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

Thursday 26 October 2000

Dear Ms Holmes,

SUN FM Submission - Adequacy of Radio Services in Non-Metropolitan Australia

SUN FM (4SUN) is a duopoly market commercial radio broadcasting services bands service licensed to serve many regional and rural centres throughout Queensland and Northern NSW.

SUN FM is a relatively new service, having first commenced operation in December 1996 in Beaudesert Shire. A second licence for SUN FM in its market, REBEL FM (4RBL) is pending grant. This submission will demonstrate that the main impeding factor effecting SUN FM's achievements and resources available to adequately serve our market has been;

- A series of poor management decisions/inaction by the Australian Broadcasting Authority (the 'ABA')
- The Broadcasting Services Act 1992 (the 'BSA').

The timing of the government inquiry is welcome, as SUN FM is fighting for the survival of its existing regional/rural services, which will be affected by ABA decisions in the Brisbane Licence Area Planning (LAP) process due to be finalised by the end this year.

In this submission SUN FM will address the history of the 4SUN/4RBL licence, decisions by the ABA that have adversely affected the licensee and prevented the provision of the first commercial radio service to many currently unserved rural towns in Queensland and New South Wales.

We will also address issues of localism, cross subsidisation and look at where the licensee is today - providing a true local service to rural Queensland.

History of the 4SUN/4RBL Licence

The SUN FM licence was one of the last licenses offered by the former Australian Broadcasting Tribunal (the 'ABT') in 1988. The licence was known as the 'Remote North East Zone' licence and its service area was all regional/rural areas in Queensland and Northern NSW not in an existing commercial radio licence area. Not surprisingly, this mainly comprised of vast sparsely populated areas that no existing operator had deemed viable to provide a service to.

Stretching from Cape York to Bourke, from Julia Creek to Tamborine Mountain, its geographic size and diversity is immense. Compared to all other regional commercial radio stations with a population base of similar size, it lacks a large regional hub or city with a substantial competitive retail sector that traditionally supports a commercial radio station. Its geographic and population base makes it one of the largest regional stations in Australia, but commercially it is one of the smallest. The towns within its licence area are mainly small and isolated from each other. In population order it includes;

TOWN	POPULATION
Tamborine Mountain	7,000
Stanthorpe	4,500 *Licence area overlaps with Toowoomba commercial stations.
Beaudesert	4,200 *Partially within licence area, remainder in Brisbane commercial licence area
Weipa	3,500
Chinchilla	3,300
Tenterfield	3,200
Thursday Island	2,900
Bourke	2,900
Coonamble	2,800
Collinsville	2,800
Nyngan	2,000
Cooktown	1,300
Monto	1,300
Miles	1,200
Childers	1,200
Dirranbandi	1,200
Normanton	1,100
Inglewood	1,000

The popular industry view was that the licence was commercially unviable and this was reflected in the fact that SUN FM was the only remaining applicant for the licence when the ABT handed

down its recommendation. The viability issue was further compounded by the costly use of satellite to deliver/distribute the service.

What was unique about the SUN FM licence application, was our decision to localise the service in each region, which we saw as the key to long term viability. Instead of one satellite feed being simultaneously being rebroadcast locally on FM in the larger towns across the licence area, we opted to provide local program content/windows to a region that had community of interest. What is a locally/regionally relevant program to Bourke, is totally irrelevant to Tamborine Mountain in the Gold Coast Hinterland. This is a fundamental issue in how useful a service is to a given community, which in turn dictates how that community supports it.

For example, SUN FM proposed to group Chinchilla, Miles, Wandoan & Taroom FM transmitters into one regional station to be known as the Western Downs SUN FM. These communities all have a strong community of interest.

This 'regional station' grouping concept for a satellite based licenses was unique to the SUN FM application for the North East zone in 1988, as other the remote satellite commercial licensees at the time, such as WA-FM (formerly 6FMS), operated the one program feed across their broadcast area. The SUN FM model was central to the viability of the service, formed the basis of financial projections and was highly commended by the ABT in its licence recommendation decision to award the licence to SUN FM. The ABT accepted and endorsed the concept of regional transmitters carrying their own local programs under the one licence.

