

## **Access and diversity**

### **Number of services**

- 2.1 Much of the efforts of the ABA in implementing the BSA 1992 have been directed towards the promotion of Object 3(a) of the Act.

Object 3(a) to promote the availability to audiences throughout Australia of a diverse range of radio and television services offering entertainment, education and information, BSA 1992

- 2.2 Many of the reforms instigated by the BSA 1992 have resulted in a significant increase in the number of radio services in regional Australia. The reforms include a whole of spectrum approach to planning which aims to release all available spectrum, the issuing of s.39 licences and the creation of the open narrowcasting category of radio services. The extent of the increases is portrayed in the following data provided by the ABA.

Table 2.1 Count of commercial regional radio services

| Region type      | Licence type | As at 30 June 1992 |           | As at June 2001 |           |
|------------------|--------------|--------------------|-----------|-----------------|-----------|
|                  |              | Allocated          | Commenced | Allocated       | Commenced |
| Large Regions    | 1942 BA      | 48                 | 48        | 48              | 48        |
|                  | s36          | -                  | -         | 13              | 13        |
|                  | s39          | -                  | -         | 2               | 2         |
|                  | s40          | -                  | -         | 1               | 1         |
| Medium regions * | 1942BA       | 45                 | 45        | 45              | 45        |
|                  | s36          | -                  | -         | 8               | 8         |
|                  | s39          | -                  | -         | 24              | 23        |
|                  | s40          | -                  | -         | 1               | 0         |
| Small regions    | 1942 BA      | 36                 | 36        | 36              | 36        |
|                  | s39          | -                  | -         | 27              | 27        |
|                  | s40          | -                  | -         | 5               | 4         |
|                  | s40          | -                  | -         | 3               | 2         |

**Note\*** Remote commercial licences tend to be categorised as large or medium region licencees, as they transmit to large areas with large populations (> 100,000) or medium populations (> 40,000 and <100,000).

Source ABA

Table 2.2 Count of community radio services

| Region         | Licence type | As at 30 June 1992 |           | As at June 2001 |           |
|----------------|--------------|--------------------|-----------|-----------------|-----------|
|                |              | Allocated          | Commenced | Allocated       | Commenced |
| Large Regions  | 1942 BA      | 23                 | 23        | 23              | 23        |
|                | Part 6       | -                  | -         | 16              | 15        |
| Medium regions | 1942 BA      | 19                 | 19        | 19              | 19        |
|                | Part 6       | -                  | -         | 16              | 16        |
| Small regions* | 1942 BA      | 28                 | 27        | 28              | 27        |
|                | BRACS        | -                  | -         | 80              | 80        |
|                | Part 6       | -                  | -         | 38              | 35        |

**Note \*** Remote community licences tend to be categorised as small region licensees, as they transmit only in small areas with small populations (<40,000).

Source ABA

Table 2.3 Count of open narrowcasting radio licences

| Region type    | As at 30 June 1992 |           | As at 30 June 2001 |           |
|----------------|--------------------|-----------|--------------------|-----------|
|                | Allocated          | Commenced | Allocated          | Commenced |
| Large Regions  | -                  | -         | 21                 | 18        |
| Medium Regions | -                  | -         | 21                 | 18        |
| Small Regions  | -                  | -         | 124                | 104       |

Source ABA

2.3 The increase is substantial in all three licence categories with the number of commercial services having commenced operations having increased from 129 to 209 and the number of community services having increased from 69 to 215. In addition, 140 open narrowcasting services have been established.

2.4 Of interest to the Committee was the extent to which the increases were evenly spread across different sized regions.

2.5 The figures below are disaggregated according to size of the market.

Table 2.4 Number of Radio services in regional areas according to size of area, large regions.

| Large regions   | As at 30 June 1992 |           | As at 30 June 2001 |           |
|---|--------------------|-----------|--------------------|-----------|
|   | Allocated          | Commenced | Allocated          | Commenced |
| Commercial radio services<br>(Licence types 1942B, S36,<br>S39 and S40) | 48                 | 48        | 64                 | 64        |
| Community radio services<br>(Licence type 1942A, Part 6)                | 23                 | 23        | 39                 | 38        |
| Open narrowcasting radio<br>services                                    |                    |           | 21                 | 18        |

Source ABA

**Table 2.5** Number of radio services in regional areas according to size of area, medium regions.

| Medium regions  | As at 30 June 1992 |           | As at 30 June 2001 |           |
|---|--------------------|-----------|--------------------|-----------|
|   | Allocated          | Commenced | Allocated          | Commenced |
| Commercial radio services<br>(Licence types 1942B, S36,<br>S39 and S40) | 45                 | 45        | 78                 | 76        |
| Community radio services<br>(Licence type 1942A, Part 6)                | 19                 | 19        | 35                 | 35        |
| Open narrowcasting radio<br>services                                    |                    |           | 21                 | 18        |

Source ABA

**Table 2.6** Number of radio services in regional areas according to size of area, small regions.

| Small regions   | As at 30 June 1992 |           | As at 30 June 2001 |           |
|---|--------------------|-----------|--------------------|-----------|
|   | Allocated          | Commenced | Allocated          | Commenced |
| Commercial radio services<br>(Licence types 1942B, S36,<br>S39 and S40) | 36                 | 36        | 71                 | 69        |
| Community radio services<br>(Licence type 1942A, Part 6)                | 28                 | 27        | 146                | 142       |
| Open narrowcasting radio<br>services                                    |                    |           | 124                | 104       |

Source ABA

- 2.6 Of the 84 new commercial licences, 16 have been allocated in larger regions, 33 in medium regions and 35 in smaller regions.
- 2.7 Of the 150 new community licences allocated, 16 have been allocated in large regions, 16 in medium regions and 118 in small regions.
- 2.8 Of the 166 open narrowcasting services, 21 have been allocated in large regions, 21 in medium regions and 124 in small regions.
- 2.9 The figures indicate that the number of services that have commenced has been proportionately greater in smaller markets. In commercial licences that increase ranges from 33 per cent in larger regions, to 69 per cent in medium regions, and to 92 per cent in smaller regions.
- 2.10 Despite the increase in the number of radio broadcasting services, the evidence received by the Committee revealed that some areas still have very limited access to radio services and some areas have no access or access only through satellite delivered services.

