

**National Ethnic and Multicultural Broadcasters' Council
(NEMBC) response to**

Productivity Commission Draft report on Broadcasting

[1] The NEMBC welcomes the Productivity Commission's draft report's acceptance that broadcasting policy should meet social, cultural and diversity objectives and its recognition that community broadcasting plays a significant role in promoting these policy objectives. Our response to the draft report is based on promoting these objectives both now and into the future.

[2] The report makes clear that radio is a major medium for the information, cultural and entertainment needs of the community with Australians listening on average to 16 hours of radio per week.

INDIGENOUS LICENSING CATEGORY

[3] The NEMBC welcomes the recommendation that a separate licence category for indigenous broadcasting be established. We believe that the special place of indigenous people in the Australian community and their particular cultural and information needs makes it important that a truly national indigenous broadcasting sector is established.

Recommendation

[4] That the Productivity Commission recommend the establishment of an indigenous licensing category and appropriate allocation of licences to establish a truly national indigenous broadcasting network.

SPECTRUM ALLOCATION

[5] The recommendations in relation to the allocation of spectrum however cause us concern and we believe will hinder the on going development of media diversity. There are a number of dangers associated with the idea that remaining digital spectrum can be sold off to the highest bidder once digital migration of existing services takes place with an allocation for future public and community stations.

[6] This recommendation rests on the proposition that the commercial sale of spectrum is the best way to promote media diversity. History shows that it has been public and community broadcasters who have led the charge for media diversity. The current level of aspirant community broadcasters shows that any such allocation will be insufficient to meet the community's interests. It will mean the end of new services developing that respond to the future needs of the community.

[7] The NEMBC does not see any need to separate the spectrum allocation and broadcasting licence conditions of stations into separate licensing regimes. The allocation of spectrum and a station's licensing conditions are related and by being administered by the one authority can be made to work together in

achieving the nation's broadcasting objectives. Splitting these functions would separate the economic and community interests associated with broadcasting. In the future it would lead to economic interests rather than community interests becoming the paramount consideration in licence allocation.

[8] This danger is also inherent in the report's recommendation that an economic valuation of spectrum for public and community broadcasters be undertaken. By doing so we again will be putting economic interest above the community interests. We believe that the community's interest should be placed at the centre of broadcasting policy, as broadcasting spectrum is a community asset not an economic asset.

[9] Commercial broadcasters do operate to achieve economic benefits from broadcasting but the community listens to broadcasting to meet a range of information, cultural and entertainment needs. An economic valuation of spectrum would lead to a false impression that there are large economic subsidies provided to public and community broadcasters. In the case of community broadcasters this is patently not the case with around \$5m being provided to the whole community broadcasting sector with its 163 stations and even more aspirant broadcasters.

[10] The report does not recommend on the other hand that commercial broadcasters be asked to justify the community benefits of their operation. It is assumed that payment of licensing fees means that the community interest is no longer an issue. Public and community broadcasters are provided with spectrum to achieve particular social, cultural, diversity and community objectives and their performance should be assessed on this basis not on the basis of some imputed or market economic value for broadcasting spectrum.

Recommendations

[11] That the licensing conditions and spectrum allocation functions be maintained in one independent body.

[12] That after digital conversion and once an allocation has been made for public and community broadcasters that all remaining spectrum not be sold off on a commercial basis. Spectrum and licences should be allocated on the basis of community benefit and that an on going process for licence and spectrum allocation on this basis should be retained.

[13] That placing an economic value on spectrum allocated to public and community broadcasters is an arbitrary and unnecessary process for assessing the value of public and community broadcasters. Such a move would place economic value and not our cultural, social and diversity objectives at the centre of broadcasting policy.

DIGITAL BROADCASTING

[14] The community broadcasting sector's greatest immediate challenge is to migrate to digital broadcasting. It is essential for the diversity, social and cultural objective of broadcasting that this is achieved in a way that does not disadvantage community broadcasters and that leaves sufficient scope for the further development of both existing and aspirant community broadcasters. We believe there is a strong argument to justify government expenditure to assist all community broadcasters to migrate to digital broadcasting. The migration is necessary because of government policy and migration of all community broadcasters to digital broadcasting is necessary to ensure the nations social, cultural and diversity broadcasting objectives are met.

Recommendation

[15] That government funds be provided for the migration of all licenced community broadcasting to digital broadcasting.

COMMUNITY TELEVISION

[16] The report raises issues in relation to the licensing of community television. The NEMBC supports the CBAA's view that digital access for community television be provided by a television service provider, possibly even the SBS or ABC, warrants serious consideration. It is important that community television is given a genuine and secure place in the world of digital television as community television will in time add a significant diversity to the media as well as community benefits in the areas of skills development, community access and strong local programming.

Recommendation

[17] That community television be given a secure place in digital television with a full allocation of spectrum.

FOREIGN MEDIA OWNERSHIP

[18] We believe that the media plays an important role in national life. We believe that Australia's cultural, social and diversity broadcasting objectives require the Australian media to be Australian owned. We already struggle to provide sufficient quality Australian programming especially in the area of television. We must accept that the media now plays an essential role in the expression and development of Australian culture. Foreign ownership is not the way to increase diversity – it is the way to inevitably increase the saturation of our lives with American and British culture and values.

[19] If we are serious about both our cultural and diversity objectives then we must bring more local players into broadcasting by legislating for diversity and tightening limits on ownership.

Recommendation

[20] That the existing foreign ownership provisions be maintained.

CROSS MEDIA OWNERSHIP

[21] Australia's media is dominated by a handful of companies. These companies are quickly expanding into digital and on line technologies to take advantage of technological convergence to strengthen their place as media players. The majority of Australians still get their information from a relatively few media outlets. Any lessening of ownership restrictions on television and daily papers would be a grave disservice to the Australian people. Cross media ownership laws need to be strengthened to achieve greater diversity.

Recommendation

[22] That the cross media ownership rules be strengthened to include the new digital environment while maintaining the limits of cross television and daily newspaper ownership.