



Spectrum Reform
Department of Communications and the Arts
GPO Box 2154
Canberra ACT 2601
spectrumreform@communications.gov.au

Thursday 27 July 2017

Consultation on Spectrum Reform

Rebel Media [RM] provides independent commercial FM radio services 4BRZ [Breeze] and 4RBL [Rebel] in rural, regional and metropolitan Queensland and NSW via a network of 40+ FM transmitters within a licence area spanning 2,800 km in length.

We represent two of Australia's five *Large Area* (licence areas larger than 1,000,000 km²) BSB commercial radio services; 4BRZ,4RBL,6FMS,6SAT & 8SAT. We welcome spectrum reform.

We support most of the points covered thoroughly in the submissions by Commercial Radio Australia [CRA] and Flow FM [8SAT]. To add further to those;

Public Benefit - Long Term Tenure

Around two thirds of our FM services, typically in the smaller population centres of our market, are not profitable. Reflecting our support for rural communities, they primarily exist to provide valued essential local services, but they are commercially marginal at best and a challenge to keep operational. All the 5 *Large Area* services have a number of transmitters in this non-profit category.

As the largest population centres of the 5 stations are not that commercially lucrative, it is a delicate knives edge balance of their few larger centres subsidising the carriage of services to the many smaller centres. Any increase in spectrum costs within the networks, or the creation of uncertainty surrounding long term tenure and costs will likely impact investment and service provision.

We are particularly concerned about low-medium power services in spectrum tight regions adjacent to major cities where there may be modest commercial benefit in operating valued community services with localised content, but interest from other parties or the regulator in re-purposing that spectrum to more profitable use serving an adjacent major city. It is essential that existing FM services and their spectrum cost remain grandfathered long term, and that planning of limited spectrum for future new regional digital and FM radio services continues to reflect that all

communities should have fair access to a range of interference free commercial radio services, without the chance of spectrum being priced out of reach of the broadcaster, leaving some communities poorly serviced or creating new radio 'black spots'.

We welcome the governments recent announcement of licence fee relief for the commercial sector, but are concerned that most of the relief will not flow to broadcasters most in need of it. RM likely has the 'lowest revenue base per transmitter' of any eastern seaboard commercial broadcaster and some of the highest delivery costs, and unfortunately the currently proposed spectrum fee scheme would see our network pay substantially more in licence fees than either a Townsville high power 100kw FM service or a highly profitable Brisbane FM service serving over 2,000,000 people.

We understand that the details of the fee structure is still being finalised. Due to the unique nature of our services requiring a large number of transmitters to serve a group of relatively small population centres, we strongly encourage government to consider permanently exempting the 5 *Large Area* services from broadcast spectrum fees.

We welcome the regulator being given more flexibility facilitating quicker planning of services, though would caution against any outcome that could see the regulator empowered to impose any more onerous conditions on operational commercial broadcasting services, impacting the viable operation of any licences, or generate outcomes that disadvantage independent broadcasters.

Licence Flexibility

Current licencing provisions prohibit 'self help' groups operating repeaters using the same FM frequency nominally allocated to the broadcaster in a LAP. This restriction requires the ACMA to plan a different broadcast frequency for an existing operational repeater, just because the licence will be held by a different entity.

For an existing service, with a change in licence holder (self help to broadcaster or vice versa) the incoming licensee incurs the costs of re tuning transmitters and combiners, managing any resulting interference issues, and advertising the frequency change, while the public need to retune all their radios.

This seems an unintended restriction, and we ask that with the broadcasters approval, FM spectrum planned in a LAP is able to be directly licenced to either self help groups or the broadcaster, to facilitate simple and seamless transition of repeater licencing on the LAP frequency between self help groups and the LAP broadcaster.

Its also desirable that individual FM transmitter licences can be leased to 3rd parties (like metro DAB), and broadcast wholly different FM programming to other FM transmitters operating under the same commercial licence. This would allow *Large Area* commercial broadcasters freedom to temporarily trade repeater spectrum where that provides better synergies for the broadcaster and helps improve sustainable long term options for small repeaters.

Thank you for the opportunity to provide a submission.

Regards

A handwritten signature in black ink, appearing to read 'Aaron Jowitt', with a stylized flourish at the end.

Aaron Jowitt
Managing Director
Rebel Media