

31 March 2006

Dr Anna Dacre
The Committee Secretary
House of Representatives Standing Committee on
Communications, Information Technology and the Arts
Parliament House
CANBERRA ACT 2600
By email and by facsimile: 02 6277 4827

Dear Dr Dacre

Inquiry into Community Broadcasting

Macquarie Regional Radioworks (**MRRW**) operates commercial radio broadcasting stations across regional Australia.

MRRW has had the opportunity to read the submission from Commercial Radio Australia to the Standing Committee on Communications, Information Technology and the Arts (**Committee**), and is in general agreement with the views it expresses.

For example, MRRW particularly agrees with Commercial Radio Australia's comments about the importance of structural diversity and the need to define "community interest" with more precision.

MRRW would also like to provide some additional observations for the consideration of the Committee. We understand that the Committee will accept and consider submissions that are received by 31 March 2006.

1 MRRW's regional perspective

At the outset, it needs to be emphasised that MRRW's observations are based on its extensive experience as a regional radio broadcaster.

The submission from Commercial Radio Australia describes the very large numbers of community radio licences that were planned and allocated by the predecessor to the Australian Communications and Media Authority (**ACMA**), the Australian Broadcasting Authority (**ABA**). This occurred from the mid-1990s to the end of 2001, under the ABA's "licence area planning" or "LAP" process.

This influx of new community radio services has been particularly obvious in regional licence areas.

Some regional community radio services do what we understand the Parliament and the ABA to have originally intended, and offer community-focussed services that are different to other existing radio services in the relevant area.

However, many others do not, and so compete directly with commercial radio broadcasters for advertising revenue. This is more pronounced when the programming of such services is indistinguishable from commercial radio programming.

For this reason, in MRRW's experience, the "community" has largely disappeared from community radio services in many regional licence areas.

MRRW's view is that community radio services should provide listeners in the relevant community with programming that they can't hear anywhere else. They should also be clearly non-commercial in nature (ie not for profit and funded primarily from membership fees as well as sponsorships). Some more detailed submissions about these points follow.



MACQUARIE REGIONAL
RADIOWORKS

Victoria/South Australia
Albury/Wodonga
Bendigo
Gippsland
Mildura
Mt Gambier
Shepparton

New South Wales
Central Coast
Coffs Harbour
Dubbo
Griffith
Port Macquarie
Orange
Wagga
Young

Tasmania
Burnie
Devonport
Hobart
Launceston
Scottsdale

North Queensland
Cairns
Charters Towers
Emerald
Gladstone
Mackay
Mareeba
Mt Isa
Rockhampton
Townsville

South East Queensland
Bundaberg
Darling Downs
Gold Coast
Fraser Coast
Roma
South Burnett
Sunshine Coast

West Australia
Albany
Bunbury
Esperance
Kalgoorlie
Manjimup
Merredin
Narrogin
Northam

2 The growth of community radio

In announcing the completion of the LAP process in 2001, the then Chairman of the ABA commented on the huge number of new services that had resulted from the LAP process, and in relation to community radio, he observed:

"Community radio has also shown exceptional growth, with the number of transmitters having grown from 202 servicing 129 stations in 1992 to 532 transmitters planned for 304 stations. This clearly reflects the public's increasing interest and involvement in the many radio formats available. There are now few communities in Australia which do not have their own community radio station."¹

MRRW's understanding is that community radio services were planned where the ABA was satisfied that such planning would be likely to promote specific objects of the *Broadcasting Services Act 1992 (BSA)*, particularly those relating to diversity, innovative programming and local coverage. This is confirmed by our review of the ABA's "*General Approach to Analog Planning*".²

In theory this was the right approach, and there will be licence areas where the allocation of a community radio broadcasting service has led to a range of different and new types of programs that are specifically tailored to the local community, and which sound different to commercial radio broadcasting services.

However, the limitation in the legislative scheme under the BSA is that community radio broadcasting services are not required expressly to provide "community-focussed" content, or even content that promotes the relevant BSA objects of diversity, innovation and local content. This is discussed in more detail below.