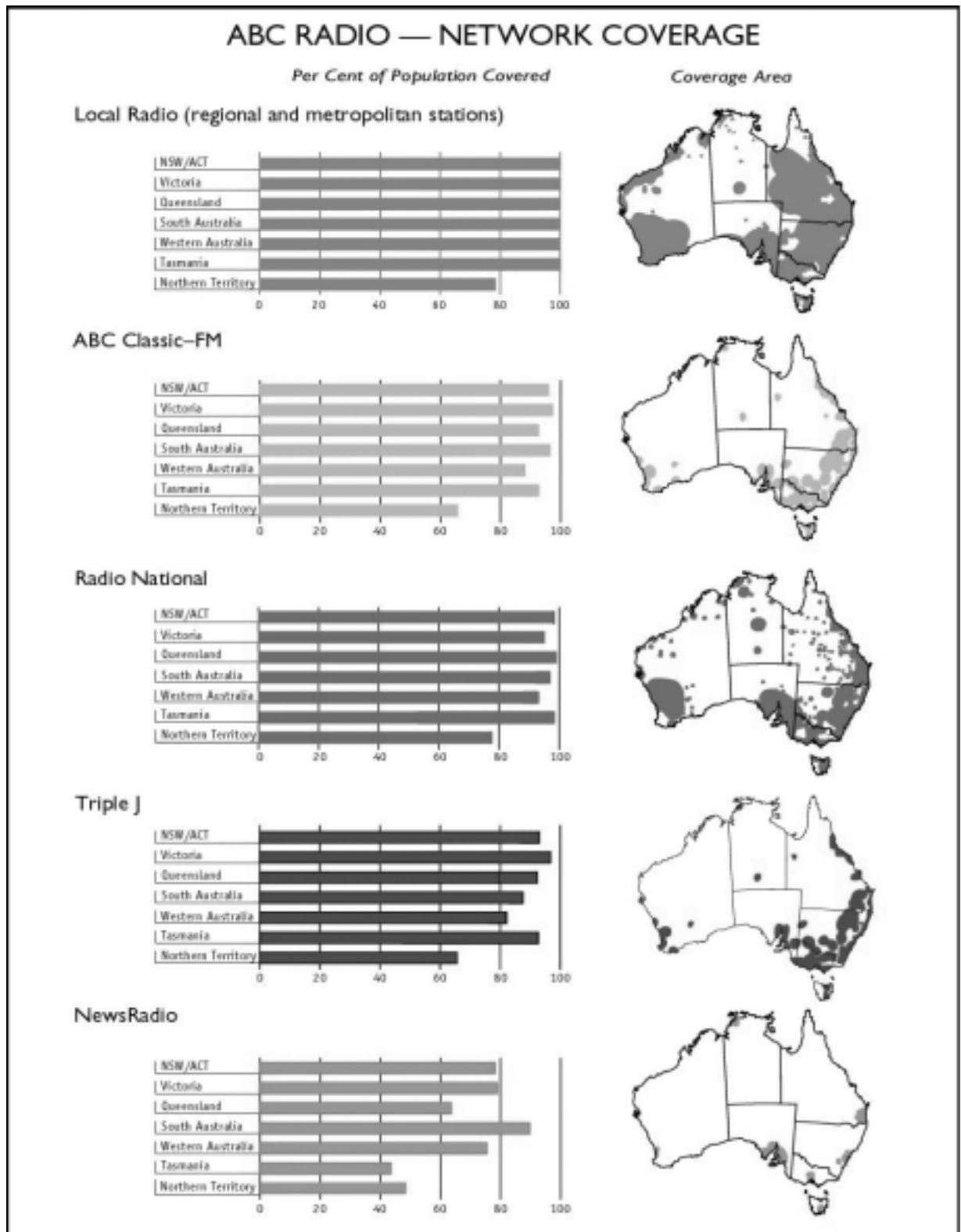
## Extent of access in regional areas

### Access to national radio services

- 2.11 Nearly a third of the submissions received in this inquiry related to ABC Radio Services. Almost without exception, listeners affirmed the value of ABC Radio in regional areas. Most submissions described not having access to one or more of the ABC's radio services that they wanted to hear. Some had difficulty receiving any radio services at all. In many instances this was a result of reception problems in the area.
- 2.12 According to the ABC's estimates, 'almost 100 per cent of the Australian population have access to an ABC Local Radio service, 97 per cent have access to Radio National, 95 per cent to ABC Classic FM, 92 per cent to Triple J and approximately 70 per cent to NewsRadio/PNN in capital cities and Newcastle only.<sup>1</sup>

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1 Submission No 108, Vol 3, p 453 (ABC)



Source ABC

2.13 ABC Radio services are also available by satellite. As acknowledged by the ABC's Director of Technology and Distribution, Mr Knowles, this does not

solve the problem for 'the man on the tractor or the person driving down the road.'<sup>2</sup>

- 2.14 Although the Committee did not receive full details of the extent of coverage by SBS radio in regional Australia, we did receive a number of submissions calling for the extension of SBS Radio services in regional areas.

### Access to commercial radio services

- 2.15 Despite the increase in the number of commercial licences across Australia, many areas do not receive commercial radio services.
- 2.16 According to the Western Australian Department of Commerce and Trade, for instance, only a minority of towns in Western Australia have their own commercial radio station 'and those receive networked program for most, and in some cases, all of the time.'<sup>3</sup>
- 2.17 In a recent exercise, FARB has identified a number of radio black spot areas around Australia. According to FARB, of the 142 black spot areas it has identified, 'most do not currently receive any commercial service (88 areas). A number of these areas do not receive the ABC or other radio signals either. A further 72 sites receive only an inadequate signal and in another 13 areas part of the community does not receive any signal. The remaining 13 areas do not receive signals for all the commercial stations potentially available in their areas.'<sup>4</sup>

### Access to community radio services

- 2.18 Although the increase in the number of community radio services in regional areas has been substantial, many regions and remote communities still do not have access to a community radio station. In Western Australia, for instance, only ten of the 154 towns outside the metropolitan area have community stations on the air.<sup>5</sup>

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2 Transcript of evidence, 28 May 2001, Brisbane, p 743 (Mr Knowles)

3 Submission No 178, Vol 5, p 942 (Department of Commerce and Trade, Western Australia)

4 Exhibit No 38 (FARB)

5 Submission No 178, Vol 5, p 942 (Department of Commerce and Trade, Western Australia)

## Reason for access and reception problems

- 2.19 A number of factors contribute to communities in regional Australia not having access to radio services. In most cases, it is because the cost of providing a service to communities with small populations is prohibitive.
- 2.20 The ABC budget, for example, allows for minor extensions and service enhancements only. A significant extension of services would require additional funding. The 2001-02 Budget allocated additional funding for the ABC, details of which are provided in the next chapter.
- 2.21 In terms of commercial broadcasters, there is no requirement on commercial broadcasters to provide a service to a certain percentage of its licence area. Nor does the ABA have the power to review the licence or compel licensees to 'fix' areas of poor reception.<sup>6</sup> Commercial broadcasters are generally only interested in providing services which are commercially viable. The costs of providing a service in some communities simply exceeds the revenue that would be returned by that community to the broadcasters.
- 2.22 Some reception and access problems are exacerbated by topography. This is clearly the case in Walpole a small coastal town in the south west of Western Australia located approximately 120 kilometres west of Albany. Walpole currently receives virtually no radio services and has been used as a case study throughout this chapter to illustrate some of the problems encountered by small regional communities in accessing radio services., The organisation which owns the National Transmission Network (ntl Pty Ltd), offered the following explanation for some of the technical problems that make access to radio services difficult in the Walpole area.

Further, Walpole is located on the coast and is bordered by a forested national park which impacts on the quality of reception. The strength of the radio signals is reduced due to the surrounding hilly topography and clutter due to the trees. This also means that any reception of these weak radio signals, particularly from AM radio transmitters, is highly susceptible to interference from any local electrical noise.<sup>7</sup>

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6 Submission No 79.03, Vol 9, p 2146 (ABA)

7 Submission No 192.01, Vol 8, p 2035 (ntl)



## The need to improve access in regional areas

- 2.23 Although we acknowledge that there has been a significant expansion of radio services in regional areas in the last decade, we are concerned by the level of access and reception problems that still exist.
- 2.24 We do not consider it acceptable that despite all the technological advances in recent years, some communities are still without easy access to radio services.
- 2.25 Radio plays a significant role in informing and entertaining listeners in all communities across Australia. In regional areas, it plays an extremely important role in connecting people within communities—however dispersed the population—and in building a sense of community identity. Radio also helps connect individuals and communities to the wider world and makes a significant contribution to ameliorating the economic, social and cultural disadvantages of living in remote communities.
- 2.26 While we encourage measures that will lead to a sustainable increase in the diversity of radio services in all regional areas, it is imperative that measures are taken to ensure all communities have access to at least a reasonable level of radio services. Ideally, all communities should have access to their most relevant ABC Local Radio Service (Regional) and at least one commercial service.
- 2.27 Many of the communities which have reported severe reception difficulties or almost total lack of radio services to this Committee are in the more sparsely populated areas of Australia. As pointed out by the Western Australian Department of Commerce and Trade in its excellent submission, there are economic reasons as well as social and equity reasons for ensuring such communities have access to radio services.

In non-metropolitan Western Australia 2.5 per cent of the Australian population produces over 26 per cent of Australia export income. As well as social equity, there is a strong economic argument for ensuring these isolated people have equitable access to services including broadcasting. This scattered population has critical needs for information, education and entertainment, which can be satisfied by broadcasting. They lack the array of metropolitan alternative sources such as theatres, art galleries, TAFE colleges, universities, wide subject choices in high schools and bookstores and much more.<sup>8</sup>

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8 Submission No 178, Vol 5, p 940 (Department of Commerce and Trade, Western Australia)

- 2.28 Radio enriches lives. In some situations it saves them. As made clear in much of the evidence received during this inquiry, radio plays a critical role in providing communities with the information they need when they are threatened by fire, cyclone, flood or storm. The potential for tragedy in these situations for communities or individuals without access to radio services was brought home in the following extracts from evidence taken during this inquiry. It provides perhaps the most compelling justification of all, for the need to ensure that all regional and remote communities have ready access to a reasonable level of radio services and for these services to be, to the extent possible, genuinely relevant and localised.

*Extract from evidence concerning the impact of the ABC's withdrawal of the short wave radio service in Western Australia in 1994.*

When I lived in the bush, up to 1994, I received radio 24 hours a day without the benefit of having to have my generator running. When you consider installing something at Meekatharra, at Newman or anywhere else to service the outlying centres, often where only one, two, three or four people live in a residence, you must also consider that these people may not have 240 power 24 hours a day but that they need to have radio reception 24 hours a day nonetheless.

