



SUN FM NETWORK EMAIL

To: Janet Holmes
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From: Aaron Jowitt
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Date: 15/06/01

Subject: Inquiry Into The Radio Industry

The Committee Secretary - Inquiry Into The Radio Industry
House of Representatives Communications Committee
Parliament House
Canberra ACT 2600
Attention: Janet Holmes

Thursday, 22 March 2001

Dear Sir

House of Representatives Standing Committee on Communications, Transport and the Arts
Submission No: 183.02
Date Received: 15/6/01
Secretary: Janet Holmes

Re-Transmission of Neighboring Market Commercial Radio Services

I would like to respond to the issue of regions that do not receive adequate signal coverage from their licensed commercial radio service as raised recently by Geraldton (regarding Morowa - the Seven Shires) and Walpole.

In both cases, the relevance of program content available from the commercial radio services licensed for the area (WA-FM & North West Radio - Karatha) was an issue, with both communities preferring to be served by a neighboring commercial radio station.

Historically the Morowa region had always been served by Geraldton 6GE, until FM conversion of that station a few years ago reduced the signal coverage. The pending Morowa 1512 AM relay translator from 98FM in neighboring Geraldton is re-introducing a valued service that was taken from the market.

In Walpole where they are trying to get a commercial radio service for the first time, it appears the communities preference is to relay in the neighboring Albany based commercial radio service, rather than the Karatha based service licensed to serve the area.

This view is not surprising. In towns currently unserved by commercial radio around Australia, most towns if given a choice, would opt for a relay of a commercial radio station based in the

closest regional service centre to that town, where social, business and community interest ties are likely to be strong.

It is also likely a neighboring commercial radio station has more to gain from serving neighboring towns than a remote broadcaster. In the case of Walpole, some Albany businesses include Walpole in their catchment area, so Albany radio can deliver them a bigger reach of their customer base. This would have a small but positive benefit for the Albany station.

In contrast, if Walpole was served by WA-FM, it is unlikely they would secure Albany advertisers, as their signal reach in the immediate region would be confined to Walpole. While I'm not suggesting that Walpole is a lucrative market, an Albany based broadcaster would have more incentive to assist with the establishment of a re-transmission site.

If WA-FM has little interest in serving Walpole, it is one instance where rebroadcast of a neighboring commercial radio service would be the appropriate solution.

However, there are other regions of Australia where one town's desire to re-transmit a neighboring commercial radio service could have an undesirable impact on choices of services in neighboring towns within the region.

For example, Cape York Peninsula/Gulf of Carpentaria. In this market, the ABA granted an s212 re-transmission licence to 4AM Mareeba to serve Weipa. This occurred while SUN FM held a commercial radio licence for the area, but the ABA had failed to complete its LAP for the area, depriving SUN FM of an unrestricted FM channel at that time.

While Weipa may now receive commercial radio service, it destroyed the viability of the pending SUN FM satellite service for outback Queensland, a service which was tailored to primarily focus on the Gulf/Cape region, including Weipa.

As a direct consequence, smaller gulf/cape communities including Normanton, Karumba, Thursday Island and Cooktown are unserved today. Even if those communities were given freedom to re-transmit the commercial radio service of their choice, the bottom line is that there is no choice. A program link from the nearest commercial radio station would be cost prohibitive. No Queensland commercial radio station is providing satellite programming specifically for outback and remote areas of Queensland.

Pending current planning issues before the ABA, it is our desire to still achieve our original aim and serve those remote communities, albeit on a loss making basis. But if communities in the future are legislatively given total freedom in choosing the commercial radio station to re-transmit, it is conceivable that we may lose some towns in our licence area that are close to existing neighboring radio stations, financially making it far more difficult for us to justify establishing and continuing a loss making service to the rest of the region.

Ironically while some towns may get exactly what they want, it would leave the really remote small towns in Queensland exactly where they are now - with no service at all. Conceivably, such changes could also erode long established services such as WA-FM to the extent that their remote satellite service is no longer viable; leaving a multitude of currently served remote towns in WA who are content with the WA FM service, unserved.

I understand the desirability of any given town to choose where their commercial radio service comes from, particularly if they are funding and maintaining the re-transmission equipment. It is a powerful and fair argument, and one I do not wish to oppose on face value.

Financially we could take the view that any such legislative changes would save us from our ethical obligation to provide a loss making service to start with. But I believe the inadvertent cost to small isolated communities is clear and should be considered carefully.

As an independent broadcaster, we'll commit to providing a Queensland satellite service only while services in other terrestrial parts of our licence area offset it and the losses of the satellite stream are containable. Within the satellite component itself, a similar view applies - the revenue from some of the larger remote towns offsets the costs of providing the service to some of the smaller towns. It is a fragile model.

I'd prefer to serve 100% of the remote communities within our licence area with a satellite service that 90% of them value greatly, then see 20% of them served by various other commercial broadcasters and 80% of the area unserved by a relevant commercial service altogether.

While I understand that this is an issue that has been raised with the committee, I thought it might be helpful from a commercial broadcasters point of view to put forward another side of the argument, if it has not already been discussed.

Regards

A handwritten signature in black ink, appearing to read 'Aaron Jowitt', written in a cursive style.

Aaron Jowitt
DIRECTOR