now that we never had previously, primarily either working at home or in white-collar jobs where they can listen to music and radio during the day.

Mr TICEHURST—On their PCs?

Ms Letch—On their PCs, and I had not anticipated that in 2001. I thought of it as being from somewhere else. That is quite interesting in terms of the effect that has on your listener feedback. Triple R's perspective on this area is to kind of move through a set of steps. The first thing was that it is 30 this year; it had to move. It was not a chosen thing. We could not get lease renewal where we were. If we had to move, we wanted to get long-term security, and that set us on a certain path for the last three years really. We are trying to set up the base infrastructure. We have a large training room that is set up for training in existing normal radio production, but it could also be used as a project space. We have extended the studios so that people can make content and repackage content more. Slowly we will make our way towards that kind of multiple content.

If there was no support for the generation of content, I think Triple R is the sort of station that would be able to do that itself over a period of time—perhaps not as quickly as it would have liked and perhaps not with all the facilities that would be ideal, but I think it will get there regardless. I do not think it will get there in terms of digital transmission. The loan we are carrying just to have secure premises would inhibit us from borrowing further for transmission infrastructure.

CHAIR—What would a digital transmitter cost you?

Ms Letch—There are various kinds of costings that have been done but it has lots of ifs and buts. One option is whether the community sector in Melbourne, for example, tried to eventually operate a multiplex system as the community sector. That is really long term; initially the policy is 20 per cent. It depends what sorts of costs come up for site fees. The actual transmission infrastructure is somewhere in the $250,000 to $500,000 range. That is not massive, and it would have been an amount we could carry.

CHAIR—Is that reflective of other, say, remote community radio stations?

Ms Letch—No, it is a lower cost in regional areas. The CBAA's submission that went through to DCITA earlier this year—the name of which is mentioned in the submission; it is called something like 'Adding digital value'—has the full costings on a metro and regional basis for that digital infrastructure.

CHAIR—From where do you currently transmit?

Ms Letch—Mount Dandenong.

CHAIR—You just have the one transmitter site?

Ms Letch—Yes.

CHAIR—What are your fees like?

Ms Letch—They are very good for Triple R. As one of the early educational stations—and this happened around the country in the early stages of community broadcasting, there was a kind of notion of volunteerism and looking after the sector—there was often quite a lot of support from the ABC and commercials. In a number of capital cities, those early stations were on commercial sites at a relatively minimal cost basis. My old station, RTR in Perth, for instance, had that same arrangement whereby it had no transmission site fees other than its power. Things have changed around the country, and, when that was re-examined two or three years ago, its site fees were changed and are now close to $100,000 a year. Triple R is still under its original agreement. It is up on the Channel 7 tower at Mount Dandenong, and there are some very long-term techs up there, but we still do not get charged a site fee. At some point something called Melbourne FM facilities, which is an amalgamation of commercial services, will say: 'Why has this little thing been happening on the tower for the last 30 years?' And, at the point someone says that we will have to pay a lot more in transmission site fees. It is one of those idiosyncratic things where we are just quietly ticking along for as long as we possibly can.

CHAIR—Is increasing transmission fees pushing some of the community sector out?

Ms Letch—Yes, it is pushing a lot of the sector. For news stations like FBI in Sydney and SYN, they are on turnkey and a lot of the transmission is $75,000 to $95,000 a year just in site fees. That is not power, operating costs or transmitter maintenance; it is just a site fee to be there. Those are costs that stations like Triple R and others in the early days never had. Those stations have had those sorts of costs from day one. The majority of stations are doing really well if they are above the bottom line at the end of the financial year.

The year that someone notices that we are on that transmission tower and says that, even at a discounted rate, that would be $80,000 a year, that is a huge issue, even for a station like Triple R. Suddenly there will be a staff position gone. After the NTA was sold and privatised, a lot of the little stations in regional areas had much higher transmission costs for analog. One of the issues with digital is that those things as yet are not easy to identify. There is the initial infrastructure cost, just the hardware if you like, but then, what does affordable access for community broadcasting mean on a commercial multiplex system?