I will just very briefly tell you that in January my son was home alone—the next people were 50 kilometres away—and we had a tornado go through our place which completely flattened the engine room, amongst other things. He could not touch anything in there for fear of being electrocuted. We had 20 millimetres of rain on top of that, and there was not another person within 50 kilometres. Our next-door neighbours are 100 kilometres away, and the mining company was 50 kilometres away. Also, his telephone went out. He had no idea what was going on. He had no contact with the outside world, and he did not even have the benefit of a radio for comfort or to know whether this was a general rain, whether to expect more to come or what might have come afterwards. It is very important that young people, older people, tourists or whoever who are out in the bush on their own do not have to have a generator to receive radio—radio that was taken for granted in the outlying areas until 1994, when it was just cut off.<sup>9</sup>

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9 Transcript of evidence, 12 March 2001, Geraldton, p556-557 (Mrs Forsyth)

*Evidence concerning the lack of access to radio services in Walpole*

As Walpole is the heart of the forest environment particular concern has been raised on many occasions with the risk of bushfires during the summer and the distinctive lack of radio communication to advise of any threat. I wrote this in October last year and last week we had a fire here which had the potential—and our district manager may be able to add to this—to create a lot of problems for the community and put people at risk. Greg was able to identify the problems on local radio, which is broadcast from Albany, but we were not able to hear it—and here is the fire only one or two kilometres away. In my situation I had my children ringing me up telling me how bad the fire was in our local environment because they lived in Albany, but we could not hear the comments here.<sup>10</sup>

## Measures to improve access and reception

### Improving access to ABC services

2.29 The provision of a full suite of ABC services has been a long time goal of the ABC. As early as 1945/46, the Australian Broadcasting Commission articulated its hope that the 'same choice of programmes would be radiated by regional stations in country areas as is now enjoyed in metropolitan centres.'<sup>11</sup> A significant step towards this occurred in 1986 with the establishment of the largest project in Australian broadcasting history—the Second Regional Radio Network (SRNN) project.<sup>12</sup> Prior to this project, ABC Regional Radio was represented in 28 locations and provided local programming to regional Australia through approximately 70 transmitters. SRRN project achievements included:

- the addition of 12 new individual local services in regional Australia;
- the installation of an additional 332 transmitters extending ABC Radio services to regional Australia, including approximately 170 Regional Radio transmitters;
- an additional 99 Radio National transmitters; and
- 16 ABC Classic FM transmitters.

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10 Transcript of evidence, 13 March 2001, Walpole, p 637 (Mr Burton)

11 Submission No 108, Vol 3, p 451 (ABC)

12 Submission No 108, Vol 3, p 452 (ABC)

- 2.30 According to the ABC, today 'Regional Radio is represented in 48 locations and delivered throughout regional and rural Australia through more than 280 transmitters.'<sup>13</sup> The ABC has announced plans to add three new regional locations (Victoria, Western Australia and Northern Territory) as a result of additional funding to the ABC in the 2001-02 Commonwealth Budget.<sup>14</sup>
- 2.31 In its submission to the inquiry, the ABC stated that 'maintaining and extending transmission services to regional Australia remains a priority'.<sup>15</sup>
- 2.32 It also stated that it would continue to pursue funding for the completion of the regional extension of Triple J and for the extension of NewsRadio on the PNN to regional Australians. The roll out for Triple J would be on the basis of towns with a population of 20,000 followed by towns with a population of 10,000. The PNN roll out would comprise two phases with the first expected to extend the service to 12 regional centres by 2003.
- 2.33 The key issue in any discussion of the extension of ABC services to regional areas is funding. As described by the ABC, under current funding arrangements the Federal Government has provided the ABC with fixed funding to enable it to broadly maintain the extent and quality of reception of existing services. The Government has also provided the ABC with a small appropriation to enable minor extensions and enhancements to its transmission network. Requests for extensions and service enhancements have significantly exceeded the ABC's capacity to provide such services.<sup>16</sup>
- 2.34 In evidence before the Committee, the Managing Director of the ABC, Mr Shier, emphasised that the only restraint on the ABC in terms of reception problems was the limit on funds. He estimated that \$14 million per annum would be required to remove most of the problem areas in relation to transmission.<sup>17</sup>
- 2.35 In a supplementary submission, the ABC provided details of what was included in the \$14 million per annum. While the extension of some of the services would be funded under the funding available for minor extensions and enhancements, most would require additional funding. A copy of the ABC's Optimal Transmission Strategy is found at Appendix D.

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13 Submission No 108, Vol 3, p 453 (ABC)

14 Submission No 108.01, Vol 9, p 2194(ABC)

15 Submission No 108, Vol 3, p 469 (ABC)

16 Submission No 108, Vol 3, p 469-470 (ABC)

17 Transcript of evidence, 28 May 2001, Brisbane, p 737 (Mr Shier)

2.36 The strategy is based on a population of 10,000 or more in the footprint.<sup>18</sup> In evidence before the Committee, Mr Knowles referred to the ABC's need to concentrate on centres with larger populations as follows:

At the moment a number of those locations you indicate are actually sub-5,000 populations. We still have a number of more than 10,000 populations which still have deficiencies in radio and we are doing our best to solve those.<sup>19</sup>

2.37 Given the gap between the demand for the extension of services and service enhancements and the amount of funding currently available to meet that demand, it is understandable that the strategy gives priority to areas with a population of more than 10,000. However, it leaves many parts of Australia, including some of the communities that made submissions to this inquiry, a long way off from receiving assistance.

2.38 While we support the extension of the full suite of ABC radio services across Australia, the first priority in extending services or enhancing services should be to ensure all communities in Australia at least have access to their ABC Local Radio Service (Regional). It is entirely unacceptable that some communities are still without this service and we are concerned that more has not been done in this area. That this situation exists raises some questions about the ABC's priorities in allocating its resources.

2.39 It is both ironic and absurd that Walpole, to use the example of our case study, is unable to pick up a program broadcast nationally on Sunday evenings from Albany that can be heard by communities on the other side of Australia. While we accept that topography appears to significantly contribute to the difficulty of picking up radio services in Walpole and that the ABC's radio station in Albany is also frustrated by the situation, we consider that there has not been enough done to rectify the situation. As suggested by one witness, 'if we can put men on the moon and have all this communication, surely, even with our trees being a potential problem for radio waves, there must be some way that we can do something to bring us up to speed with the rest of the world.'<sup>20</sup>

2.40 At the public meeting held in Walpole as part of this inquiry, various participants were able to suggest ways of overcoming the apparent technical difficulties of relaying a signal into Walpole.<sup>21</sup> We were

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18 Correspondence from ABC dated 3 September 2001. Not all centres with a population of over 10,000 are included as the strategy incorporates some equalisation between the states.

19 Transcript of evidence, 28 May 2001, Brisbane, p 743 (Mr Knowles)

20 Transcript of evidence, 13 March 2001, Walpole, p 645 (Mr Burton)

21 See evidence from Mr Stokes Hughes, Mr Tapley and Mr Cecil. Transcript of evidence, 13 March, Walpole, p 661. 665,

somewhat heartened towards the end of the meeting when as a result of the discussions, one participant identified that the problem may be able to be solved by community action.

More as a resident of the community rather than an ABC representative—and from the words we have heard from the shire and from the councillor involved in this area about the tower that is here and from the Peaceful Bay residents' comments about the way things are lined up—it would seem to me that, as a community, we could approach a manufacturer, borrow transmit and receive equipment and spend a gainful week driving around the trees having a shot. To me, we could solve this problem in a community sense.<sup>22</sup>

- 2.41 We accept that it is not always straightforward to deliver national broadcasting services. Notwithstanding this, we suggest that all parties involved, the ABC and the community, need to be determined to resolve the technical problems and find the solutions that will deliver radio services to areas which have none.
- 2.42 The key issue that remains is the provision of funding to assist them do this. This issue is addressed in the next section.