The ABT's decision was immediately taken on appeal by community broadcaster 2WEB to the federal court in 1992, which was unsuccessful. Following the courts decision that year and before the ABT was able to grant FM transmission spectrum to SUN FM , the ABT was replaced by the ABA in October 1992 the BSA came into force, the SUN FM licence was officially granted as a broadcasting services bands licence and SUN FM sought FM spectrum for its service from the ABA with a view to commencing service in 1993.

Decisions by the ABA that have Adversely Affected the Provision of Services to Rural Communities by the Licensee.

- ABA Decision 1 - Retransmission Only [1992]

At that time the ABA informed SUN FM that under the BSA it was unable to grant permanent spectrum for FM transmission to SUN FM until a Licence Area Plan (LAP) for its area had been finalised. The ABA offered to grant temporary 'rebroadcast' spectrum under s34 of the BSA.

As s34 specially allows for retransmission only (with no change allowed in program content), this meant all SUN FM transmitters had to carry identical program content and individual local program content was not permitted.

As SUN FM had clearly demonstrated through three years of the ABT licence grant enquiry, SUN FM did not believe the service was viable on a 'common program' basis. SUN FM was in a position where the very model that the ABT had made its licence grant recommendation on and

endorsed, could not be implemented under the BSA until the ABA had finalised a LAP for its area. The time frame given for a LAP was estimated by the ABA to be about 12 month to 18 months, which in fact took the ABA until December 1996, with SUN FM given no viable option but to wait.

- ABA Decision 2 - Grant 4AM access to Weipa, Cape York [1995]

Weipa/Weipa South is the fourth largest population centre (3,500 people) in the SUN FM licence area and the largest 'remote' town. In 1995, commercial radio station 4AM Mareeba applied to the ABA for s212/s34 FM retransmission rights into Weipa and it was granted by the ABA for a five year period. The ABA did not consult or advise SUN FM of the 4AM application, but as we understand it, granted the application simply because SUN FM was not serving Weipa at the time.

Mareeba is the closest large regional centre to Weipa and therefore has some community of interest with 4AM. A relay of 4AM into Weipa is regionally relevant to Weipa. At the time of the ABA decision, SUN FM was still waiting on a LAP from the ABA. The only opportunity SUN FM had of serving Weipa at that time was s34 retransmission access, limiting a SUN FM Weipa transmitter to carrying identical program as all SUN FM transmitters. SUN FM as the only commercial licensee for Weipa was, under the BSA, in a legally binding position where 4AM were able to provide more regionally relevant programming to Weipa than SUN FM was! Under these circumstances, it was clearly inappropriate for the ABA to grant the 4AM request without consulting SUN FM.

The loss of Weipa as a solus market for a minimum period of five years was a financial blow to SUN FM who could only competitively enter the Weipa market after the release of the ABA LAP, after 4AM was solidly established in the market. From recent written advice received from the ABA, it now appears likely the ABA will continue to renew the 4AM FM spectrum in Weipa annually until SUN FM is in a position to provide two commercial radio services to Weipa, a task that has become much harder, because until then, SUN FM will need to compete with 4AM.

The lack of consultation by the ABA and without any regard for the impact on the yet to be launched SUN FM service is incredible. The fact the ABA even entertained the 4AM application given that the reason for SUN FM not having commenced in Weipa was solely because SUN FM was forced to wait for the ABA to produce a LAP is equally incredible.

Under the SUN FM regional station model, it was planned to group the towns of the Gulf and Cape (including Weipa, Thursday Island, Cooktown, Normanton, Karumba) as one SUN FM regional station, with each town having a satellite fed FM transmitter to locally broadcast SUN FM.

Commercially, Weipa is the largest of these towns. The solus market revenue expected from this whole region, most of which would come from Weipa, was expected to allow this part of the SUN FM service at best break even in the long term.

Competing with 4AM in Weipa is not a viable proposition and therefore we can see no way for SUN FM to be able to self fund a SUN FM regional service to all those surrounding smaller

communities. While 4AM chose to provide a service only to the most lucrative town in the region, Weipa, the smaller communities of the gulf miss out altogether on receiving any commercial radio service solely as a direct result of the ABA's decision.

