Draft Variation to Moree & Remote LAPs
Broadcast Planning Section
National Allocations and Licensing Branch
Australian Communications and Media Authority
PO Box 78 Belconnen ACT 2616
lais@acma.gov.au

Thursday 10th December 2009

ACMA Ref: 2009/2160

Rebel Media (Rebel) operate commercial radio stations 4BRZ (The Breeze) and 4RBL (Rebel FM) whose licence areas includes the licence area of the proposed new Gin Gin community radio service and Dunedoo community radio station 2TRR.

Dunedoo/Warrumbungles Region - Planning Priorities & Spectrum Availability
The ACMA is proposing to extend the 2TRR Dunedoo licence area to include the Coolah region and to replace the existing one low power FM channel allocation, with two medium power channel allocations to allow the licensee to serve an extended licence area.

Rebel is concerned about the ACMA prioritising the 2TRR planning, and its potential impact on suitable spectrum availability for the regions pending 4BRZ and 4RBL services.

To commence its services in that region, Rebel needs suitable channel allocations at the followings sites;

Primary High Power, Wide Coverage Site:

• Warrumbungles

Low Power, Local Coverage sites:

• Coolah (off air feed from Warrumbungles)
• Dunedoo (off air feed from Warrumbungles)
• Coonamble (off air feed from Warrumbungles)
• Mt Bocoble

The 4BRZ/4RBL Warrumbungles specifications sought by Rebel are predicted to allow marginal rural grade stereo coverage to Dunedoo itself, but require town based translators to provide coverage to deficient signal areas within 5km of town. Dunedoo, Coolah and Coonamble repeaters will be off air fed from the Warrumbungles, requiring the primary Warrumbungles services to be operational first.

This region remains without any commercial FM radio only because the ACMA is yet to assign suitable 4BRZ/4RBL channel specifications. Sun FM (now Rebel FM) applied to the ABA in
early 2004 for two 9kw services at Mt Cenn Cruaich (Warrumbungles). The ABA completed preliminary planning work in 2005, and since then there has been no further planning progress.

The March 2004 request for 4BRZ/4RBL Warrumbungles spectrum pre-dates the following ABA/ACMA planning in the region;

- the ABA calling for community radio licence applications in Dunedoo. (wholly in the Rebel licence area) and the commencement of 2TRR Dunedoo under a permanent licence.
- the ACMA in 2009 proposing to upgrade the 2TTR service, grant a translator, and extend the 2TR licence area
- the ABA calling for community radio licence applications in Coonamble. (wholly in the Rebel licence area) and the commencement of 2MTM Coonamble under a permanent licence.
- the ABA calling for community radio licence applications in Coonabarabran. (overlapping the Rebel licence area) and the commencement of 2WCR Coonabarabran under a permanent licence.
- ACMA planning and commencement of the ABC News Radio 220kw 106.3 MHz Warrumbungles service.
- Extension of the 2GEE Mudgee commercial radio licence area licence area in 2008 into the Rebel licence area to include the Mt Bocoble region, with the ACMA citing in its reasons for decision that the region was un-served by commercial radio.

Rebel were the first non ABC services to be licenced to serve the region, and we are now the last to be allocated spectrum.

We are at a loss to understand why community radio planning, ABC planning and the extension of neighbouring commercial broadcasters into our market have had, and apparently continues to have, ACMA planning priority over our 2004 request to assign spectrum to 4BRZ/4RBL.

Rebel have regularly written to ACMA, and the ACMA has been unable to commit to a planning time table, citing limited planning resources. While we appreciate the ACMA has limited resources, the ACMA has found the resources for other broadcasters spectrum requests in the region.

As more time goes by, it greatly increases the chances that the ACMA will not be able to identify two suitable high power 4BRZ/4RBL channels at the Warrumbungles that are free from interference within its rural grade coverage area. That is now a very real possibility, and the grant of additional spectrum to 2TTR makes it more likely.

This is a region where spectrum for wide coverage high and medium power channels is quite limited, with high power spectrum particularly scarce. Rebel strongly believes the ACMA should not consider allocating two medium power channels to 2TTR until the ACMA has finalised allocating suitable high power channel assignments for the 4BRZ and 4RBL Warrumbungles service.