CHAIR—What would you call affordable?

Ms Letch—I would think that you would see a replication; at the moment analog transmission for news stations that are set up, like FBI in Sydney, are around $80,000 a year, and that is fairly heavily discounted from their standard commercial rates.

Mr TICEHURST—It is a lot of money to raise for a volunteer organisation.

Ms Letch—The other interesting thing about this is that, in terms of radio, if it is a multiplicity of analog and digital, there are analog transmission fee sites, the power to run that as well as the site fees and maintenance fees; and there is also an entire other transmission system, digital, operating on a multiplex system with multiplex costs, about which no one at this point is really clear or pinning down. Both of those transmission systems are being run simultaneously. At the point that digital receivers are installed in cars, for example, it will be a very common point for stations to want to maintain a parallel position to other broadcast services. For a broadcast service, the moment someone cannot get you when they jump in their car that is the beginning of little deaths, really.

CHAIR—The other thing I noticed with our digital television inquiry was that, with the compression technology that is coming on and, obviously, with the minister's latest comments in terms of SD and HD broadcasting, there will be tiny little bits within the seven megahertz on which you can whack out radio stations, so the television will become an in-home radio. Whilst you see some challenges to car radios, you almost have the radio in the home coming back to the good old TV.

Ms Letch—Yes, that is right.

CHAIR—Potentially. Do you see any role for government to regulate in that area for community broadcasting?

Ms Letch—I think it is essential that we have all of those opportunities—in the same way that analog spectrum is a limited resource, so is digital capacity. The regulatory role is to use that capacity to maximum advantage to deliver services to communities; that is where I think the core question circulates around community broadcasting. Commercials by their nature—not that all commercial media outlets are necessarily generating high levels of profit—are operating on a commercial scale that allows that kind of capital improvement. There is a commitment to national broadcast services over a 10-year period to translate to digital. Our sector at the moment feels very nervous about that area—that the opportunities in terms of the spectrum will be taken up, that community services will find a way to utilise some of those things, that there is a

commitment to the sector remaining a long-term part of the media landscape, and that it does not turn into an interesting 30-year experiment and just sort of fade away.

Mr TICEHURST—What proportion of your listeners pick you up mobile rather than fixed?

Ms Letch—I do not know. I do not know what the level of mobile usage would be at this point, and it has not been researched.

Mr TICEHURST—I listen to lots of community as well as commercial radio in my area, and I tend to switch around a fair bit when I am in the car because frequencies switch from one to another and there are certain areas where you do not get a transmission. I can listen to Newcastle stations, as well, and there are certain spots where I cannot get them, so you know that, when you come into those areas, you can pick up somebody else.

Ms Letch—In fact, that is the most common pattern, I think. The mobile usage and car usage is where people flick around; something comes on that you are not enjoying, you immediately flick somewhere else. With home usage, you tend to turn on one station; that is where your core usage comes in more, something that you identify with and like to listen to and let it run. It is interesting; I would imagine that that pattern will be replicated in new mobile devices.

Mr TICEHURST—When Jackie was talking about the radio on TV, of course SBS runs some radio now on the digital TV system, so oftentimes you can listen to that when you get bored with some of the crap that is on TV.

Ms Letch—Yes.

Mr TICEHURST—Could there be an opportunity there for community to do a deal there with the TV stations?

Ms Letch—Yes, and I think that is where the convergence issues are interesting in the long term with respect to your earlier question—that radio is not necessarily a replacement model for digital. I do not think anyone really can say how long that process might take. Ultimately, convergence has to occur on a common platform.

Mr TICEHURST—If you are already streaming then it is easier to provide that signal at the TV from anywhere, isn't it?

Ms Letch—Yes. Some users will set up quite sophisticated ways within their own home of channelling all of that.

CHAIR—Aren't there some serious copyright issues there?

Ms Letch—Yes.

CHAIR—How does the community sector deal with that in terms of, say, your producing some content and flicking it out to another community user?