The impact of that decision has been felt well beyond the Cape/Gulf Region. The Gulf/Cape region was the largest region within the SUN FM licence planned to be distributed by SUN FM via satellite. With that region no longer viable, SUN FM could no longer justify the construction of a satellite uplink facility (approximately \$200,000), which is the essential component of SUN FM program delivery to the remote and isolated communities in the SUN FM licence area.

• ABA Decision 3 - LAP Released, No Spectrum for Largest Centre; Tamborine Mountain [1996]

The LAP for the SUN FM region was released in December 1996. As far as we can ascertain, the ABA 'ran out of time' to plan spectrum for SUN FM at Tamborine Mountain and undertook to plan the spectrum immediately following the LAP. Our requests for spectrum at Tamborine Mountain date back to the ABT in 1988, as revenue derived from a Tamborine Mountain transmitter, formed part of SUN FM's licence application.

Tamborine Mountain/Canungra region is in eastern Beaudesert Shire in the Gold Coast Hinterland, approximately 7000 people, it is the largest population centre in the SUN FM licence area.

SUN FM was placed in unique situation that has never occurred in the history of broadcasting in Australia. SUN FM held a commercial licence and had a number of transmission sites planned, but no spectrum in the commercial centre of its licence area, Tamborine Mountain.

Included in the LAP was provision for an FM transmitter at nearby Kooralbyn, to serve Kooralbyn, Rathdowney and the southern part of Beaudesert Shire within the SUN FM licence area. This transmitter, linked with the proposed transmitter on Tamborine Mountain was to form the main hub 'regional station' within the SUN FM licence area.

SUN FM built Offices and Studios in Beaudesert and SUN FM officially commenced operation on December 20, 1996 through its Kooralbyn transmitter on the understanding that Tamborine Mountain spectrum would be secured from the ABA over the next few months, required to ensure viability of the Beaudesert Shire service.

SUN FM is the only Australian commercial radio station that has commenced operation without signal coverage of its largest population centre.

• ABA Decision 4 - ABA Excludes Eagle Heights, Tamborine Mountain [1997]

The ABA's most devastating decision to date. Eagle Heights is the largest suburb of Tamborine Mountain, the largest centre of the SUN FM licence area. In early 1997, while planning spectrum for SUN FM on Tamborine Mountain, the ABA discover they have 'accidentally' removed Eagle Heights from the SUN FM licence area. It appears that when the SUN FM licence area was translated by the ABA from the ABS 1986 census data to the ABS 1991 census, that an ABA

'administrative error' occurred and Eagle Heights which was in the SUN FM licence area, was lost in the translation.

The ABA advised that as Eagle Heights was legally no longer in the SUN FM licence area, it could not plan a transmitter on Tamborine Mountain that would provide signal coverage into Eagle Heights. SUN FM strongly objected to that decision as it was clearly an ABA error. The ABA advised it would return Eagle Heights to the SUN FM licence area as part of the Brisbane LAP, which still has not been released to date.

The ABA proceeded to licence spectrum for SUN FM on Tamborine Mountain, excluding coverage of Eagle Heights. As a result of the ABA 'avoiding signal coverage' of Eagle Heights, the SUN FM Tamborine Mountain transmitter was licensed at such low power, it today only serves about 10% of Tamborine Mountain. Despite SUN FM objections, the ABA made it clear it would not plan Tamborine Mountain coverage for SUN FM until the Brisbane LAP.

Tamborine Mountain is solely in the SUN FM licence area (Eagle Heights is in no licence area following the ABA error). Ironically, the ABT planned high power transmitters for the Gold Coast commercial radio stations to be sited on Tamborine Mountain, outside the Gold Coast licence area and within the SUN FM licence area, enabling these stations to fortuitously overspill across most of Tamborine Mountain while SUN FM, the only licensed commercial service for the area, was denied its right to serve it.

In deciding to commence its Beaudesert Shire service in late 1996, SUN FM had reasonably assumed the ABA would grant SUN FM spectrum to serve Tamborine Mountain, in its entirety, in early 1997. SUN FM could never have envisaged the ABA would deny it access to serve Eagle Heights as a result of an ABA administrative error.

