

Sub no. 27987
19 Jan 2000

The Convergence Lobby

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Productivity Commission
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Dear Professor Snape

DRAFT REPORT ON BROADCASTING

I am writing to make comment on your draft report on behalf of the Lobby. The Lobby is a group of concerned citizens who care about access, choice and rationality in the communications industry.

Firstly let me say that the Lobby agrees with the tenor of the report and most of the recommendations. The broadcasting industry in Australia has been cramped for too long by unnecessary control. The convergence of the web, personal computers, mobile phones and traditional broadcasting will make these controlling attempts futile.

I commend your courage and wish you success.

Recommendations we support:

4.4: absolutely!

4.6: agreed.

4.7 & 4.8: separation of spectrum planning from licence issue is essential. Traditionally the same organisation has had control of both and manipulated access to one by the other. Our spectrum management is littered with the debris from the folly of our spectrum managers - look at the decision to put TV channels 3,4, and 5A right in the middle of the FM band. That meant no FM radio for 20 years. Then they wanted FM radio to be in a non standard band to encourage Australian manufacturing. Now they want unique HDTV standards. They are fools.

6.1: agreed. We should change to digital because it expands options. Mandated HDTV does not and makes no sense. Let the market decide.

6.2: agreed - let us not artificially constrain the meaning of datacasting. Convergence is coming. National multichannelling should not be prevented for anyone. It is already effectively there on the web.

7.1: emphatically yes. Something is not necessarily wrong just because Rupert Murdoch wants it to happen in his interest. In this case he is absolutely entitled to be pissed off. So should consumers be.

8.1: agreed.

8.2: agreed.

8.3: agreed - again we have the farce in the regions where AM stations were allowed to have an FM station without breaching this rule. City stations were not. It is meaningless in a digital world.

8.4: agreed.

10.1: Agreed absolutely.

10.2: OK. If this just means more community opportunity to be involved, but I would not want this process to close out options, restrict programming or stop access.

10.3: agreed.

10.4: agreed.

Recommendations we do NOT support:

4.1: There is no need to licence production of content. This is very backward step and a threat to freedom of speech.

4.2: This is a deadend. The approach comes from the commercialisation of Government services and assets of the early 1990s. While superficially sensible, it cannot cope with the change of value brought about by technological change or changing Government decisions. Today's situation vis à vis HDTV is case in point.

The value of the TV spectrum changes with technology. Channel 9s TV licence was worth \$x million before cable/satellite and the DTV/HDTV proposals. If not jeopardising that value is a Government objective - and it seems to be - then access to spectrum will be restricted. If we do not care, we will allow other entrants to compete. We should not value spectrum in such a way as to make entry harder politically. It is a lot like licensing more taxis, only these streets can cope with a lot more taxis. Whether there is a market for the newcomers is their problem to work out not the Government's.

4.3: same as 4.2. What is the value of the spectrum and won't technology change it? You are creating a future liability for Government and taxpayers that they will not want to pay similar to the current one.

4.5: as for 4.2 and 4.3. The value of 2XX's licence dropped considerably when it ceased to be the only licensed community station in Canberra.

5.1: let the groups work it out themselves. No subsidy.

5.2: Aboriginal groups are no different to any other community broadcaster. No special licenses.

6.3: auctioning spectrum: "as it becomes available" will artificially raise the price of the first releases. The full amount should be announced in advance and initial limits on the amount individuals can buy at first release to prevent initial hoarding. If not used within one year, it should be relinquished.

9.1: Not supported. There should be no quotas. They encourage cheating and create too much bureaucracy in checking whether they are being met. If the people want local material at prime time, they will seek it. In an open market like that which you are suggesting should work, an entrant will always appear to meet an unmet need.

There may be a place for Government grants to broadcasters to produce Australian programs, but that is another story.

9.2: Not supported. Have you noticed how many kids prefer their PC or Nickelodeon on cable/satellite? I wonder why that is? Does it matter?

9.3: Not supported.

9.4: Not supported.

10.5: Not supported. The regulatory regime should be abolished. It is a joke. It is counter free speech and unenforceable.

Finally let me make a comment on something where I believe your team has been conned by the engineer/spectrum controllers. In a number of places you talk about the "restricted" amount of spectrum currently available as being a constraint upon greater access to spectrum. You use it to explain why there cannot be a fourth commercial TV network nationally. It is also why we have three public radio licence "aspirants" in Canberra fighting for one licence.

This is a con. The radio and TV spectrums can handle considerably more broadcasters than we have at present without taking digital transmission into account. I cite three examples:

- FM radio spectrum runs from 88MHz to 108MHz. That can accommodate at least fifty FM stations in any location. Have you ever been to the USA or France or Italy?
- The UHF TV bands have 41 channels to use. The most in use at any location is five. That could be doubled without any degradation to local signals. In fact a separation of three would be OK, too, so you could have up to thirteen, no sweat; plus six in VHF.

Decisions taken to restrict the number of stations is a political decision using fraudulent technical reasons as an excuse.

Yours sincerely



Anthony J Robinson
18 January 2000