Additionally, community demand for community radio in the Coolah region and 2TRR’s assessment of its ability to provide that service is best considered after the region is served by the Rebel commercial radio services. Provision of the regions first two commercial radio stations will impact market dynamics and go some way to meeting the communities interest in having an alternative to ABC radio.

In January 2009 we wrote to the ACMA summarising thirty seven FM channel assignments for 4BRZ and 4RBL. The Warrumbungles site is No.11 on that list. There are other priority projects in
that list that have been in the ACMA planning queue for over four years now, also in spectrum limited regions, not served by commercial radio.

As a matter of urgency, we ask the ACMA to commit to a time frame for finalising planning of all the Top 11 projects on that list, including the Warrumbungles.

**Gin Gin Community Radio**
The ACMA is proposing to make a new Gin Gin community radio service available which is solely in the commercial radio licence areas of 4BRZ and 4RBL.

The Gin Gin region in Wide Bay is licenced to be served by 4BRZ & 4RBL, but only 4RBL has been broadcasting for the past four years. During that time we have sought changes to the 4BRZ/4RBL specifications of our primary transmission site at Mt Goonaneman to allow 4RBL to rectify its existing coverage deficiencies and to allow 4BRZ to commence an adequate service.

While we have not extensively listened to the existing Gin Gin TCBL service, what we have heard suggested it had a significant part of its programming targeted at an over 40's demographic. It’s that same demographic that will be served by the commencement of the 4BRZ service.

In such a small town, we believe there is merit in the ACMA not considering a local community radio licence until ACMA planning for the 4BRZ service has been finalised and 4BRZ has been operational for a year.

**Community Radio – Is the Current Approach to Licencing and Regulation Right?**
Rebel fully supports many great community radio stations such as the RPH stations, classical, religious and indigenous stations. Most community radio stations do the right thing and add to diversity of services in their market. However there are a number of community stations operating in smaller rural population centres that are best described as pseudo commercial in nature. Those stations devalue and fragment the market for the commercial operator, deprive the community of a “genuine” community broadcaster, and provide minimal additional programming diversity.

In many small towns with a small population base and a limited pool of local advertising revenue, community stations can be driven to commercial mainstream programming in order to generate a sufficient share of the advertising revenue pie that they need to survive. In turn, this places additional strain on commercial broadcasters ability to operate local transmitters. Some small market community stations with mainstream program formats sell advertising (sponsorships) at a low price point that fragments the local advertising market and significantly devalues the entire revenue pool available to radio.

The BSA seems to encourage this behaviour by allowing small centres relatively easy access to community radio licences that are often highly reliant on sponsorship revenue for basic survival. This is an area of policy and regulation where the system is failing. We question how these small communities benefit when both community radio and commercial radio can run largely commercial formats.

As one example, Bourke NSW has three licenced commercial broadcasters; Flow FM, Breeze FM & Rebel FM. Of those only Rebel FM is on air. The Bourke community radio station 2WEB is largely indistinguishable on air from a typical rural commercial radio station, despite the fact its licenced as an educational class broadcaster.

Rebel FM targets the younger market, while 2WEB targets the older market. As Flow FM and Breeze FM are also older targeted stations, neither has been willing to put its services on air in
Bourke. The commercial operators would be willing to put in their services tomorrow if 2WEB was not permitted to run a pseudo commercial service. But to compete with 2WEB head on would likely see all stations in the market making a loss long term.

Additionally Flow FM and Breeze FM are hampered from entering the market offering components of nationally syndicated commercial radio programming to which 2WEB currently holds exclusive rights.

Bourke is currently missing out on two commercial radio stations and is missing out on a lot of the type of educational content that can be found on genuine educational stations such as Radio Adelaide and 2SER.

This situation could get further out of hand as digital radio commences in regional areas, potentially giving more free spectrum to stations such as 2WEB to provide additional services. 2WEB may choose to use some of that capacity to provide a service directly targeted at Rebel FM. While Rebel FM is confident it would retain the majority of its current audience, the reality is that as Rebel FM operates an unprofitable service in Bourke, any further market fragmentation would likely see Rebel FM reluctantly withdraw from the market.