It is now approaching four years since SUN FM commenced its service and it still does not reach 90% of Tamborine Mountain, which has been very costly. Since December 1996 SUN FM has incurred the costs of running a full service regional commercial radio station in Beaudesert Shire, but has had its projected revenue slashed by not covering the Tamborine Mountain district.

It is conservatively estimated that the net cost to SUN FM in not reaching Tamborine Mountain, its largest market, is \$360,000 since service commencement and continuing to escalate at approximately \$110,000 - \$140,000 pa.

The capital funds that were originally earmarked to construct a SUN FM satellite uplink and provide FM retransmission to Weipa, Thursday Island, Cooktown, Normanton and Karumba were instead diverted in 1997/98 to cover the unexpected ongoing losses from SUN FM's Beaudesert Shire service. It is ironic that the ABA could have easily prevented the loss of those capital funds intended to provided the first commercial radio service to rural and remote towns in Queensland and New South Wales with one decision.

The real market consequences of this ABA decision can not be under estimated. It is one of the jokes of the commercial radio industry that SUN FM is the only commercial radio station that is licensed to provide a service to Tamborine Mountain, yet its the only commercial radio station in the Gold Coast/Brisbane region that doesn't.

In addition the ABA has recently licensed two high power FM TCBL (Temporary Community Broadcasting Licenses) on Tamborine Mountain, while SUN FM as the only permanent licensee for Tamborine Mountain has not been allowed to serve it to date.

• ABA Decision 5 - ABA Release Draft Brisbane LAP [2000]

In the draft Brisbane LAP, the ABA has failed to plan requested transmitters for SUN FM & REBEL FM on Tamborine Mountain. Mention is made of the SUN FM request in the ABA discussion paper, but no explanation given of why it was not planned.

The ABA also propose to extend existing two Gold Coast commercial radio stations licence areas to include Mount Tamborine and licence an additional Gold Coast commercial radio service , whose licence and coverage area would also include Mount Tamborine.

Other proposals by the ABA in the Draft LAP include increasing Brisbane commercial station 4TAB's licence area to include all of Beaudesert Shire (including Tamborine Mountain) and to licence a new Beaudesert based community station with a licence area of all Beaudesert Shire.

The ABA has also refused to extend the SUN FM & REBEL FM licence area to include all of Beaudesert Shire despite extensive community support, but had provided a small extension on the basis of 'signal overspill' concerns. Overspill concerns which did not apply to the proposed community radio station.

In total, the ABA propose 11 commercial radio services to serve the Brisbane/Gold Coast region all of which will provide significant overspill/coverage of Tamborine Mountain.

4SUN/RBL is concerned that decisions by the ABA that adversely affect the licensee has no historical precedence. In all other LAP's where a commercial radio station's largest population centre is under 15,000 people, the ABA has never extended one neighboring commercial licence area to include a substantial part of that centre. Here the ABA is proposing three such extensions from the Gold Coast to include Mount Tamborine and one from Brisbane to include all of Beaudesert Shire, completely encircling SUN FM's Beaudesert Shire service.

Nor has the ABA permitted one new neighboring commercial service to provide suburban grade overspill throughout most of the centre. The proposed new Gold Coast commercial station will do that.

The ABA has always given the incumbent commercial service/s adequate technical specifications to serve that centre. Here SUN FM & REBEL FM has still not been given that.

The 4SUN/4RBL Service - Today

SUN FM operates three regional services under its licence;

- Beaudesert Shire, Outer South Brisbane - Commenced 1996
- Western Downs (Chinchilla, Miles) - Commenced 1998
- Border Country (Stanthorpe, Tenterfield) - Commenced 1999

SUN FM has its studio and administration centre in Beaudesert, with regional offices in Stanthorpe and Chinchilla. SUN FM has always run at a substantial loss, with a staff complement of twelve in Beaudesert and two in each regional office.

SUN FM has built its stations with the hopeful expectation that decisions taken by the ABA in the Brisbane LAP will have provision for SUN FM to cover Tamborine Mountain and ensure that SUN FM is not placed at a commercial disadvantage as a result of ABA decisions, allowing SUN FM to become a viable entity and continue to expand its regional/rural coverage.

