

20 December 2017

Digital Economy Strategy team
Department of Industry, Innovation and Science
GPO Box 2013
Canberra ACT 2601

E: digitaleconomy@industry.com.au

Submission from Community Broadcasting Association of Australia

The Community Broadcasting Association of Australia (CBAA) welcomes the Australian Government's commitment to developing a Digital Economy Strategy and the opportunity to add our voice to the conversation through the consultation process.

As the peak body and the national representative organisation for community radio and television stations in Australia we come at the topic of digitalisation from a unique perspective. Rapid developments in digital technology have presented large challenges and opportunities for community broadcasting. We have first-hand industry experience of adapting to, and embracing, digitalisation and the roll out of digital platforms nationally.

More broadly, CBAA are an important stakeholder for the government as we represent community broadcasters who deliver high-quality and diverse public interest journalism, particularly in underserved markets like regional Australia, and culturally and linguistically diverse communities.

Digital radio and, to a greater extent, online and mobile platforms provide significant scope for community broadcasters to expand their service offerings, provide more content relevant to local communities, and enhance the diversity of media services available to their audiences. Expanding digital presence and content enables the sector to fulfil its overall community broadcasting mandate in the contemporary media environment.

Rather than answer each question in the consultation paper, this submission focuses on the extent and importance of community broadcasting in Australia and the major challenges now and ahead for digitalisation in the industry. It also identifies areas where we can work closely with Government to ensure Australia's community broadcasting is a world leader in its adoption and use of digital technology.

The CBAA and community broadcasting in Australia

As an internationally recognised, not-for-profit cultural organisation, the CBAA champions community broadcasting by building stations' capability and by creating a healthy environment for the sector to thrive. Since our creation, we have served to give a voice to those otherwise not heard on air and always prided ourselves on maintaining a diverse sector, supported by volunteers and community-minded individuals.

Community broadcasting is a vital and growing part of the Australian media landscape. The 2016 National Listener Survey reported the highest listening levels for community radio on record – 5.3 million Australians tuned in to the over 450 not-for-profit, community-owned and operated radio services operating across the country each week.¹ This is up from approximately 3.8 million in 2004.

Community radio stations operate in towns and cities across Australia with the largest proportion located in regional areas (41%), a further 25% in rural areas and 34% across metropolitan and suburban locations. These stations directly support approximately 1020 full-time equivalent (FTE) jobs across the country – over 250 of which are in regional and rural communities. Further, the sector consistently reports between 19,000-20,000 people volunteering at community radio stations each year. This is an average of 74 volunteers at each community radio station, putting in the hours of 13 FTE shifts per station. This varies strongly across stations and station types.

Community broadcasting is Australia's largest independent media sector, a key pillar in the Australian media landscape, and recognised internationally as one of the most successful examples of grassroots media.

Digitalisation and technological developments – challenges and opportunities now and ahead

In recent years, broadcasting media has been subject to several major technological changes which have created economic and demographic opportunities and challenges, particularly for regional media. Digital radio is the most apparent and immediate new technology offering opportunities for community broadcasting to grow its reach, particularly given 27% of Australians who live in mainland state capital cities listen to DAB+ digital radio – a cumulative audience of 3.6 million people.

In addition to current services in the cities of Sydney, Melbourne, Brisbane Adelaide and Perth, new digital services are being rolled out in Canberra, Darwin and Hobart from mid-2017 through to early 2018. The Minister for Communications has confirmed the Government's facilitation of the roll-out of digital radio in regional Australia, including through the consideration of the regulatory framework and necessary arrangements. A digital radio planning committee for regional Australia has been established, on which the CBAA is proudly a member.

Community radio faces many of the same digitalisation challenges as other established media, including commercial and national broadcasters. However, some pressure points are unique to the sector.

The challenges of new media

Online services are upending the way in which audio content is produced, distributed and consumed, and this is having a material impact on the media industry as a whole, including community radio. As a medium, radio is weathering the storm better than traditional newsprint and, to an extent, advertising-sponsored television. This is partly due to the ubiquity of radio receivers (particularly in cars) and the fact that radio as a medium is well suited to providing local content.

¹ Community Broadcasting Association of Australia (2017). *Community Radio National Listener Survey- Summary report of findings January 2017* [online] Available at: <https://www.cbba.org.au/broadcasters/get-data-national-listener-survey-station-census>

However, radio – and community radio – is not immune. Music streaming services such as Spotify (among many) are growing rapidly and providing audiences with a legitimate means of accessing alternative music and creating their own bespoke playlists. As Australian telecommunications networks continue 4G / LTE rollout, internet-enabled phones and other mobile devices are making a plethora of audio content available.

Digital radio and future pathways including small-scale digital radio

The Government provides the community broadcasting sector with \$2.28 million per annum to support digital services in metropolitan areas, predominantly for transmission and distribution costs rather than content or programming.

There are currently 36 community radio stations operating 40 digital services in the metropolitan areas as follows: Adelaide (7), Brisbane (7), Melbourne (10), Perth (7) and Sydney (9).

The Government has committed \$1.9 million in 2017-18 and \$2 million in 2018-19 to assist the community radio sector with the costs of digital radio broadcasting, including for the planned expansion of digital radio to permanent services in Hobart, Canberra, Darwin and the Gold Coast.

In a recent consultation paper, the Australian Communications and Media Authority (ACMA) notes that the concept of ‘wide-coverage’ stations as being the only stations able to participate in digital radio has been a feature of the initial phase of digital radio introduction.

