



Independents seek their place in the sun

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The single biggest issue for radio narrowcasting in the nineties is access to spectrum on fair and reasonable terms. In the past few years the ABA has issued over a thousand licences for radio narrowcasting; a clear indication of the strength and vibrancy of the narrowcast concept.

Some of these new services are purely localised narrowcast operations, such as 'tiny tots' or children's radio in Bathurst or tourist radio such as Laguna Bay FM in Queensland. There are also some 'suburban' operations such as Bondi, Homebush Bay and Penrith in the Sydney metropolitan area. Another active group of narrowcasters provides non-English language broadcasts in languages such as Arabic, Hindi, Mandarin, Cantonese and Japanese. The backbone of narrowcast radio, however, comprises substantial networks in the tourism and racing industries.

The tourist information radio networks provide a good example of the innovation and adaptability of radio broadcasting to cater to an industry that has grown to be one of the most important contributors to Australia's service sector. By and large, tourist radio networks have been developed by new media entrepreneurs. The racing industry has also seized upon narrowcasting as a means to provide a dedicated racing audio service throughout the nation. These networks are State based and sponsored by metropolitan commercial radio stations.

However, the extensive use already made of the AM and FM bands has generally restricted opportunities

for new services, and narrowcasters are increasingly being forced to use frequencies outside the approved Broadcasting Services Band (BSB).

This pressure for more spectrum has prompted the Federation of Australian Narrowcasting and Subscription Services (FANSS) to take an active role in seeking continuity of licences and better coverage for existing low power services operating at 1 watt, seeking medium and high power frequencies in the ABA's Local Area Planning (LAP) process (which is now significantly behind schedule) and, from a longer term perspective, opening up new areas of the radiofrequency spectrum for radio broadcasting use. In regard to this latter point, FANSS is directly involved in the two official planning committees investigating digital audio broadcasting: one chaired by the ABA, the other, the Digital Radio Advisory Committee (DRAC), set up by the former Minister for Communications and the Arts.

These intensive activities reveal the steep barriers to entry into the broadcasting services market that must be overcome before the narrowcasting sector will truly be able to enjoy its place in the sun. The existing industry does not welcome new entrants, and independent narrowcasters (those not owned by commercial radio stations) have great difficulty establishing their rights as licensees and service providers in this fiercely protected industry. This has involved some independent narrowcasters subjected to SMA and ABA investigations, following complaints made by rival commercial and community stations.

Access

Much current debate over digital broadcasting reveals a clear attempt by other broadcasters to dominate the new medium by excluding low power narrowcasters or other new entrants. These broadcasters have adopted the self-serving view that the success of digital radio depends not merely on their involvement, but their virtual monopolisation, of the new medium. FANSS vigorously opposes this viewpoint.

The history of FM broadcasting is highly instructive as to the policy dangers of allowing established broadcasters to monopolise new transmission technologies, and to the advantages of fostering entrepreneurship, innovation and diversity through a policy of favoured access for new broadcasters. Established services have little incentive or motivation to develop a new medium when their prime investment is anchored to an incompatible technology. This is clearly demonstrated by the indifference and neglect shown to FM radio by established broadcasters for several decades.

In the mid-1950s, the ABC was given the exclusive opportunity to develop FM but failed to do so. In the mid-1970s, when FM broadcasting was finally introduced to Australia, the first services were provided by broadcasters completely outside the established industry, including cooperative societies such as 2MBS and University based stations. It was over five years before any commercial services were licensed on the FM band and, it is pertinent to note, the licences were awarded to



new players, who were then outstandingly successful. It took more than a decade for the first AM commercial stations to migrate to the FM band.

FANSS believes that narrowcasters, as the new force in radio in the mid-1990s, possess the same qualities of enthusiasm, innovation and entrepreneurship that were so critical to the successful development of FM. Narrowcasters cannot be adequately accommodated in the highly congested AM and FM bands. It is therefore imperative for the future of narrowcasting that the additional spectrum available through digital radio be available for their use.

FANSS therefore recommends that narrowcasters should be accorded favoured access under any licensing or access regime established for digital radio. In doing so, it does not suggest that established broadcasters from other sectors be denied access to digital radio: as a general principle, FANSS welcomes a balanced approach to 'old' versus 'new' services. Should, however, there be inadequate spectrum to accommodate all broadcasters, then new operators such as narrowcasters should be given preference. This approach is easily justified. Established services already enjoy an enormous competitive advantage, in terms of access to listeners, through their occupancy of frequencies in the AM and FM bands. In contrast, narrowcasters are generally restricted to low power services at the edge of these broadcast bands. Narrowcasters therefore have a unique and powerful incentive to develop digital radio in a way that other broadcasters do not.

Access to delivery systems

FANSS also differs from other industry bodies regarding the separation of content and carriage in the restructuring of the broadcasting industry - an inevitable feature of the transition to digital. Unlike other

broadcasters, at this stage, FANSS has declined to make an ambit claim for ownership of the transmission network needed to deliver digital radio. FANSS simply requires access to such a network on fair and reasonable terms. The ownership and operation of the distribution network by broadcasters is a valid option. But it is by no means the only option.

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FANSS simply makes two observations. First, should broadcasters wish to own the digital networks carrying their services then, given the need to multiplex different services supplied by different operators, they could only do so as a collective. Since this collective would necessarily constitute a legal entity distinct from its constituents, the technology forces a separation of carriage and content provision - a novel development in the radio industry. Secondly, some broadcasters may wish to focus solely on program production and avoid any involvement in carriage and distribution matters. Equally, broadcasters setting up services after the establishment of a digital network (or networks) may be excluded from network ownership, particularly if the existing owners are other broadcasters in direct competition. In such cases, broadcasters seeking access to carriage will require clarification of their rights through instruments such as the Trade Practices Act or, should network owners be considered carriers, the Telecommunications Act.

Independent networks

An alternative to broadcaster ownership of the digital radio network is an independently built and managed network, operated for the benefit of

all broadcasters. While there are several variants to this option, the concept contains the following basic elements:

- broadcasters (whether licensed individually or by class licence) possess statutory rights of access to a common digital radio transmission network, this right being limited only by capacity constraints;
- digital broadcasters hold in trust apparatus transmission licences for the portion of the radiofrequency spectrum used for digital radio transmissions, with an appointed Trustee acting for the benefit of all current and future content providers;
- the Trustee conducts a tender process for the construction, operation and maintenance of a common digital radio transmission network by a Network Operator;
- the contract sets access rates and carriage fees to be charged by the Network Operator.

The Network Operator could be the National Transmission Agency (NTA), a consortium of existing broadcasters, a telecommunications carrier or any other suitably qualified entity. Competitive bidding facilitates the highest standard of technical and operational support under optimum terms and conditions.

FANSS would like to see DRAC invite expressions of interest and Requests for Proposal from potential digital audio network operators. To date, FANSSs desire to see the digital debate move from the hypothetical to the real has been frustrated, as other parties 'hasten slowly' in a long-winded planning process designed to ensure that the changes and opportunities offered by new technologies are potentially captured by existing vested interests. □