SUN FM is one of the rare commercial broadcasters with a proven track record in providing a high level of localism and quality radio programming to such small rural and regional communities within Queensland and Northern New South Wales, expanding services at a time when many network operators have a diminishing interest in rural communities.

An unfavourable response from the ABA to the SUN FM proposals under consideration as part of the Brisbane LAP will impact on the lead SUN FM station in Beaudesert Shire, South Brisbane, resulting in the downgrading of existing regional SUN FM services and in some cases, closure of regional services operated by SUN FM. This would, in most cases, leave these small towns without access to any commercial radio and the economic boost it provides in these areas. In all cases, it would leave no commercial station providing coverage of local events.

The towns we now serve face the very real prospect of losing their only 'local' radio station. If SUN FM is forced to be sold on viability grounds, no other network operator will have an interest in retaining localism in these towns, as it will be unviable for them also. They will be shut down, become network feeds or translators for neighboring services. The ABA needs to address its past errors by making decisions that help make this station viable, not compounding earlier errors putting viability further out of reach.

The satellite component of the SUN FM service, allowing SUN FM to provide the first commercial radio services to the remaining small isolated remote communities of its licence area can only start when Sun FM is in a position to cross subsidise the provision of that service, but due to a series of poor decisions and delays by the ABA (including the draft Brisbane LAP) all plans to commence that service have been put on hold, depriving remote rural communities of any commercial service to date.

It is up to the ABA to make the right decision as part of the Brisbane LAP, and if they do not, it is not likely that SUN FM stations will be here in their existing form to be able to benefit from the implementation of any recommendations from this inquiry, as this company will immediately move to stem any losses that look set to continue after the determination of the Brisbane LAP.

It is our hope that SUN FM can not only continue to provide its services, but expand them further, as originally planned. SUN FM services are highly valued in the communities they serve due to high level of localism and strong community involvement of SUN FM stations.

The impact of the existing & proposed neighboring commercial services serving or overspilling onto Tamborine Mountain should not be underestimated. Including SUN FM & REBEL FM, the ABA's proposals will see a total of 13 commercial radio stations adequately receivable, either through licence area extensions or fortuitous overspill, across the majority of Tamborine Mountain, the largest centre of the SUN FM licence area. That is one commercial radio station receivable for every 540 residents. In contrast, Townsville and Canberra, both considered highly competitive markets with much larger commercial centres can only receive four stations under the ABA LAP for their market. For Canberra, one radio station for every 70,000 residents.

While the ABA is planning an increase of services on Tamborine Mountain, in the draft Brisbane LAP the ABA is denying 4SUN/RBL a licence area extension to the northern end of Beaudesert Shire because of sporadic signal overspill concerns into part of the Brisbane market. The area under claim represents less than 4% of the population of the Brisbane radio market, clearly a negligible effect on the Brisbane stations, as the natural growth in the Brisbane market is larger than that every year! The ABA is ever mindful of this overspill, yet the ABA fails to consider the impact of existing & proposed new Brisbane stations overspilling through Tamborine Mountain.

At the bare minimum, SUN FM & REBEL FM are reliant on access to Tamborine Mountain to help stem the annual losses incurred since the station commenced operation and, if it has to compete with other services receivable on Tamborine Mountain, it is also reliant on an extension of licence area to help offset the cost of competing in such a small market. (refer 'Cross Subsidisation')

Localism

The Broadcasting Services Act 1992 (BSA) promotes the objectives of coverage of local matters of significance and providing for a diverse range of radio services to be available to all Australians. As commercial radio is the first choice of most Australians, the provision of the first 'local' commercial radio service in any area should be encouraged as the priority service.

SUN FM currently runs three 'regional variations' of the main Outer South Brisbane SUN FM service. In effect, this means that the Western Downs (Chinchilla/Miles) and Border Country (Stanthorpe/Tenterfield) also have their own 'local' radio station. Each provides the towns with local offices, local employment, local news coverage, local sports coverage, local advertising and local community involvement in very small markets.