### **Self-help retransmission and the case for a radio black spots program**

- 2.43 There are currently three programs available by which **some** communities have access to self-help retransmission funding for **some** radio services. The details of the programs, as provided by DCITA, are as follows:
- A radio black spots program was established in late 2000 by the ABC for communities located north of the Tropic of Capricorn and within 250km from the coast which do not have terrestrial access to services. Under the scheme, eligible communities receive up to \$50,000 for site establishment costs and the purchase of equipment and up to \$25,000 for the replacement of obsolete equipment. 50 communities have gained access to a ABC Local Radio Service (Regional) through the scheme.
  - The Government has provided SBS with \$500,000 per annum to assist communities establish SBS radio or television self-help retransmission services. Under this scheme, communities are provided with 50 per cent of the actual costs (up to a \$25,000 limit) associated with site establishment and the purchasing of equipment.
  - The Government has contributed \$5m towards the establishment of a \$10m scheme with ntl pty ltd under the auspices of the Regional

Communications Partnership to subsidise community group access to existing ntl sites for the purposes of establishing (or maintaining) self-help retransmission of national and/or commercial radio and television services. The scheme only covers site access costs and does not fund equipment, site establishment or other costs.<sup>23</sup>

- 2.44 Considerably more has been done to assist television viewers gain access to services. The Television Black Spots Program was announced in June 2000. Its purpose is to increase the number of people able to access ABC, SBS and commercial analog television services. Essentially a community based self help model of assistance, the program makes retransmission services by communities more affordable by providing funding towards the purchase of relevant equipment. \$35 million has been allocated for the program. There are two components to the program, New Services and Replacement of Obsolete Equipment at Existing Self-Help Retransmission Sites.
- 2.45 Under the program, local government authorities and incorporated community organisations are eligible to apply for funding of up to \$25,000 per television service (and up to \$125,000 per site). for the cost of purchasing and installing analog terrestrial equipment. There is an additional \$25,000 available per site for site design and establishment. Funding of \$25,000 (up to \$125,000 per site if replacing equipment for all five services) is available for the replacement of obsolete analog equipment at existing self-help transmission sites.
- 2.46 The cap per site for five services plus site establishment is \$150,000. Depending on the number of households in a community, this equates to a cost for Government of \$3000 per household in communities with 50 households to \$300 per household in communities where there are 500 households.
- 2.47 Various organisations, including Western Australia's Department of Commerce and Trade and the Northern Territory Government, have called for the expansion of the Television Black Spots Program to include radio.
- 2.48 FARB called for the 'introduction of a Government funded blackspots program to assist regional listeners receive better reception and to extend commercial services. It advised the Committee that it had written to the Minister for Communications to seek an extension of the provisions of the blackspots program for television to commercial radio and that discussions were continuing with DCITA.

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23 Correspondence from DCITA dated 3 September 2001

- 2.49 FARB members have identified 142 black spots area which 'if serviced could extend commercial radio to around 360,000 people in regional and remote areas at an estimated cost of between \$4.2m to \$5.9m (depending on the number of stations installed).' This, it pointed out equates to as little as \$13.61 to \$15.41 per person.<sup>24</sup>
- 2.50 Putting the issue of addressing radio black spots in the context of broader developments in communications , Mr Shier commented:
- When we are trying to move into a situation where the entire nation ultimately will be tied up by broadband, it strikes me as a very first step to agree the entire nation should at least be connected by wireless. So I would not argue that we need to get into black spot funding; I would simply think it is a national priority.<sup>25</sup>
- 2.51 As stated in the previous section, given the value of radio to regional communities , and in particular, given its central role in providing communities with access to information in emergency situations, we consider that it is a matter of high priority to ensure all communities have access to radio services.
- 2.52 A Radio Black Spots Program along the lines of the Television Black Spots Program should be established as a matter of high priority. We consider that the Television Black Spots 2 Program is a reasonable model for a Radio Black Spots Program. Communities with 50 households or over should be eligible to apply for funding. Communities currently without any access to terrestrial radio services should be given first priority. It was anticipated in the Television Black Spots Program that either local government or the broader community generally would take responsibility for the ongoing maintenance of the facility and this principle should also be applied to a Radio Black Spots Program.
- 2.53 All communities should have access to a range of radio services and we consider that the Radio Black Spot Funding Program should apply to national radio services (ABC and SBS) and commercial radio services. However, we consider that government resources should in the first instance be used to ensure that communities have access to their most locally relevant ABC Local Radio service and at least one commercial service.
- 2.54 We acknowledge that in some areas where there are radio black spots, there is no spectrum available. Clearly in these areas, the problem will not

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24 Exhibit No 41, FARB.

25 Transcript of evidence, 28 May 2001, Brisbane, p 743 (Mr Shier)



be able to be rectified in isolation from other initiatives including perhaps the migration of television from VHF Band Two to UHF.

### **Recommendation 1**

- 2.55 As a matter of high priority, the Minister for Communications, Technology and the Arts should establish a Radio Black Spots Program. The Program should be established along similar lines to the Television Black Spots Program. The program should apply to national and commercial radio services. First priority should be given to attempting to ensure all communities with 50 or more households have access to the most locally relevant ABC Local Radio Service and at least one commercial radio service.**

## **Access to radio in remote areas**

- 2.56 Much of Western Australia is considered remote. The evidence received by the Committee from two areas in Western Australia highlights the issues concerning access to radio services in remote parts of Australia. The concerns relate to access to both national and commercial broadcasting services.

## **Removal of the ABC's short wave transmission service**

- 2.57 The Mid-West Development Commission, an organisation comprising nineteen local government authorities and representing an area covering a fifth of WA, identified the withdrawal of short wave radio transmission services as a major issue concerning radio services in its region.
- 2.58 The short wave transmission service used the VLW and VLX transmitters located in Wanneroo, Perth, with the programs usually coming from the ABC's 6WF studios in Perth.<sup>26</sup> The ABC withdrew the service in 1994.
- 2.59 At a public meeting held in Geraldton as part of this inquiry, many people travelled up to several hundred kilometres to air their concerns about radio services in their areas. One participant described the short wave service and events around its discontinuation as follows:

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26 Submission No 77, Vol 1, p 134 (Private citizen)

For many years leading up to 1994 we had the stations VLW and VLX which were sent out of Perth, from the Wallaroo Road, Hamersley transmission site of the then Postmaster-General's Department, and they were on 69 and 15 megs. They provided an excellent service to the bush on short wave. They were closed down, ostensibly for a two-month trial period, in 1994, and 'we will let you know what is happening'. Like everything else, we are still waiting to hear.<sup>27</sup>

- 2.60 Various reasons were cited as leading to the ABC's decision including health concerns relating to radio frequency radiation and the need to replace the equipment.
- 2.61 Seven years after the event, the withdrawal of the short wave service clearly still represents a significant loss to many people in the region effectively leaving many without easy and reliable access to radio services. The frustration still felt by the community at the ABC's failure to replace the service with an alternative was palpable as evident in the following extracts of evidence from the meeting.

As a citizen, it just strikes me that one should say that, in 1994 when that short wave transmitter, VLW, was taken away, for some reason there was an emasculation of folk in the ABC and they did not stand up and say, 'If all that is the case, we must provide the individuals with another service: another short wave transmitter—something.' They did nothing. Despite my strong protestations—being an also-ran, in a sense, in the bush—those pleas were ignored..<sup>28</sup>

Local communities were informed in 1994 that the service was being temporarily withdrawn on a trial basis, however, no replacement has since been offered. Short wave ABC transmissions were a valuable service that could be received in remote communities. Importantly, these services were relied upon when regular ABC services were disrupted during cyclones. This lack of service replacement raises duty of care implications.<sup>29</sup>

Their reason for closing the transmitters was that they were starting to become obsolete—they were going to cost \$800,000 to replace. They did not actually belong to the ABC—they belonged to the Australian Broadcasting Authority at that stage. They were shut down for a two-month trial period. Of course, that was a bit of joke. It just went on from there despite all the protests from

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27 Transcript of evidence, 12 March 2001, Geraldton, p 522 (Mr Priestley)

28 Transcript of evidence, 12 March 2001, Geraldton, p 530 (Mr Thompson)

29 Submission No 141, Vol 5, p 790 (Mid-West Development Commission)

ourselves and the Pastoralists and Graziers Association, and there are members here today that were involved in that.

We went through all this rigmarole of them saying that they would give us a 50 megawatt transmitter somewhere up there that would service the requirements once they shut the short wave down. Here we are, seven years later, still waiting for that promise.<sup>30</sup>

- 2.62 According to a survey of the pastoral region by done by the Mid-West Development Commission in association with the Pastoralist and Graziers Association and the Country Women's Association, 2500 –3500 people were affected by the decision.<sup>31</sup> According to a Councillor of the Murchison Shire Council, Mr Foulkes-Taylor, even more people were affected than shown in the survey.

The 2,500 to 3,000 were pastoralists that the mid west communications working group identified as having been VLW listeners. It did not include all the millions of little mining camps and all those sorts of things that were still involved. A lot of the Aboriginal communities that obviously listened to it were not involved. The sum total of that is that people are sick and tired of listening to Slim Dusty tapes over and over again—because from 1994 that is what they have been listening to.<sup>32</sup>

- 2.63 The Western Australian Department of Commerce and Trade described the measures taken by the ABC to compensate for the withdrawal of the short wave service as follows:

To compensate, the ABC in Western Australia provided a daily one hour feed of the County Hour to the Royal Flying Doctor Service through 1999. When the RFDS curtailed its radiotelephone services, the County Hour was cut. There was no significant response from listeners probably because the mid-day program was not at a convenient time for pastoralists out in the paddock. The medium was less convenient than short wave as they had to use the old RFDS Single Side Band receiver, which was no longer needed for any other purpose. Audiences sadly became accustomed to being without a radio service.