Ms Letch—Yes, that is part of the whole kind of IP podcast audio-on-demand issue. There is no copyright agreement at the moment outside of locally produced talks. The copyright costs are multiplying for community services. Traditionally, there were three copyright bodies: APRA, AMCOS—the mechanical copyright—and PPCA. The recent copyright changes have opened the door for PPCA to increase copyright fees to commercial radio stations, which they have long wanted to pursue. That is the end of the old act's one per cent limit. They say at the moment that the community sector is sitting with that one per cent limit. For a station like Triple R, we are already paying $45,000 to $50,000 a year in those standard copyright fees.

CHAIR—To APRA, PPCA?

Ms Letch—To APRA, PPCA and AMCOS.

CHAIR—That is combined?

Ms Letch—Yes.

CHAIR—That is $45,000 to all three groups?

Ms Letch—Yes. But now there are new fees for net streaming. Then there is the discussion about another set of fees related to archiving your programs on computers so that people can access a show from four weeks ago that they missed. Then there is another set of fees related to podcasting. So those costs are increasing for the community sector. APRA has a higher fee structure than the PPCA for our sector. There have been very long term battles with the PPCA in not wanting to recognise the nature of our sector. That has settled now, but it had a very troubled time for 10 years or so.

Mr TICEHURST—Is it the more they increase those fees the more it actually works against local artists getting promotion?

Ms Letch—Yes.

Mr TICEHURST—It just seems crazy.

Ms Letch—Yes. That is why I think there does need to be consideration for the community broadcasting sector that is quite different from consideration for the commercial services. It is produced by people who do not get paid. It is often distributing information and music that would not otherwise get distributed.

Mr TICEHURST—What is the value of podcasting for your listeners?

Ms Letch—It is hard to know. It is very flavour of the month, podcasting. There is a whole set of people developing who are really engaged with podcasts and are not, therefore, accessing traditional media as much as they used to. Combined with other sorts—they might be game players, podcast users, net streamers—they are the new media users, that is quite apparent. It is easier to say that that is all about young people, but I do not think it is. I was talking to Nick Pullen from Holding Redlich that does Triple R's legal services, and Nick would be in his early 50s, I suppose, second marriage, young kids, very busy, but he was saying to me recently that he

has just got back into radio through being able to surf internationally and find the sorts of things in which he is interested. He sits down at 11 o'clock at night when it is finally quiet and listens to things, and that is the first time he has done that for the last decade. It is easy to say that it is all youth based, but I do not think it is; it is about changing patterns across all types of sections of the community.

Mr TICEHURST—If they are listening to podcasts, they are not listening to your current broadcast, are they?

Ms Letch—That is right.

Ms OWENS—But that search for alternate media among that 40- to 60-year age group has been growing for ages. That is media generally, but radio now becomes part of that, whereas 10 years ago it was just text.

Ms Letch—Yes.

Ms OWENS—Now you can actually find other forms of content.

Ms Letch—You can get this really interesting thing with the net streaming—and I think the same thing will happen with podcasts if we were able to replicate it, which we are not at the moment because of copyright—where you get French people who are just passionately obsessed with Australian music, and they send you emails all the time saying: 'I have to know what that band was that got played at 7.02 in breakfast.' Someone told a group of students in Montreal about our Sunday morning talk shows, and they now meet in someone's house in Montreal every week to listen to the one-hour talk shows on Triple R. It has become this social thing they do every week. They send emails every fortnight saying, 'I need to know more about the fish story' or whatever. It is this whole dialogue, because you can email and you can exchange in a whole different way. I think that is interesting.

Mr TICEHURST—Do you get expats as well?

Ms Letch—Lots of expats, yes. It is a dose of home.

Ms OWENS—Lots of expat Melbournites, people that were in Melbourne once and heard of Triple J by mistake, lots of those.

CHAIR—Can your internet service provider monitor your audience?

Ms Letch—Yes.

CHAIR—It would cost you money to do that?

Ms Letch—No, we have reasonably good stats on local and international hit rates, times, what sorts of places they are going. The expats visiting home is the other international audience.

Mr TICEHURST—What does Triple R stand for?