In a time when most of the larger networks owning smaller regional stations have little to be proud of with their efforts in localism and local employment in recent years, the licensees of SUN FM/REBEL FM have gone against the trend, increasing localism at every opportunity, not reducing it at the communities expense.

It is not uncommon to hear of regional communities in other solo/duopoly markets complaining about the reduction in local content on commercial stations serving the area. While the BSA may promote the coverage of matters of local significance, there is no avenue to enforce it, instead relying on market forces. While this works well in large competitive markets, it does little to help

smaller regional markets, where some duopoly operators simply look at how to squeeze an extra dollar in profit out of highly networked services.

That view is ultimately self defeating, yet it is all part of the decline in many parts of regional Australia. SUN FM is one of the few networks that provides local programming right across the day, unique to each region it serves, but within the boundaries of a regional variation of the main service. SUN FM/REBEL FM goes well beyond the 'local window' concept. We don't just comply with the letter of the act, but provide the localism envisaged by the spirit of the act.

One hurdle in this respect is the BSA limiting SUN FM transmitters to a 'regional variation' of the main service. For example, when the Chinchilla Melon Festival is on, the Western Downs SUN FM broadcasts live across the weekend from the festival, while the other regional SUN FM stations carry different programming relevant events in their region. Despite a request to the ABA for a definition on what a 'regional variation' is, we still don't have a clear definition. Ironically, by providing a high degree of localism on its regional transmitters, SUN FM risks breaching the BSA. Not knowing what those boundaries are is frustrating for a network that aims to provide local content.

In reality, we accept that providing for localism does not always mean our regional services are going to be viable. We take a philosophical approach to that problem, on the premise that our licence area, as a whole, is 'leveled'. There will be services that run at a loss, some at a profit. Again, that is expected because that it is the nature of our licence area. With this realisation, it has to be expected that some regions need to be cross subsidised.

Cross Subsidisation

Cross subsidisation is an important consideration for the SUN FM/REBEL FM service. For our model to continue to work, the services provided as a group must be viable. For SUN FM/REBEL FM to expand further into the remote parts of its licence area, or to be able to commit to continue services that are not paying their own way now, commercial reality dictates a service in another part of the licence area must be able to support it.

Under proposals within the draft Brisbane LAP, SUN FM/REBEL FM will be faced with further competition from Brisbane/Gold Coast/Ipswich commercial services and continued inadequate reception through Tamborine Mountain, Canungra and Beechmont.

If the draft LAP is finalised without major changes, SUN FM/REBEL FM will be faced with no choice but to consider the closure or downgrading of its current remote and rural services. SUN FM/REBEL FM may take the option of relaying another service to these areas, but at this stage is reluctant to do so as it would mean office closures, unemployment for SUN FM staff and the loss of all localism the communities enjoy from SUN FM. It is a decision that would also be unlikely to gain community support. Nor will unserved towns, now seeking our assistance in providing commercial FM radio services realise that dream for their small communities.

We are aware no other commercial operator is geared to providing the level of localism with the quality of programming SUN FM provides in such small regional centres. In fact, there is little interest in even relaying services to those markets. SUN FM operates the only commercial FM transmitter in Stanthorpe, despite the fact four other commercial stations in neighboring

Toowoomba are also licensed to do so. This is a growing trend, where many regional operators simply don't put translators for small towns on air, because it is not lucrative to do so.

SUN FM provides a high degree of local programming on its services. If the SUN FM/REBEL FM licence area extension proposals are not adopted, the licensee is seriously concerned that any increase in fortuitous overspill by new services overspilling into major regions of its licence area will substantially erode its capability to continue to provide a high level of local content. Local content (localism) is the advantage SUN FM/REBEL FM has over the Brisbane stations and our resources to continue providing it must be protected at all costs. The proposed power increases for Brisbane AM and FM stations will increase fortuitous reception level through the Tamborine Mountain region.

The same argument is applied to extending the licence area of Brisbane commercial station 4TAB to include Beaudesert Shire and thereby encircle 100% of the coverage area of the largest station in the SUN FM/REBEL FM group. While we acknowledge that 4TAB's impact on SUN FM is not a major one, we believe it is setting a precedent for other Brisbane licensees seeking to ensure their commercial licence area is as large as 4TAB, either now or in the future.