3 Commercial content on community radio services

The conditions of community radio licences do not require licensees to address any express community programming requirements. The licence conditions that indirectly relate to programming (in Part 5 of Schedule 2 of the BSA) are the licence conditions that require the licensee to:

- "continue to represent the community interest that it represented at the time the licence was allocated or last renewed";
- "encourage the members of the community it serves to participate in the selection and provision of programs under the licence" and
- to "provide the service for community purposes".

Arguably, all these conditions largely can be met by a community radio licensee's "off air" activities, rather than by what it actually puts to air.

As a result, there are too many community radio broadcasting services in regional Australia being operated as de-facto commercial radio broadcasting services, rather than as services that promote the relevant BSA objects "on air".

To provide some examples, many regional community stations provide a satellite-distributed AFL service, even though AFL is well covered by ABC Local Radio (for example). Contrast this with the additional diversity that would result if the regional community radio licensee visited local grounds and provided coverage of local football matches. The latter is what community radio broadcasting should be all about, particularly for licences allocated to serve a community in a particular geographic area.

However, by providing a satellite AFL service, all this does is duplicate existing commercial radio and national radio coverage, and make the service sound like one of those types of broadcasting services.

Another example is that there are a number of community radio licensees in regional areas who broadcast the John Laws program (on syndication from Southern Cross). This is a classic example of commercial radio programming being provided by community radio services.

¹ http://www.acma.gov.au/ACMAINTER.262312:STANDARD.578171072:pc=PC_91126

² http://www.aba.gov.au/newspubs/radio_TV/broadcast_planning/documents/General_approach_to_analog_planning.pdf. See discussion at page 24. If the ABA was satisfied that planning community radio services would promote these objectives, it would then apply the specific planning criteria contained in the BSA when deciding whether to plan such new services.

The provision of commercial radio programming, when coupled with the fact that so-called sponsorship announcements sound like regular advertisements, means that many community radio services sound more like commercial radio services than anything else. This deprives the relevant local community of the diversity that they could have expected when the licence was planned.

For as long as there are no express programming requirements that apply to community broadcasters, MRRW expects that this will continue to occur.

MRRW urges the Committee to make some recommendations to change this. Specifically, MRRW suggests that community radio broadcasters be required to ensure that their programming:

- adds to the diversity of radio services that are available in the licence area;
- promotes innovative programming; and
- provides coverage of matters of local coverage that aren't covered by other radio stations.

If these were licence condition requirements, this would reflect the purpose that community radio services were originally intended to serve.

As noted in the Explanatory Memorandum to the *Broadcasting Services Bill* 1992, community radio services should meet the needs of the local community. It is difficult to see how duplicating commercial radio services (or national radio services) does this.

0 Advertising vs sponsorship

As indicated above, in many areas, anyone listening to so-called sponsorship announcements on their local community radio service would be forgiven for thinking that they were listening to advertisements.

The licence condition in clause 9(1)(b) of Schedule 2 of the BSA prohibits community radio licensees from broadcasting advertisements. However, clause 9(3) permits the broadcast of sponsorship announcements (which must not exceed 5 minutes in any hour of broadcasting). Clause 2 of Schedule 2 of the BSA states that if a sponsorship announcement acknowledges financial support of a person of the licensee or a program, it won't be an advertisement, even if few details about the sponsor are provided.

In practice, this has led to sponsorship announcements simply being "tagged" advertisements. MRRW considers that a sponsorship announcement should be more than this. As noted above, providing tagged advertisements (eg for national brands and businesses), in addition to the provision of commercial radio content, means that community radio broadcasters in some licence areas compete directly with commercial broadcasting services for advertising revenue.

MRRW requests that the Committee recommend that sponsorship announcements be clearly distinguishable from advertising, in terms of their content and their placement. It is noted that community television broadcasters need to comply with placement requirements (clause 9(4) of Schedule 2 of the BSA), and it would appear appropriate for the a similar restriction to apply to community radio broadcasters. MRRW suggests that community radio broadcasters should be limited to broadcasting sponsorship announcements during periods before programs commence and after programs end. The reference in clause 9(4) to "natural program breaks" is a television concept rather than a radio concept, so is not referred to in the above suggestion.

Thank you to the Committee for its consideration of this submission.

Yours faithfully
Macquarie Regional Radioworks



RHYS HOLLERAN
Chief Executive Officer