Ms Letch—Nothing in particular. It was RMT originally, because it was started by RMIT, so the R was there, and then there were just various early things, but I do not think it ever meant anything—'reading, 'riting, 'rithmetic' was one of them; the amount of 'ahs' on air!

CHAIR—Rock and roll, and reggae.

Ms Letch—Yes.

CHAIR—Just finally from me, besides a lack of management and other skills generally in the sector, what can the Australian Government do to ensure a robust network of community broadcasters? Is there anything in the constitution, management or whatever?

Ms Letch—The new training funding, some of which will be used to develop some management training, is an example of project funding support that can improve the sector. In terms of new technologies, the critical issue is really financial resources. In terms of the more philosophical side of things, it is about a greater recognition of the role that this particular sector has played over the last 30 years, and the fact that it is not replicated within other more easily defined categories of cultural activities in terms of arts or social welfare or whatever. I think that type of recognition is a part of the types of resources that the sector needs. I think a clear policy framework, a clear set of decision makings, is something that would contribute.

CHAIR—On issues like advertising, licensing, management or constitutional structure?

Ms Letch—Probably across the board in the sense that I think it is actually a pivotal time for governments to decide whether this is something they want to see have a very long-term future. Perhaps at its small-scale level, but nevertheless, there is a decision that needs to be made about that. Community television is a really clear example of a lack of policy framework. Community television has developed for nearly as long as radio; it was licensed in an analog sense 12 or so months ago. There is no commitment to digital of any kind. In the kinds of convergences and changes we are talking about in media, community television has exactly the same role to play as radio. It will serve exactly the same function for training and cultural product. There has been an enormous lack of clarity around the policy related to that development, and a much less clearer policy than for radio. The policy framework for the digital transition is becoming clearer but, in terms of new content and copyright issues, it requires an understanding that the sector requires a level of government support that is both financial and regulatory. The two are equally important.

CHAIR—I have to go to another committee meeting at 11. Thank you very much for that.

Ms Letch—Thanks for taking the time.

Mr TICEHURST—Just on community TV, there is a huge difference in cost to running a community TV station. I was interested when you were talking about the stations that exist as I was surprised that there was one in Lismore, because they tend to be in capital cities.

Ms Letch—Yes. Lismore struggles, and there are issues in regional. But it is not necessarily as big a difference as you might think. Melbourne Channel 31 television, which is a genuine

consortium membership model, runs on a similar budget to Triple R, and that is for live 24-hour broadcasting on TV. In fact, their budget would be slightly less than Triple R's budget.

Mr TICEHURST—Talking about community radio stations, some of them operate in a room that is probably only about maybe 10 or 12 square metres—that is the lot. Some are bigger, but you can run a radio station in a very small space, and a TV station takes up more space.

Ms Letch—Yes. With radio stations everyone comes in and does their show, although new media strategies will change some of that. The interesting thing about TV is that the content making is all done outside of the station. They are actually these sorts of hubs that broadcast, but the content makers, the cultural production, is occurring outside of that with volunteers. In terms of Australian content, I think community television has an enormous role to play, and it is really undervalued and misunderstood. It is not that expensive; it does not have to be. With absolutely no funding over 25 years, and no policy framework, and still not any framework for digital, it just seems such a waste of people's time and talents have gone into that sector.

Mr TICEHURST—I suppose if you look at the shows that are popular on commercial TV, people watch such a lot of rubbish. I guess the community tends to be focused.

Ms Letch—In terms of cultural issues, there is stuff that is awful that anyone with half a brain would have to say is awful. But there is a show on Melbourne Channel 31 that is five young Muslims; they are all really talented, bright, vivacious human beings; they are just fantastic. It is a panel show. It is like *The Panel*, but with young Muslims. They are funny, they are engaging, they are just fantastic. That sort of thing is not viable commercially, but in terms of understanding the nature of our communities and the issues—and even if you are not even that interested culturally, if you know what I mean, just as a piece of entertainment—they are just fantastic. It is really fascinating television.

CHAIR—Thank you very much for that, and we look forward to seeing you in Melbourne.

Ms Letch—Thanks for having me.

Committee adjourned at 10.57 am