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30 Transcript of evidence, 12 March 2001, Geraldton, p 523 (Mr O'Dwyer)

31 Transcript of evidence, 12 March 2001, Geraldton, p 525 (Ms Healy)

32 Transcript of evidence, 12 March 2001, Geraldton, p 545 (Mr Foulkes-Taylor)

Nonetheless, apart from an ABC WA planning exercise, there has been no significant activity to provide radio to these disenfranchised listeners. The area is cut off from the world.<sup>33</sup>

- 2.64 One witness suggested that the restoration of the short wave service could be considered on the basis that 'the average \$120 radio with short wave facilities on it can pick up short wave'<sup>34</sup>.
- 2.65 In a discussion about value of short wave radio, Mr Knowles, conceded that short wave radio did provide an option but noted 'the average Australian driving in their normal Ford or Holden does not have a short-wave radio receiver on board and so it does not necessarily solve the problem of those—people in 4-wheel drives carry short-wave receivers and transmitters and have ready access. So it is one of those vexing questions as to how you address these particular problems. We keep searching for answers and at the same time we search for ones which provide a solution which we can afford to buy.'<sup>35</sup>
- 2.66 ABC Radio services are available via satellite. According to a representative from the Mid West Development Commission, the satellite service is not a viable alternative.

We were told back in 1994 that the satellite service would provide a viable alternative. It has not; it is a very limited service. As has been mentioned, it only really helps those people who live in the towns close to the satellite dish receivers and people in their homesteads when they can listen to the radio at home. It really does not service the travelling people or pastoralists when they are working outside of their homes, for various reasons. The coverage is not there, and they have to have 24-hour power to receive it. Another issue with the satellite service is that, for those people who live in close proximity to the towns where they can receive it, it is generated from Karratha, so it is not really a relevant service to the people of the mid-west region.<sup>36</sup>

- 2.67 Another witness pointed out that there is no reception via satellite delivery when there are thunderstorms or heavy rains. By contrast 'with short wave radio, you could get radio, uninterrupted by thunderstorms or by any other interference, day or night, at any time of day.'<sup>37</sup>

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33 Submission No 178, Vol 5, p 952 (Department of Commerce and Trade, Western Australia)

34 Transcript of evidence, 12 March 2001, Geraldton, p 522 (Mr Priestley)

35 Transcript of evidence, 28 May 2001, Brisbane, p 745, (Mr Knowles)

36 Transcript of evidence, 12 March 2001, Geraldton, p 525 (Ms Healy)

37 Transcript of evidence, 12 March 2001, Geraldton, p 527 (Mr O'Dwyer)

2.68 The Mid-West Development Commission called for the location of a high powered AM transmitter (10kW) to be located in the town of Meekatharra.<sup>38</sup> It claimed that the 'transmitter would fill a hole in the network and provide vital cyclone warning information when transmitters in the Pilbara were disabled, as frequently happened during the cyclone season'.<sup>39</sup>

2.69 In further support of the need for a 10kW station to be located in Meekatharra, Mr Thompson, Regional Program Manager for the ABC, added

I want to make one other point. The ABC provides a service at critical times: cyclones, floods, fires. The transmitters that provide that information are along the coast and invariably, if the situation is critical, those transmitters go out. So in our submission from the Mid West Development Commission we suggested an inland, AM powerful transmitter which could be serviced from places other than on the coast where direct cyclones come from. That would be an invaluable security measure for those communities along the coast. So far that, too, has been ignored.

CHAIR—Where were you recommending that for?

Mr THOMPSON—I reckon somewhere around Meekatharra would be an ideal spot because there is three-phase power there. There are some technicians there who would be available to service the transmitter and so on, and Vodafone have their only other outfit there, so there would be suitable people there to maintain it.<sup>40</sup>

2.70 We do not consider the satellite service an adequate replacement of the short wave service. Moreover we consider it inexcusable that in an era when technological developments should be significantly enhancing access to radio services, that an area has less reliable and ready access to ABC radio services than it did prior to 1994. Technology should always lead to improved access to services, not diminished access. Given the history of the situation and in the interest of restoring a level of service and of ensuring the community has reliable access to ABC Radio services in the event of emergencies and other such situations, we consider that a high powered AM transmitter (10kW) should be located at Meekatharra.

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38 The ABC is a signatory to the International Telecommunications Union (ITU) convention that restricts new AM services to 10kW in power.

39 Submission No 141, Vol 5, p 791 (Mid-West Development Commission)

40 Transcript of evidence, 12 March 2001, Geraldton, p 530/531 (Mr Thompson)

## Recommendation 2

- 2.71 **The ABC should commit to the establishment of a 10kW AM transmitter at Meekatharra, Western Australia, as a replacement for the short wave service that the ABC withdrew in 1994. If necessary, the Government should finance this project specifically in the 2002-03 Budget.**
- 2.72 We urge the ABC to assess similar needs in other parts of Australia and to detail its remedy in future budget submissions.

## Commercial radio services in remote areas

- 2.73 The access of remote communities to commercial radio services is particularly limited. One means of delivering programs is by means of satellite delivery.
- 2.74 In March 1986, the Department of Transport and Communications outlined a policy framework for licensing and regulating remote commercial, public and non-broadcasting radio services to be delivered via satellite. At least one Remote Commercial Radio Service (RCRS) was to be licensed in each satellite zone. There are three satellite zones, the Western Zone, the Central Zone and the North East Zone.
- 2.75 Remote Commercial Radio Services are deemed to be commercial broadcasting services by the BSA 1992.
- 2.76 RCRS licences 'were originally made available to provide a service to a region that did not fall within the licences area of any terrestrial commercial radio service.'<sup>41</sup> Licensees are not required to establish transmission facilities at any sites but are able to establish retransmission facilities if they choose. Retransmissions of an RCRS are not permitted outside its licence areas unless the permission of the affected terrestrial licensees has been obtained.
- 2.77 Much of the evidence that the Committee received concerning access to commercial services in remote areas related to services in the Western Zone. The Committee also received evidence concerning the North-East Zone (Queensland and New South Wales), the licence for which is held by SUN FM Pty Ltd. According to the ABA, SUN FM currently does not provide a satellite service although it does provide several 'local networks'

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41 Submission No 79.07, Vol 9, p 2165 (ABA)

of its 4SUN service at Miles and Chinchilla, Beaudesert and Tenterfield and Stanthorpe.<sup>42</sup>

- 2.78 Some of the matters relevant to RCRS licences have already been covered in the discussion about access to commercial services generally and are addressed by the Committee's recommendation for the establishment of a Radio Black Spots Funding Program. The following discussion focuses on issues specifically raised in the context of the RCRS for the Western Zone. The issues and recommendations however apply to all RCRS services.

