

## really really BIG productions

20th May, 1999

Professor Richard Sharpe  
Deputy Chairman  
Productivity Commission  
Level 28  
Telstra Tower  
35 Collins Street  
MELBOURNE VIC 3000

Dear Professor Sharpe,

Thank you for the opportunity to provide a submission to the Productivity Commission's Broadcasting Inquiry.

really really BIG productions have been involved with the narrowcast radio industry since 1992.

I have owned & operated low powered open narrowcast radio services at Bondi, Homebush Bay, Cairns & Newcastle. I have also acted as a consultant for various broadcast groups including Chinese Community Radio, 2JA Max Wave (Japanese Language) & Spanish Radio, & have been a radio representative on the board of ASTRA for 5 years.

My submission is based on the premise that there is a pent up demand for broadcast spectrum that is not being satisfied by the existing regulatory regime.

I would further argue that existing commercial and community sectors do not provide the diversity intended by the BSA.

The release of more spectrum in analogue and the provision for new services in digital planning will help to increase competition in the radio industry.

Regards,



Philip Muscatello.

Most people are unaware that there are a range of services that exist on the edge of or outside the Broadcast Services Band. These include single-language, dance music, information, sport, country music & youth radio formats.

These exist in 4 bands of the spectrum and each has its own technical limitation.

1. 87.5 - 88 MHz FM

This is the section of the Broadcast Spectrum reserved for low powered open narrowcast services (LPONs).

These licences limit the transmission power to one watt. They are currently being used for services that include racing radio, dance, country, small business radio, tourist information, and community languages.

These are the services referred to in the ASTRA submission that involve the ABA "...when a successful radio narrowcaster is the subject of complaint by an incumbent commercial radio broadcaster.

"From ASTRA's experience, radio narrowcasters find it increasingly frustrating that

### 3. 1611 - 1720 KHz AM

The upper edge of the AM band.

These services can be picked up on most existing receivers. The audio quality is poor because of limited bandwidth and power.

These services include Italian, Arabic & dance music.

### 4. FM Sub-carrier

The technology exists to broadcast services on "the back of" existing FM signals.

These require special receivers.

Services include Croatia Radio and BBC World Service.

I contend that the above range of services, already being provided, must go somewhere towards describing the model of the future.

These formats are examples of unsatisfied demand for new radio services.

## DIGITAL

The hope is that Digital Planning will open up the airwaves for new services.

Unfortunately the existing industry is acting largely in the best interests of itself as it migrates en masse to digital. The current model allows only for a limited number of new players.

The ABA, the government and the general public appear to be unaware of the range of services that are already available. The lobbying and policy debates surrounding the implementation of digital discount the range of possibilities outlined above.

Digital diversity is under threat before it can even get underway.

More competition can be achieved by freeing up analogue and digital spectrum. Your deliberations should include the following observations.

#### 1. Rationalisation of spectrum used by community broadcasters and SBS radio.

The above list of services demonstrates that programming that was once considered "community" or "public" can be provided by commercial operators without the need for government subsidies.

The community sector should be more closely looked at to see if changes in the media landscape have diminished their reasons for existing.

Because of the targeting of special interest groups, I contend that there are now more people listening to narrowcasters than community radio.

SBS radio also unfairly competes with the production industry by providing services like advertising and program production and translation at rates that can't be matched by unsubsidised commercial production houses.

## 2. Band II clearance

For years now NBN 3 in Newcastle has supposed to have been moving completely to UHF, freeing up analogue spectrum in Sydney. This has not happened. Why is the ABA not making them move?

## 3. Digital Planning

In the current planning scenario, existing players will be allocated digital bandwidth that will provide CD quality reception.

This means an unequal uplift in quality between the AM & FM operators. I know there is a dispute in commercial radio between these two groups. AM would love to be on an equal footing with FM.

The effect of this quality uplift is that there is little room left over for new entrants. How does this facilitate competition?

Digital planners should look at an overall drop in bit-rates so that more players can be accommodated.

Anecdotally I would say that all of the narrowcast groups would be happy with digital at 64KB/s. That would mean 4 services in the space taken up by one existing incumbent plonked automatically and unthinkingly into digital at 256 KB/s.