Similar long term outcomes may be duplicated in many small rural centres Australia wide, as an explosion of new mainstream formats are offered on digital radio by community broadcasters targeting commercial stations and undermining already marginally viable commercial radio transmitters.

This is not just in our market. A fellow independent commercial broadcaster 4SB in Kingaroy reports similar issues with the Crow FM community radio service.

Another example in the Rebel market, Stanthorpe is serviced by six commercial radio stations and one community radio station 2TEN that has a high component of pseudo commercial mainstream programming. The ACMA would be aware that there are moves to get another community radio station on air in Stanthorpe. From what we are told, the group applying for a second community licence is disenfranchised with what they see as 2TEN’s duplication of the existing commercial services. The aspirant group is keen to offer genuine alternative community radio programming. It seems to us that should be 2TEN’s job.

The heart of the 2TEN, 2WEB and Crow FM problems are that they are allowed by the BSA and the ACMA to do what they do, using a free licence and scarce spectrum to compete for mainstream audience, while the commercial radio stations pay ACMA licence fees for the right to do a similar thing.

If community radio is to be perpetually granted free spectrum, the justification should be that it does something with that spectrum that the commercial and national sectors do not provide, and are not willing to provide.

We often hear the catch phrase from pseudo commercial community radio stations that “we’re giving the community what they want”. The reality is that they are giving the community what is most popular – which is exactly what the commercial sector aims to do. This places the community station in direct competition with the commercial station, and it typically ends up with a similar style of programming to a commercial radio station.

The aims and success of a small rural town community station should not be determined by sponsorship considerations, or what the majority of station volunteers or the broader community itself wants to hear. It should be driven by what programming and services the minority in the community are missing out on. Ideally the ACMA needs to compel misguided stations with cleanly defined rules, and respond swiftly to any stations straying from that path.
In the UK, Ofcom don’t licence community stations in very small commercial radio markets, and they limit the proportion of income community stations can derive from sponsorship. These are two worthwhile safeguards that are missing from the Australian market. We believe this situation needs urgent attention by ACMA and government.

**Over Licencing of Community Services in the Rebel Market.**

The Rebel commercial radio market has the highest number of community stations licenced within its licence area of any single commercial radio market in Australia.

In all other regional Queensland commercial radio markets, the number of community radio licence stations wholly or largely within a commercial radio market, ranges from none at Longreach and Charters Towers, up to a maximum of 4 community radio stations each within the Rockhampton, Gold Coast, Toowoomba and Townsville markets.

Commercial radio stations serving those larger markets have a substantially higher retail and income base than the Rebel market, yet have only 4 community radio stations operating within any part of their market. Each of those 4 community radio station is permitted to sell up to five minutes an hour of advertising (sponsorship), giving a combined total of 20 minutes an hour of advertising (sponsorship) per hour that can be sold on community radio.

The Rebel market has 36 community radio stations wholly or largely within its licence area, and dozens more community stations with smaller overlaps. Each of those 36 community radio station is permitted to sell up to five minutes an hour of advertising (sponsorship), giving a combined total of 180 minutes an hour of advertising (sponsorship) per hour that can be sold on community radio within the Rebel commercial radio market.

This sheer number of stations has a dramatic impact on shredding the advertising market available to Rebel. In small markets such as Bourke and Tenterfield alone, the community radio stations can cumulatively sell up to 15 minutes an hour. In those two towns, the community radio stations have a greater income from sponsorship than Rebel does from advertising. That is directly attributable to how many community radio stations are licenced by ACMA within our licence area and the lack of programming restrictions on those stations.

We ask ACMA to:
- Urgently review and overhaul community radio licencing and programming regulations with a view to stamping out rogue pseudo commercially formatted community radio stations in regional areas.
- Not to licence any more small, non-specialist community radio stations in the Rebel market until that review is complete.
- Consider imposing a ceiling on the proportion of revenue any community radio station may derive from sponsorship.

Regards

Aaron Jowitt
Director