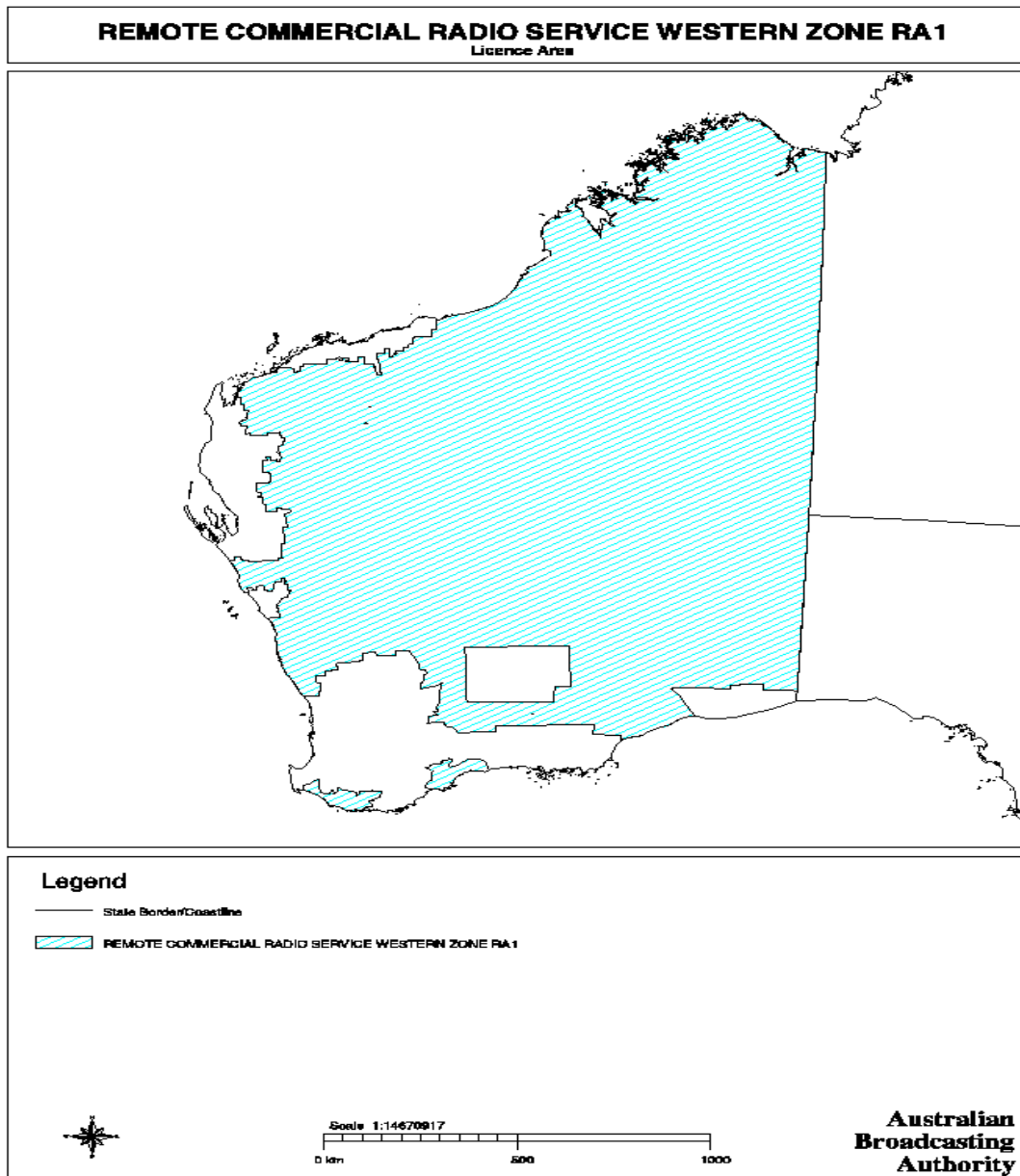
### **Remote Commercial Radio Service (RCRS) licence for the Western Zone**

- 2.79 Two RCRS licences have been issued in the Western Zone. The Zone covers the largest commercial licence zone for Australia with communities ranging from iron ore towns in the north-west to agricultural communities in the wheatbelt and timber communities in the south-west.<sup>43</sup>

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42 Submission No 79.03, Vol 9, p 2131 (ABA)

43 Submission No 178, Vol 5, p 949 (Department of Commerce and Trade, Western Australia)



Source ABA

- 2.80 Since first being issued in 1988, the licences have changed hands. At the time of the Committee's visit to Western Australia, the licenses were held by North West Radio Broadcasters, which operated WAFM (a mostly contemporary music service based at Karratha) and North West Radio (an easy listening and talk back service also programmed from Karratha). The licences have since been purchased by RED FM.<sup>44</sup> RED FM is a Perth based narrowcast music and news service delivered by satellite to mining sites.<sup>45</sup>

44 Submission No 79.03, Vol 9, p 2131 (ABA)

45 Submission No 178, Vol 5, p 950 (Department of Commerce and Trade, Western Australia)



## Issues for operators and listeners in the RCRS Western Zone

2.81 The size of the licence area makes it economically unviable for licensees to service all areas with the zone. In some cases, this has resulted in an area receiving no commercial services as is the situation in our case study, Walpole.<sup>46</sup> Although Walpole is a small community in terms of its resident population, large numbers of tourists travel through the town. According to a representative from the Walpole Community Group, road surveys for 1998 indicated an average of 465 cars a day travelled through Walpole.<sup>47</sup> Walpole is officially listed in the RCRS Western Zone. The community's predicament in relation to commercial services is described by the Department of Commerce and Trade as follows.

The community's closest ties are to Albany and Manjimup, each about 120 km. east and north, respectively. Advertisers in those towns and places nearer-by could reach the small market of Walpole residents and the large market of tourists if there was an outlet. WAFM claims it is not economical to focus on communities outside its core area 1500 km to the north. Radio West, terrestrial licensee in Albany and Manjimup, is restricted by its licence area and commercial considerations.<sup>48</sup>

2.82 The Western Australian Department of Commerce and Trade made clear that Walpole is not the only place in Western Australia that has no access to radio services.

Walpole's case in the south west is replicated in those properties, stations and small communities in the Pilbara, where while some radio services can be reached weakly in cars, no services are easily available in stationary locations, except by sharing satellite TV systems. Residents claim that along the interior highway, for most of the 600 km between Nullagine and Cue, there are no radio services for the close to 3,000 people who use that road annually. Eight percent of pastoralists questioned in the Gascoyne Region (beyond Carnarvon) have no radio or television sets, ostensibly because they have nothing to listen to or watch or cannot afford a satellite receiver.<sup>49</sup>

2.83 There is no requirement on RCRS licensees to provide a service. Given the size of the area, it is reasonable that RCRS licensees do not provide a service to all areas within their zone. However, as explained by the Chair of the Mid-West Communications Group, Mr Wilks, this leaves remote

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46 Submission No 79.03, Vol 9, p 2134 (ABA)

47 Transcript of evidence, 13 March 2001, Walpole, p 636 (Mr Burton)

48 Submission No 178, Vol 5, p 951 (Department of Commerce and Trade, Western Australia)

49 Submission No 178, Vol 5, p 951 (Department of Commerce and Trade, Western Australia)

communities in a situation whereby 'commercial radio is very limited unless you put your hand in your pocket and you run lamington drives and chook raffles and all of those sorts of things, because that is really what it has come down to for communities up here'.<sup>50</sup>

- 2.84 Some communities have funded their own retransmission facilities. In the north midlands area of Western Australia, the communities in Morawa, Perenjori and Three Springs raised the \$25,000 needed to fund the equipment needed in order to retransmit the programs from WAFM.
- 2.85 The Committee's recommendation for the establishment of a Black Spots Program will assist communities who do not receive a service to establish retransmission facilities to receive the service from the licensees for the area, namely the holders of the RCRS .
- 2.86 There is also some provision in the BSA for communities in RCRS zones to receive commercial radio broadcasting services from another licence area as is evident in the recent decision by the ABA to grant a licence to Geraldton based commercial broadcasters, Batavia Broadcasters, to provide a service in the North Midlands area. Dissatisfied with the services they were receiving on WAFM, residents in the North Midlands Region, assisted by the MidWest Development Commission, attempted to 'forge a coalition of those communities to bring a local radio service into the region.' According to the Western Australian Department of Commerce and Trade, the ABA nominated an AM frequency in Three Springs that would cover the area. Unfortunately, the coalition fell apart and the decision was made to retransmit GWN's satellite service on local FM transmitters. However, GWN sold its licence to what is now WAFM and the base of the operations moved north.<sup>51</sup>
- 2.87 According to the Commission, after 'years of complaint and spurred on by the licensees of the two Geraldton stations', the ABA started examining ways of 'bringing a semblance of local service to the region'.<sup>52</sup> This resulted in the ABA awarding a provisional transmission licence for the North Midlands region to the Geraldton licensees for Batavia Coast.<sup>53</sup> The licence was granted under the previous provision of section 212 of the BSA 'which allowed a licensee to apply for permission in writing to provide a service within another licence area.'<sup>54</sup> The licence allows Batavia Coast to retransmit in AM at five kilowatts from a site in Morawa.<sup>55</sup> According to

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50 Transcript of evidence, 12 March 2001, Geraldton, p 542 (Mr Wilks)

51 Submission No 178, Vol 5, p 949 (Department of Commerce and Trade, Western Australia)

52 Submission No 178, Vol 5, p 949 (Department of Commerce and Trade, Western Australia)

53 Submission No 79.07, Vol 9, p 2165 (ABA)

54 Submission No 79.07, Vol 9, p 2165 (ABA)

55 Transcript of evidence, 12 March 2001, Geraldton, p 537 (Mr Smith)

the Mid-West Development Commission, 'Batavia Coast will broadcast a service from Geraldton which will be more relevant to the area and contain significantly more local content than the previous Karratha based service.'<sup>56</sup>

2.88 As Batavia Broadcasters made clear to the Committee, it must be commercially viable for broadcasters to consider retransmitting programs into areas. Batavia Coast described to the Committee that it had expended \$300,000 'to increase our audience by 25 percent in the belief that a proportion of local content and national advertising will offset that \$300,000 over the life of this new mast, which might be another 25 years.' When asked if it was interested in 'scaling up the service' to reach further out, Mr Smith, Group General Manager of Batavia Broadcasters explained 'that it would be possible, but would need retransmission facilities at Meekatharra. However, the audience comprises a couple of kangaroos and a couple of hundred people, which commercially does not make any sense'.<sup>57</sup>

2.89 Although it was apparent during the inquiry that there were some perceptions to the contrary, communities which self fund the retransmission of a radio service are able to choose service that they retransmit. The ABA explained the process as follows.

