

Government plans for country radio listeners: fair deal or foul?

Martin Hartcher discusses progress in the government's plan to introduce commercial FM to rural areas

Progress in the government's plans to introduce commercial FM to country listeners which (in terms of broadcast planning, means all listeners in Australia outside the five mainland state capital cities) has been tardy.

- In 1981 the Broadcasting Act was amended to provide for supplementary FM licences.
 - In 1984 the Minister for Transport and Communications Michael Duffy, sought supplementary licence applications and received 69.
 - The Minister referred the supplementary applications for Mildura and Canberra to the Australian Broadcasting Tribunal (ABT) and in the latter case also called for applications for an independent licence.
 - In 1987 the market groups approach was announced by Mr Duffy and he called for new licence applications in five markets and referred two supplementary applications to the ABT.
 - Since 1987, the Minister has had the ABT consider 12 more markets.
 - In march this year, the Federation of Australian Radio Broadcastings (FARB) called on the government not to classify any more markets until the effects of television aggregation on country radio could be examined. The government agreed.
- So at this moratorium juncture, lets see how country listeners have fared.

Progress to date

The supplementary licence scheme sees three FM services on air, or in terms of markets - two. The additional services policy sees five markets with FM services (Gold Coast, Geelong, Ipswich, Newcastle, Hobart) and another four soon to be on air. (Gosford, Shepparton, Darwin, Geraldton).

Three other markets (Alice Springs, Mildura and Albany) are in limbo. The ABT has yet to make decisions in five other markets (Mackay, Wagga, Albury, Renmark and Kempsey) and three other markets are tied up in disputes before the Federal Court. of course there is also one remote commercial radio service on air.

So if you were a country listener and thought in 1981 you would soon enjoy commercial FM you would have seen nine years elapse with only eight services coming on air: about one a year.

Who is to blame?

Some people accuse the stations of tying the process up with Federal Court appeals. As far as I am aware there have been 16 licensing decisions by the ABT.

- Two of these determinations were for new services (Albany and Geraldton). It is unknown whether yet there will be appeals.
- There have been four appeals by outsiders, two unsuccessful (Canberra, Shepparton) and two as yet without result (Townsville, Nowra).
- There have been four appeals by incumbents (Newcastle, Gosford, Lismore, Mildura) all of which have been successful, at least at first instance.

Undoubtedly some blame rests with the ABT. For example, in Moree there were no opposing submissions but the supplementary grant took 18 months.

But the real blame rests with the government preoccupation encouraging competing services and providing opportunities for new players.

Common sense says that a supplementary service is far more likely to deliver complementary programming to a market than head-to-head targeted competition. Supplementary services would also mean operations have a better capital base to provide more, and more costly, services than competitive services.

The competitive service argument also falls down when the government's cross media ownership prohibition which broke regional media monopolies is taken into account. At the same time, the expansion of ABC and public radio services in country areas has meant a vast increase in competition for audiences in regional markets. Television aggregation and burgeoning rural press have also increased competition for the advertising dollar.

But what about opportunities for new players? Today you can buy a number of radio stations for less than the establishment fee and costs of an ABT hearing. Most new services are being run by old players anyway and when you realise the significance of the ABT grant criteria that calls for strong experience in commercial radio - this is not hard to understand.

Where are all the new players? Many of the markets have seen only one applicant and

in many of these it is the same applicant.

One is left then with the cynical view that it is all about government extracting revenue from the industry. If revenue foregone in the form of establishment and conversion fees is the real concern, then the government ought to consider a supplementary licence fee in larger markets.

FARB's new policy

The industry has launched a regional services policy containing the following elements:

- The government should immediately abandon its additional regional services program entailing market categorisation and long ABT inquiries.
- In large regional solus markets, the licensee should be offered the automatic grant of a supplementary licence or else the market should be treated as a 'B' category market under the present Tribunal procedures. (The latter to give a licensee his 'day in court' if he believes his market can support neither a supplementary nor new service.)
- In regional multi-station markets conversion should be offered for a fee.
- While some stations may wish to remain AM for practical reasons, stations in smaller regional solus markets should be offered the opportunity of the automatic grant of a supplementary licence or conversion.
- The concept of commercial viability needs to be more clearly defined in the Broadcasting Act.
- The present policy on remote commercial radio service areas should remain.

This policy should not be seen as reflective of a FARB position in respect of the issue of metropolitan conversion.

I would like to convey to the government, and the ABT, the need for them to look at country listeners and have concern for the delivery of commercial FM services to them in a way which will bring about the speedy and inexpensive delivery of quality FM.

Martin Hartcher is the Federal Director of the Federation of Australian Radio Broadcasters. This article is an edited text of a speech given to a CAMLA luncheon on 19 July, 1990.