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That's me!

6 December 1999

Chairman of the Productivity Commission
 Locked Bag 2
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Attn: Professor Richard Snape and Mr Stuart Simpson

Dear Sirs:

RE: Australia's Migration To Digital Radio

Firstly, thank you very much for allowing us the opportunity to read the draft report from the Productivity Commission prepared for further public consultation and input, and thank you, as well, for allowing us to put our final submission before you.

In our previous submission to you, we stressed the urgency and paramount need to be able to migrate our service to the Eureka 147 digital system, which appears to be the future transmission means in digital format for future radio broadcast.

If we fail in our attempt to be included in the migration to the digital system in the future (migration, that "in band" broadcasters will most certainly be eligible for), we will, ultimately, be "orphaned" and perhaps even "ethnically cleansed" - in the real broadcast sense - from the system (as would our listeners and the listeners of other ethnic networks which broadcast "out of band" and which deliver their means to a potential 51% of the Australian population being of ethnic extract - as per the recent 1996 census). This migration would, undoubtedly, also impact on competition in the broadcast sector and reverse its current growth pattern.

We note that, in the draft report, after reading it, it does not include a section specifically dedicated to ethnic broadcasting in the narrowcasting field. We feel that, because ethnic broadcasting extends to such a vast portion of the population of this country (being over 51% as per the Bureau of Statistics figure, and is received largely by "out of band" means), that it really deserves the opportunity of being treated separately in the report's recommendation. We note that the indigenous broadcasting sector is addressed by Mr. Michael Meadows in section C of the report, and see that it is entirely appropriate to suggest ethnic media be given the same consideration.

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We have contributed a great deal of time into creating a high level of service for ethnic broadcast throughout Australia, and we would very dearly like to have this matter addressed, not so much as a community broadcasting matter, but as a viable commercial ethnic broadcasting concern. If we were orphaned, and disallowed the natural right of migration to the digital system as other broadcasters "in band" would be allowed to do, this may have a considerable impact on our listeners and competition.

Security of tenure has always been an issue regarding our licences. As the moment the ACA allows us a maximum of five years tenure on any licence with the ability to renew it (if the ACA so agrees) for a further five years.

We find it increasingly difficult in this modern age to convince any potential investor to invest in any expansion programme envisaged when they clearly cannot be convinced of security of tenure.

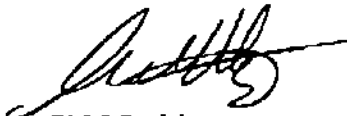
Accordingly without security of tenure, we believe that we will always be struggling to deliver the highest quality of programming to our listeners. Instead, our attempts to create a constant level of high quality programming are thwarted with staff being overworked, equipment rundown and overused, etc.

Clearly, without security of tenure, growth is stifled, competition on a real scale is muted, and, ultimately, the end user (the public) is denied of a service which is not providing optimum quality.

Finally, we therefore would submit to the Commission that we do not believe that it is fair or Australian to be drawing the line between "in band" and "out of band" services when the digital migration factor becomes a reality. In any event, if there is not enough spectrum available for all parties on the Eureka 147 system – or any other contending system – we would be pleased to keep our existing system, but for measures and method and systems to be put in place whereby ALL future radios which feature digital radio being brought into Australia that would also give our listeners the continued existing opportunity to be an audience by right and by choice, as well as to be able to select our frequency in analog if they so desired.

Should you have any further queries about the above, please do not hesitate to contact the writer on 0418 676 200.

Yours Sincerely,



Sid Merhi
Director
Radio 2ME