



Australian Narrowcast Radio Association

Response to
Review of Rental Arrangements for
Communication Towers on Crown Land

1. Introduction

ANRA, the Australian Narrowcast Radio Association, is the peak industry body representing Low Power Open Narrowcast (LPONs) Radio services and High Power Open Narrowcast (HPONs) Radio services located across all States and Territories of Australia. Our membership includes not-for-profit religious and foreign language groups along with tourist services, racing radio and fringe music services, as well as many other independently owned and operated services.

ANRA welcomes the opportunity to respond to the IPART Review of Rental Arrangements for Communication Towers on Crown Land. Our comments reflect a consensus of our membership. However individual members may make their own submissions.

2. Overview

It seems evident from a careful perusal of the Review that IPART may still not be aware that Narrowcasting is a totally separate entity to Commercial, National and Community Broadcasting. In fairness, it must also be acknowledged that ANRA, which was not established until late 2004, was unaware of the original Tribunal's review. As a consequence, subsequent efforts by ANRA and the Department of Lands to reach agreement on the treatment of Narrowcasting services has never been finalised.

In addressing the issues, it is important to understand, firstly, that although narrowcasting radio services are a form of broadcasting they have certain unique properties...and, secondly, that there are two discrete forms of these services - high power open narrowcast services (HPONs) and low power open narrowcast services (LPONs).

Both forms are subject to stringent restrictions on the programs and how they are permitted to broadcast. These restrictions are that reception must be limited...

- by being targeted to special interest groups; or
- by being intended only for limited locations, for example, arenas or business premises, or
- by being provided during a limited period to cover a special event, or
- because they provide programs of limited appeal; or
- for some other reason.

One of the primary purposes of these restrictions is to ensure that narrowcast services are not in a position to compete with Commercial, National or Community broadcasting services. Hence the revenue-earning potential of narrowcast services, their coverage area, and their capacity and willingness to pay expenses is very much less than that of those other services.

3. Power Limitations

The operating power for LPON services is limited to a maximum of 1-watt ERP (effective radiated power) in residential areas and 10-watts ERP in non-residential areas. LPON operators must comply with the received signal field strength levels set for LPON services.

The received signal field strength must not exceed 48 decibels above one microvolt per metre at 2 km from the LPON transmitter site in residential areas... or at 10 km from the LPON transmitter site in non-residential areas. To meet the field strength limitations of the licence conditions, operators are expected to reduce the transmitter power or ERP (to as low as 0.4 Watt).

4. Coverage Limitations

The intended coverage area of LPON services is also limited. LPON services operating in residential areas may cover an area within a 2 km radius of the transmitter site. For LPONs operating in non-residential areas, the coverage area may be within a radius of 10 km from the transmitter site.

5. Limited Protection from Interference

LPON services have no guarantee against interference from broadcasting services. On the other hand, within its licence area, a broadcasting service is protected against interference from LPON services.

6. No Security of Tenure

LPON licences are made available on a 'buyer beware' basis and have no guaranteed tenure of radiofrequency spectrum. If spectrum is required by the ACMA for any reason, such as to plan new mainstream broadcasting services, or to vary the conditions of existing mainstream broadcasting services, affected LPON spectrum may be resumed by the ACMA (without compensation), and there is no obligation to find replacement spectrum for affected LPON operators.

7. LPONs

It is ANRA's view that LPONs should not be included in the categories of current users or occupiers, but should be able to remain on sites without any payment of any IPART licence fees.

As has been stated in previous submissions, the minimal and niche nature of LPON services raises a serious question as to whether such installations should even be taken into account in devising a regime for communication tower sites.

It may not be generally appreciated that, in most cases, the transmission equipment for an LPON service would fit into a briefcase, with the antenna being similar in size to a TV antenna...and transmission power comparable to that of a mobile phone.

It takes a fair stretch of imagination to put LPON services on the same footing as the kinds of towers and facilities listed in the current table of user categories. The annual fee for an LPON is \$44, meaning that a statutory minimum annual rental of \$432 is some 10 times the annual licence fee. Currently over 85% of LPON services do not pay any site rental fees, or only nominal fees.

As well only a very small proportion of LPON services are actually located on Crown Land sites. Therefore any likely income for the Dept of Lands would be considerably less than the cost of administering the fee system. Plus, if any statutory fees were imposed, it is probable that the operators could be forced to move or cease operating from those locations.

Additionally, over 50% of the total LPON licences in Australia are operated as non-for-profit with minimal margins. The price of an LPON licence (via ACMA price-based allocation) ranges from a reserve of \$250 to \$2,000. In comparison, commercial radio licences in Sydney have sold for as high as \$155 Million (Nova 96.9FM, July 2000).

8. HPONs

As pointed out, Narrowcast services are restricted by legislation (as listed in Item 2) and therefore have a limited coverage and audience. They are not commercial radio broadcasters and should not be categorised as such.

HPON services have greater power than LPON services, ranging from 100 watts and therefore enjoy a greater broadcast area from 20 km to 100 km...very much less power and coverage than commercial radio. The majority of HPON licences have been purchased for \$4,000 with a few in major centres going for up to \$400,000 (Adelaide)...compared with a commercial licence in Adelaide which sold for \$24 Million.

ANRA recommends that the categories for users or occupiers be expanded to include a separate category for HPON operators...and that rent should only apply to specifically designated Crown Land Communication Tower Sites and not to other Crown Land locations where operators may have their equipment installed on council or community buildings (such as tourist information, community centres, etc). Often these operators are affiliated with these centres and enjoy rent-free occupancy.

ANRA further recommends that the IPART fee on a HPON Service category should be significantly less than the fee charged to commercial radio broadcasters, reflecting the limited nature of these services.

The fee should also take into account the type of service provided to regional and remote NSW, which includes some non-for-profit religious and ethnic groups as well as racing radio services which fill a void in radio broadcasting created when the ABC ceased operating its radio racing service in 1998.

A further consideration in the pricing structure should be the location of the tower in regard to proximity to population hubs; ie, whether the population is within the broadcast range of the HPON service.

9. Double Payment

A concern is that some primary users on sites may pass the additional costs imposed by IPART onto co-users so that, in fact, the co-user is paying the IPART fee twice.

As well, it is very rare that a Narrowcaster would use anything like 50% of any particular structure given that modern technology allows multiple users to operate from the one tower. Therefore 50% of the fee is an exorbitant amount to be charged.

10. DESIRED OUTCOMES

ANRA seeks the following outcomes from the IPART inquiry:

- **LPON services should not be included in the categories of current users or occupiers...but should be able to remain on sites without any payment of IPART licence fees.**
 - **A separate category for HPON users should be created and the IPART fee should reflect the nature of these services and the limited usability of the site.**
- In Closing...**

ANRA appreciates being part of the process of consultation and encourages a collaborative approach between the different sectors of Radio broadcasting.

Our members thank the Tribunal for the opportunity to comment in the consultation process and look forward to a continuing and positive dialogue. ANRA would be pleased to discuss or elaborate on any aspect of this submission. In such instance, please contact Angelo Nacson on 0416 200 201 or secretary@anra.org.au

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