Conclusion

The SUN FM/REBEL FM licence is a diverse commercial broadcasting licence which under the BSA is no different to any other broadcasting services bands commercial radio licence in Australia. The licensees are subject to the same conditions as any other licensees in this country.

Since the licence was granted in 1992, SUN FM/REBEL FM has continued to show a commitment to serving smaller, rural and regional towns within its licence area. Despite continuing reception difficulties on Tamborine Mountain, a problem that has been considerable for the past eight years, and that SUN FM is the last remaining eligible Section 39 applicant on mainland Australia waiting for its licence, SUN FM/REBEL FM has continued start up in parts of its licence area providing smaller towns with their first local commercial radio service.

Should all the SUN FM/REBEL FM licence area extension proposals before the ABA proceed, SUN FM/REBEL FM plans to commence start up in a further 7 remote towns within its licence area next year. Each of these towns receives only ABC services. SUN FM/REBEL FM will offer them for the first time, a local commercial FM radio service.

Despite the problems experienced by this broadcaster, SUN FM/REBEL FM has been getting on with the job, without Government assistance. At a time when many businesses and essential services are rejecting small rural and remote towns, SUN FM/REBEL FM is one company that is prepared to invest, bringing with it employment opportunities, economic growth and fostering town pride, an essential community asset.

The Australian Broadcasting Authority needs to foster, not hinder SUN/RBL's efforts to 'get on' with its job to provide diversity of choice in those towns.

SUN FM/REBEL FM aims to come out of the LAP process with greater resources, not fewer. We want to expedite our regional roll out providing the first commercial service to unserved towns, not cut back the services that we have now.

Recommendations

- 1 - *The Minister instruct the ABA not to renew the 4AM spectrum in Weipa once SUN FM has commenced one commercial radio service in town.*

This will provide SUN FM with the ability to resurrect its Cape/Gulf regional model allowing communities other than Weipa across this region to benefit from access to at least one commercial radio service, with the long term aim of providing two services.

- 2 - *The Minister instruct the ABA to have due regard for the impact on the entire SUN FM licence area in allowing further commercial services to overspill onto Tamborine Mountain.*

This ensures areas such as the Western Downs do not lose their only local station as a result of ABA decisions in the Brisbane region.

- 3 - *The Minister instruct the ABA to prioritise spectrum to rectify existing reception deficiencies within a licence area ahead of planning new services.*

This will allow SUN FM to ask for frequencies allowing 100% coverage of its licence area on Tamborine Mountain, to enable it to cover the same area as fortuitously served by other commercial radio stations such as 4KQ.

- 4 - *The BSA be amended to allow separate programming on transmitters within a licence area, not just a regional variation of the main service.*

This allows SUN FM to provide unlimited local programming to its regional stations without fear of breaching the BSA.

- 5 - *The BSA be amended to limit TCBL licenses in force at any one time to one in commercial monopoly/duopoly markets.*

This prevents multiple TCBL services/aspirant groups impacting commercial broadcasters in small markets.

- 6 - *Government program funding programs for TV re-transmission are expanded to include commercial radio re-transmission.*

There are many small communities who may qualify for government funding under the Black Spot program to fund a second commercial TV transmitter, but are illegible to seek funding to receive their first commercial radio service.

- 7 - *The BSA be amended to ensure the ABA have some regard for the viability of local programming on existing commercial stations when the ABA consider licencing new services in an area and assessing overspill of neighboring services.*

The existing BSA has no provision for the ABA to regard the viability of existing services. In a case such as Tamborine Mountain, the ABA has had no regard to the impact of 11 proposed/existing neighbouring services spilling into that market. If SUN FM can not continue to provide localism in its services, its ability to serve its local community is reduced to the point where its role is redundant, impacting on SUN FM services across the entire licence area, including those that receive no other commercial radio service.

Thank you for the opportunity to provide a submission on this enquiry and I am happy to provide any further information if required.

Regards

A handwritten signature in black ink, appearing to read 'Aaron Jowitt', with a stylized flourish at the end.

Aaron Jowitt
DIRECTOR