The current legislative and planning framework contemplates only the initial phase of digital radio, where licensing and planning is based on commercial radio broadcasting Licence Areas. While the concept may have merit in terms of the initial phase, it is now timely for this to be re-visited.

Planning for digital radio is now well advanced and, in due course, there will be a full national frequency allocation and allotment plan agreed by industry and the ACMA.

There is now scope for the ACMA to timetable the exploration of further services within the same overall frequency allocation. This will lead to an increase in services and further efficient use of spectrum.

The ACMA is currently in the late stages of finalising a national allotment plan. This substantial amount of work will enable further allocations and digital radio channel plans to be published as and when digital radio services are rolled out to further regional areas across Australia. This region-by-region approach to planning across the nation was undertaken in order to give greater certainty to allocations.

Armed with this forward planning data, it is possible for allocations to be made in further areas of Australia with greater certainty and in doing so, there will be little chance of subverting the future implementation of further services in other adjacent licence areas. The CBAA has supported this approach as being fair and equitable insofar as it ensures a pathway for services that are able to take up digital radio.

Now that this work is near to mature, the CBAA believes there is scope for the ACMA to consider, on a case-by-case basis, the provision of spectrum for the trial of low(er) power limited coverage digital radio services.

It seems reasonable to expect there will be cases where spectrum allocated (or notionally allocated) in respect of a commercial Licence Area may be efficiently and judiciously re-used in an area outside of that intended Licence Area, so long as it is used on a low power and limited coverage basis.

There would seem to be little cause for concern at such frequency re-use. In fact, if there were fortuitous reception of out-of-area signals from an adjacent or second adjacent Licence Area due to overspill, the introduction of low power limited coverage services would act to prevent such reception: an outcome that may well be favoured by commercial licensees in the overspill area.

The introduction of this new layer of small-scale services sits outside of the current legislative framework that is in place for the initial phase of digital radio. The CBAA is not suggesting replacing that framework, but is suggesting that there be an additional scope added to the legislative framework to at least enable services to be implemented, on a case-by-case basis, in sub-set areas of commercial Licence Areas and also in areas of (regional) Australia where there is, in fact, no commercial radio Licence Area and so a logical gap in the current legislative framework.

Ahead of this legislative and policy development work, it seems reasonable that the ACMA consider authorising trial licensing of small-scale digital radio licences where there is demonstrated interest and wherewithal. The CBAA can envisage potential interest in remote, sub-metropolitan and some otherwise under-served regional and rural areas.

Online and unmetered usage

The vast majority of community stations have an online presence (94 per cent), although the amount and quality of content available varies considerably throughout the sector. 33 per cent of stations do not offer any online streaming service, and 71 per cent of community stations had not upgraded their websites since 2011-12.²

There is a notable divide between the online offerings of stations operating in metropolitan and suburban areas, and those in rural and remote Australia. For example, where 41 per cent and 36 per cent of metro and suburban stations respectively have a mobile app, this drops to 13 per cent for stations operating in rural and remote areas. The same divide is seen in the use of podcasts, where 56 per cent of metro stations offer podcasts to their listeners, compared to 36 per cent of suburban stations and only 22 per cent for rural and remote stations.³

The CBAA website has a 'station lookup' function, which includes the names and websites of its members. However, unlike for commercial radio, where CRA's Radio App and the iHeartRadio website or app provide a central portal for listeners to access over 250 Australian radio stations, there is no central streaming portal for community stations.

² CBAA 2016, *Community Broadcasting Sector Infrastructure and Technology Census*, p. 14.

³ *ibid*

The Government has recognized the importance of the digitalisation of community broadcasting. To support the community radio sector's further development and enhancement of their online presence, the Government is providing additional new funding towards the industry's existing CBOOnline Project with a focus on supporting the development of a centralised portal and app for online streaming. This will enable community stations that do not already offer a streaming service to do so, so that they could be aggregated through the portal.

There continues to be an issue with access to online community radio due to metered data arrangements. Data usage, when streaming online, varies depending on a user's device and connection. When listening to radio online, users use roughly 30-60MB per hour, which is similar to spending 2-3 hours on Facebook or 10-20 minutes watching videos on YouTube.

The availability of unmetered content is an important tool for those with small data caps, however the current offering is very limited. Community radio needs to have better access to Internet Service Provider's (ISP) unmetered 'freezones' so that it can be accessed without affecting a user's bandwidth limit. With community radio's growing online presence it is vital that access isn't restricted by ISPs to those with the means to pay for greater bandwidth contracts.

Partnering with government to ensure Australia's community broadcasting is a world leader in its adoption and use of digital technology.

The community broadcasting sector is largely self-funded but requires commitment and certainty of future support from Government to allow it to grow its vital service. Community Broadcasting Foundation grants form just over 10% of income for the community radio sector. Community radio stations are largely self-supporting drawing support from the communities they serve through business sponsorship (40%), subscriptions and donations (20%) and other fundraising initiatives.

Community radio stations are already covering all content generation costs for digital services and, as from July this year, the metropolitan stations are now also commencing contributions towards digital platform and infrastructure costs.

Federal Government funding to support community digital radio was \$3.7m in 2015-16 but dropped to \$2.3m as from 2016-17. In the recent 2017-18 Budget, the Government provided an increase in funding (\$6.1m over two years). The sector also received additional funding as part of the Government's recent media reform package. These funds will support community digital radio rollout, enhanced news programming, improved online presence and industry skills development. These additional resources have been warmly welcomed by the sector and provide a basis for ongoing work with government to move the sectors funding allocation from the year to year budget cycle process and make it ongoing.