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Community Radio - 3CR
in reply to

Productivity Commission - Draft Report October 1999

In replying to the Draft report, 3CR would like, firstly, to thank the Commission for this opportunity to respond to their initial recommendations.

We would also like to take this opportunity to remind the Commission of the special role that community broadcasting plays in Australian life.

Our view stems from the belief that the broadcasting spectrum is public property and is a resource that should be managed in the interests of all Australians. We also note that the Commission takes a similar view, which it demonstrates by seeking ways in which a value might be placed on broadcasting spectrum so that its worth is made clear to the Australian community, and that spectrum allocated is used in the most productive way in accordance with the terms of reference.

In essence we support these principles, however we have strong concerns about the notion that worth is to be understood primarily in dollar terms. (p.80). The Commission has recognized the need to reserve spectrum for the non-commercial sector, but we believe the community needs a clear statement or recommendation from the Commission that the values we embody as a community radio station are not and cannot be understood in economic terms alone. Community radio as a medium of free speech, is as important to a democratic society as is the right to vote. Those principles need to be agreed by the Commission and the stakeholders in the broadcasting sector. The concerns that the Commission express at p.80 seem to indicate that they are having difficulty with the notion of how the "true cost" of reserved community spectrum must be made clear to the community. We believe that the history of community broadcasting and the public support for such a medium demonstrates very clearly that the community understands that value - not in dollar terms but as a necessary and integral part of a healthy and democratic civic society.

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We assert that it is possible to privilege freedom of speech and the protection of community access to the airwaves over economic concerns.

If these values are recognized then it is possible to understand productivity as producing not only profit and greater output, but also as sustaining a healthy society that has the will and the means to debate issues that are central to their personal and communal lives. Community radio as your report makes clear, is very diverse and provides access to marginalised groups in a way that no other medium can. In the light of the above we would like to make the following comments on some of the Commission's recommendations.

1. Recommendation 4.1

Broadcasting licences should be separated into licences granting access to spectrum and content related broadcast licences granting permission to broadcast.

Don't agree: The danger we see in this approach is that economic considerations will bear too strongly on non-commercial stations and spectrum. Community radio cannot justify its needs in economic terms. The discussion at p.66 shows an undue concern with the sub-division and the sale of spectrum as a way of achieving the most efficient use of spectrum. Spectrum should not be able to be traded as a commodity but should always be recognized as public resource. Broadcasting in all its forms should have as its main interest - broadcasting. Encouragement of spectrum trading in the name of productivity puts the wrong emphasis on a resource that the Commission acknowledges is in the nature of a public good.

Spectrum allocation should be over seen by a regulatory body. Arrangements that currently exist with the ABA require for example, aspirant broadcasters to be given spectrum to broadcast where facilities and spectrum are available. There is a strong compulsion from the ABA to make this happen. Our most recent advice from the ABA is that the only reasonable ground for refusal to lease broadcast facilities to aspirants is inability to pay fair market rates. Refusal to assist aspirants on grounds other than these renders the owner of the facility liable to investigation by the Australian Competition and Consumer Commission ACCC. Licensed owners of spectrum could as they do now; lease spectrum to other licensed users without compromising competition or value or without going down the path of splitting spectrum and broadcast licences.

Opportunity costs embedded in unused or idle spectrum can be leased to other services. This also facilitates the process of convergence of alternative delivery platforms.

Multiplexers should be able to lease spectrum to users who would be provided with a special or

“sub” licence. 3CR currently has this relationship with five aspirant broadcasters.

2. Recommendation 5.2 Indigenous Broadcasting

3CR supports this recommendation for providing a new licence category for Indigenous broadcasting. In that respect, we note the Commission’s comment p.103, that “Indigenous communities are among the poorest in Australia, and have limited ability to finance media services through their own resources”. Spectrum should not only be reserved for Indigenous broadcasters but sufficient funding should be provided from Government sources to allow Indigenous communities to equip and train their communities.

3. Conclusion. – Digital broadcasting

We stated above the case for community radio and its role in the democratic process. We also note the Commission’s concern in trying to determine how the “foregone” income in spectrum reserved for community and Indigenous licence holders should be assessed. We can offer no recommendation on the matter, except to point to the high level of volunteer support that community radio relies upon. However, we have concerns about how that level of support can be stretched to cover the costs of equipping and training community stations – particularly smaller rural stations.

We would urge the Commission to recommend substantial funding support for the community radio sector in the form of grants for equipment and training. The Commission should also be aware that many community stations will not, or cannot take commercial funding to finance the move to digital radio. In the interests of freedom of expression, it is important that stations be allowed to continue to make these kinds of choices.