Following amendments to the BSA, the provisions of section 212 now render only self-help groups eligible to apply to retransmit a service outside its licence area into another licence area. It is ABA policy that these applications be considered where the area is not receiving the services to which it is entitled under its LAP. The application is still required in writing by the ABA. In making its decision, the ABA takes into account issues such as the cost to the self-help community group of the provision of the service, technical availability of the service, etc.

The licensee of a broadcasting service is not eligible to apply to retransmit its service into another area under section 212 but may do so under Schedule 2 of the BSA, where that area is not receiving a technically adequate signal or the number of services to which the area is entitled.<sup>58</sup>

2.90 Such provisions are particularly pertinent to communities such as Walpole which lie within the remote commercial zone but are relatively close to a town with commercial broadcasting services. Walpole for instance is only 120 km from Albany, a major commercial centre. Given that the RCRS

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56 Submission No 141, Vol 5, p 791 (Mid-West Development Commission)

57 Transcript of evidence, 12 March 2001, Geraldton p 537 (Mr Smith)

58 Submission No 79.07, Vol 9, p 2165 (ABA)

licensee has not provided a service to Walpole, and because of its natural links with Albany, it would be understandable if the community's preference was to receive a commercial service from Albany. Following the process outlined in section 212 of the BSA, Walpole residents could apply to retransmit the satellite radio services or the Albany commercial services.<sup>59</sup>

- 2.91 As is evident from the discussion above, it is clearly possible for communities within the RCRS zones who are not able to receive services to apply to retransmit services from outside the area and, moreover, to choose when an alternative is available which service to retransmit. Retransmission, however, is permitted on the basis of the technical inadequacy of existing services. As explained by the ABA, 'there is no provision in the legislation allowing residents to receive a different service if they are dissatisfied with the content of their current service'.<sup>60</sup>
- 2.92 According to the Western Australian Department of Commerce and Trade, the legislation should be amended to allow communities who build self-help retransmission systems to choose the program service more appropriate for their location'.<sup>61</sup>
- 2.93 The RCRS licences appear to have been established to fill in the gaps on the map left by other commercial services. We appreciate that it may not be a commercially viable for RCRS licensees to provide the sort of programming that will be considered sufficiently locally relevant for all communities within their zone. While many communities would say some service is better than no service, there are some communities which will aspire to have a service that is more specifically relevant to their area. We consider that communities in these zones which are self funding or funding through a self-help retransmission scheme, such as the Radio Black Spots Program that we have recommended, could be able to choose access to a more locally relevant commercial service and that retransmission could be granted on that basis. Inadequacy of existing services should be construed in broader terms than technical inadequacy and should include adequacy in terms of local relevance. In Chapter 3, we propose a mechanism by which adequacy in terms of local relevance can

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59 In providing background information to the Committee about the situation, the ABA suggested that Walpole residents 'would be advised to thoroughly assess the costs of receiving and providing the service and make informed choices as to which services they wish to receive. The costs associated with retransmitting the Albany commercial radio services could be much higher than those associated with the satellite services. Also, establishing facilities to retransmit the satellite radio service has the additional benefit of allowing access to the national services.' Submission No 70.07, Vol 9, p 2165 (ABA)

60 Submission No 79.07, Vol 9, p 2166 (ABA)

61 Submission No 178, Vol 5, p 951 (Department of Commerce and Trade, Western Australia)

be ascertained. We suggest the audit process is also used to determine adequacy in terms of locally relevant content in the RCRS zones.

### **Recommendation 3**

- 2.94 The Minister for Communications, Information Technology and the Arts should prepare amendments to the *Broadcasting Services Act 1992* to enable communities in the RCRS zones which do not consider the service that they receive is adequate in terms of local relevance to be able to apply to retransmit another service, following the conduct of the audit process described in Chapter 3.**

## **Community Radio Broadcasting and diversity in radio services**

- 2.95 According to the explanatory memorandum for the BSA 1992, the community broadcasting sector 'adds to the diversity of ownership and programming by reflecting a different range of views, priorities and institutional pressures.'<sup>62</sup>
- 2.96 The continuing development of the sector, according to the Community Broadcasting Association of Australia (CBAA), ensures structural diversity in the broadcasting system. In non-metropolitan Australia, where their presence has increased significantly in the last decade, 'community stations have grown to assume a significant role in the social and cultural life of their communities'.<sup>63</sup>
- 2.97 In the course of this inquiry, we received a number of submissions from community broadcasting stations. The submissions portrayed a sector that plays an important role in the regional and rural areas in which it is present but a sector that is also facing a number of structural and operational challenges. Invariably, many portray a sector with a fragile financial position with a number of notable exceptions.

## **Regulatory and structural issues**

- 2.98 The community radio 'umbrella' covers both wide purpose community licences as well as a number of discrete special interest sectors including,

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62 Explanatory memorandum, BSA 1992, p 52

63 Submission No 130, Vol 4, p 637 (CBAA)

Indigenous radio services and Christian radio services and radio for the print handicapped.

- 2.99 A major issue raised by the ABA was whether there was a need for more 'national strategies to meet special interest needs than the current *ad hoc* market-by-market approach to community licence planning'.<sup>64</sup> Representatives from organisations concerned with indigenous radio broadcasting services and radio for the print handicapped services provided evidence related to this issue.

### Indigenous radio broadcasting services

- 2.100 The Indigenous radio broadcasting sector questioned the appropriateness of the 'community' umbrella for its broadcasting services. Operating under the community broadcasting section of the BSA has 'presented the sector with many difficulties, as the aims of the indigenous broadcasting sector are in many ways vastly different from those of mainstream community broadcasters throughout Australia' explained the Chairperson of the National Indigenous Radio Service (NIRS), Mr Bayles.<sup>65</sup>
- 2.101 Indigenous regional radio provides a first level of service to many indigenous people living in regional and remote locations.
- Indigenous radio services, in particular, provide a first level of service to indigenous people, broadcasting information and entertainment, facilitating networks and skills development, and providing access to local languages. Indigenous radio is the 'mainstream' medium for many communities.<sup>66</sup>
- 2.102 According to the Aboriginal and Torres Strait Islander Commission (ATSIC), Indigenous media have been subject to *ad hoc* policy making that has restricted the sector from operating to its full potential.
- 2.103 Unable to compete in many instances in price based auctions for commercial licences, and hampered by the restrictions on sponsorship applying to community stations, Indigenous radio, according to ATSIC, has 'grown up in a subsidised dependent environment as a community service'.<sup>67</sup>
- 2.104 ATSIC called for the establishment of a separate licence category for indigenous radio services. As noted by ATSIC, the Productivity Commission acknowledged in its Broadcasting Report, June 2000, that 'the category of community broadcasting is inadequate for Indigenous

64 Submission No 79, Vol 1, p 153 (ABA)

65 Transcript of evidence, 19 February 2001, Brisbane, p 378 (Mr Bayles)

66 Submission No 190, Vol 6, p 1192 (ATSIC)

67 Submission No 190, Vol 6, p 1193 (ATSIC)

broadcasters as it "affects Indigenous media services, access to spectrum, their participation in the co-regulatory processes of the broadcasting industry, and their financing and staffing". The Productivity Commission recommended that a new licence category for Indigenous broadcasters should be created, with appropriate conditions relating to advertising and that spectrum should be reserved for Indigenous broadcasters to provide a primary service for indigenous communities, where appropriate.

- 2.105 The Indigenous radio broadcasting sector has also called for the establishment of a National Indigenous Broadcasting Service as a distinct third public network for Australia. ATSIIC is currently conducting a feasibility study into the establishment of such a service.
- 2.106 The Committee recognises the importance of the role indigenous radio can play in Indigenous communities. We also recognise the value, both current and potential, it may contribute to the social and economic development and well being of Indigenous people as a whole. The developments occurring in Indigenous broadcasting, despite the budgetary and regulatory constraints, are impressive.
- 2.107 In our view, there is considerable merit in the proposition that a separate licence category be established for Indigenous radio services. Operating within the community licence category undoubtedly restricts the capacity of indigenous services to develop as commercially sustainable operations. On the other hand, it is unreasonable to expect Indigenous services, at this stage, to compete for the price-based allocations of full commercial licences.
- 2.108 Accordingly, we make the following recommendation.

#### **Recommendation 4**

- 2.109 **The Minister for Communications, Information Technology and the Arts should prepare amendments to the *Broadcasting Services Act 1992* to establish an additional category of broadcasting service relating to Indigenous broadcasting services.**

#### **Radio services for the print handicapped**

- 2.110 The Committee received a number of submissions calling for the extension of radio for the print handicapped (RPH) services into non-metropolitan Australia.

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- 2.111 Radio for the Print Handicapped Australia endeavours to 'reduce the information gap between those people who have access to print and those who do not'. It provides radio services by dedicated RPH stations or through blocks of RPH programming. Dedicated RPH stations operate in the capital cities in each state and in Canberra.
- 2.112 With assistance from the Vision Australia Foundation, a number of RPH stations have been established in regional Victoria. The model uses a channel on the Optus B satellite and internet sources 'for the efficient distribution and production of planning'.<sup>68</sup>
- 2.113 According to RPH Australia, building on this model to deliver radio services for the print handicapped is a high priority. RPH has investigated a number of options for doing this including the use of low powered retransmission of networked programs with local windows using narrowcast frequencies as well as the establishment of licensed station as well as any emerging digital radio options.
- 2.114 In discussing the work of the Vision Australia Foundation in assisting RPH extend its services into regional Victoria, Mr Bruce Billson MP, Member for Dunkley, raised the issue of the 'need to secure community broadcasting licence approval over a large number of geographic areas.'<sup>69</sup> He also suggested that it would be preferable for a single frequency to be allocated which would be readily recognised by the sight impaired community. The observations are consistent with the ABA's suggestion for the need for national strategic approach to be taken to meet the needs of some special interest groups rather than the market by market approach.
- 2.115 Radio for All Australians Association also called for radio services for those with reading difficulties to be extended to regional and rural areas. In evidence before the Committee, the President of the Association, Mr Hall, expressed support for the notion of a national station to provide services for people with reading difficulties.
- 2.116 The Committee appreciates the enormous contribution that radio can play in providing not only information and entertainment but also companionship to people in the community who are print handicapped. RPH services should be available to people wherever they live.
- 2.117 We welcome the interest and initiatives shown by RPH Australia, the support that is clearly being given by some organisations and the interest in ensuring services are provided people with reading difficulties in regional and remote areas by organisations such as Radio for All Australians. The evidence suggests the need, once again, for the
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68 Submission No 215, Vol 6, p 1490 (RPH Australia)

69 Submission No 270, Vol 7, p 1851 (Mr Bruce Billson, MP)



development of a national strategy to ensure people in non-metropolitan Australia have access to radio services for the print handicapped.

### Recommendation 5

- 2.118 The Minister for Communications, Information Technology and the Arts should direct the Department of Communications, Information Technology and the Arts to develop, in consultation with the ABA, RPH Australia, Radio for All Australians and other relevant organisations, a national strategy to ensure that people in non-metropolitan Australia have access to radio services for the print handicapped.**

## Operational issues

### Funding

- 2.119 Many organisations involved in the community broadcasting sector argued for the need to increase government support and funding to the sector. According to CBAA, the Community Broadcasting sector faces scarcity of capital and groups face immense difficulty in raising adequate start-up resources.<sup>70</sup>
- 2.120 In regional and remote Australia, the average turnover for stations is \$102,000 per annum. Many all volunteer operations in regional, rural and remote locations have a turnover of less than \$50,000.<sup>71</sup>
- 2.121 According to the CBAA, the gross annual revenue for the sector is about \$30 million. Community stations generate a considerable proportion of this revenue from their own activities including sponsorship<sup>72</sup> and community fundraising.
- 2.122 According to the CBAA, approximately 5 per cent of operating funds come from government funding. Community broadcasting is funded by an annual grant to the Community Broadcasting Foundation Ltd (CBF), an independent company established by the sector to allocate funds. Specific amounts are allocated to ethnic, Indigenous, Radio for the Print Handicapped and general sub-sectors. According to the DCITA,

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70 Submission No 130, Vol 4, p 637 (CBAA)

71 Submission No 130.01, Vol 7, p 1570 (CBAA)

72 Prohibited under the BSA from advertising, the main form of income comes from sponsorship. This is strictly limited to five minutes per hour.

Commonwealth funds for 2000-2002 will total \$5,031,000.<sup>73</sup> This includes \$3,481,000 core funding and \$1,550,000 targeted funding which is provided for special purposes such as the Community Radio Satellite (ComRadSat) service, the Community Broadcasting Database (CBD), the Community Access Network(CAN) and for Multicultural Community Broadcasting.

- 2.123 Grants are issued by the CBF to stations on a case by case basis. According to the CBAA, 'many stations receive no grant funding and others receive grants infrequently, tied to specific purposes'.<sup>74</sup>
- 2.124 In its submission to the inquiry, CBAA provided the following breakdown of recurrent Government funding made available through the CBF .

| Sector                                   | Government funding (\$million) |
|--|--------------------------------|
| Indigenous broadcasting                  | 0.576                          |
| Ethnic broadcasting                      | 2.365                          |
| Radio for the Print Handicapped          | 0.271                          |
| National Transmission Network            | 0.081                          |
| General grants and sector administration | 1.100                          |

- 2.125 The CBAA claimed that once 'the cost of operating the CBF and the sector co-ordination grant to the CBAA are subtracted from the \$1.1m allocated for general grants, the funds available for general community stations amounts to \$405,000'.
- 2.126 Figures provided by DCITA reveal a decline in funding in 2001-02. The reduction was caused by the cessation of funding for the Australian Contemporary Music Project which was provided in 1999-2000 and 2000-01.
- 2.127 There were some calls in submissions for the limits on sponsorship content to be lifted from 5 minutes per hour. The Committee is not persuaded that such a move would assist many stations. In its discussion with individual stations in the course of this inquiry, many were unable to fill the current 5 minutes. Increasing the level of sponsorship allowed would also have implications for the commercial radio broadcasters. It is

73 Submission No 188.01, Vol 9, p 2203 (DCITA)

74 Submission No 130, Vol 4, p 643 (CBAA)

ironic that radio stations which have grown from the community are unable to gain sponsorship support for their activities. Lifting the sponsorship time per hour would advantage few stations unless they advance their activities in obtaining sponsorship. Without proof of support for community stations as demonstrated by sponsorship support, there is little pressure for Government to subsidise further the community broadcasting sector.

- 2.128 The CBAA argued that the sector needed the minimum of an additional \$3.4 million per year 'to keep stations grant funding apace with growth and to address start-up needs (such as capital equipment, management expertise and training) of a sector that will have more than doubled in its number of stations since 1996.'<sup>75</sup>
- 2.129 The Committee believes the community broadcasting sector is not autonomous. The viability of the sector needs further inquiry as should the use of spectrum for the community sector. The concern of the Committee is simple. We concede the community sector does have the potential to deliver real live and local radio service to regional Australia. However, unless the communities theoretically served actually support their local community radio, the genuine and worthwhile aspirations of the sector will never be realised.
- 2.130 There will continue to be legitimate concern that the spectrum currently allocated to many community radio stations may be better allocated in other ways. We therefore believe the community radio sector be subjected to the audit processes outlined in Chapter 3 to verify their support in their community.

### Training needs

- 2.131 A related issue affecting the community broadcasting sector's performance was the need for assistance for upgrading management skills. According to the CBAA, 'smaller rural and regional stations all too often face difficulties reaching that critical level of income that makes it possible to engage a suitably qualified and skilled station manager'. CBBA called for the allocation of an additional \$2 million per year to establish a station manager employment and training scheme. It suggested that a self help model whereby grants were made available of a dollar to dollar match of locally generated revenue would enable a small amount of funding to make a significant difference.
- 2.132 As in any enterprise, the standard of community radio is determined by a number of factors including the expertise of the station manager. The

perception gained from the submissions to this inquiry is that the standard of community radio varies considerably across the sector. We consider that the establishment of a station manager employment and training scheme as proposed by the CBAA would assist the sector improve its performance. It also would provide some recognition of the role that community radio is playing in providing a training ground for employment in the industry.

### **Recommendation 6**

- 2.133 The Minister for Communications, Information Technology and the Arts should establish a station manager employment and training scheme for the community broadcasting sector to allow community broadcasters to participate in accredited training courses. The scheme should be based on a self-help model in which Commonwealth funds are made available on a dollar for dollar basis to match locally generated funds. The level of Commonwealth funding should be capped at \$5,000 per station.**