Broadcasting Legislation Amendment (Digital Radio) Bill 2015

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Contents

The Bills Digest at a glance ......................................................... 2
Purpose of the Bill ........................................................................ 3
Structure of the Bill ................................................................. 3
Background .................................................................................. 3
Committee consideration ........................................................... 4
Policy position of non-government parties/independents .......... 4
Position of major interest groups .............................................. 4
Financial implications ............................................................... 5
Statement of Compatibility with Human Rights ..................... 5
Key issues and provisions.......................................................... 5

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Schedule 1: restricted datacasting licences ............................... 5
  Broadcasting Services Act ...................................................... 6
  Radiocommunications Act ...................................................... 6
  Comment .................................................................................. 6
Schedule 2: start-up day ............................................................. 7
Schedule 3: digital radio moratorium period ............................. 7
  Broadcasting Services Act ...................................................... 7
  Radiocommunications Act ...................................................... 8
  Comment .................................................................................. 8
Schedule 4: non-foundation digital radio multiplex
  transmitter licence ............................................................... 9
  Comment .................................................................................. 9

Links: The links to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bill’s home page, or through the Australian Parliament website.
When Bills have been passed and have received Royal Assent, they become Acts, which can be found at the ComLaw website.
The Bills Digest at a glance

Purpose of the Bill

- The purpose of the Broadcasting Legislation Amendment (Digital Radio) Bill 2015 (the Bill) is to reduce regulatory complexity and facilitate the roll out of digital radio in regional Australia by amending the Broadcasting Services Act 1992 (the BSA) and the Radiocommunications Act 1992 to:
  - repeal a sub category of datacasting licences—the restricted datacasting licence
  - remove a role for the Minister for Communications in determining the day upon which digital radio commences in regional licence areas
  - repeal the sections of the BSA which require a six year moratorium on additional licences in an area once digital radio services have commenced in that area and
  - amend the definition of 'non-foundation digital radio multiplex transmitter licence' to align its practical operation with the policy framework objectives.
- The Bill also repeals spent provisions in the BSA and the Radiocommunications Act.

Background

- The Bill responds to views expressed by stakeholders in submissions to a review of the progress of the rollout of digital radio in Australia. These views informed recommendations made in a review report made by the Government in 2015.

Key elements

- The Bill simplifies the digital radio regulatory framework by repealing a datacasting licence category and a requirement for a six year moratorium on new licences in digital radio licence areas that currently begins following digital radio start-up days in a licence area.
- The Bill removes the Minister’s gatekeeping role in the setting of digital radio start-up days in regional licence areas and redefines the definition of one category of digital radio multiplex transmitter licences to remove limitations on that category which have no clear policy purpose.
Purpose of the Bill

The purpose of the Broadcasting Legislation Amendment (Digital Radio) Bill 2015 (the Bill) is to introduce a less complex and more flexible process to assist in the planning and licensing of digital radio in regional Australia.¹ The Bill will amend the Broadcasting Services Act 1992 (the BSA) and the Radiocommunications Act 1992 to:

- repeal a sub category of datacasting licences—the restricted datacasting licence
- remove a role for the Minister for Communications in determining the day upon which digital radio commences in regional licence areas
- repeal the sections of the BSA which require a six year moratorium on additional licences in an area once digital radio services have commenced in that area
- amend the definition of non-foundation digital radio multiplex transmitter licence.

The Bill also repeals spent provisions in the BSA and the Radiocommunications Act.

Structure of the Bill

The Bill consists of five schedules.

- Schedule 1 repeals the restricted datacasting licence.
- Schedule 2 replaces the Minister for Communications as the authority for determining the day on which digital radio services will commence in radio licence areas. The Australian Communications and Media Authority (ACMA) will take direct responsibility for determining licence ‘start-up’ days.
- Schedule 3 repeals sections of the BSA and the Radiocommunications Act which impose a six year moratorium on ACMA with regards to the allocation of new digital commercial radio broadcasting licences.
- Schedule 4 amends the definition of ‘non-foundation digital radio multiplex transmitter licence’ so that a category 3 digital radio multiplex transmitter licence is no longer included in the definition.
- Schedule 5 repeals spent provisions in the BSA and the Radiocommunications Act which required the Minister to conduct a review, and table a report of matters referred to in those provisions.

Background

The Parliamentary Library has produced a paper, Going digital: digital radio for Australia, which details the development of digital radio and the policy background to its introduction.² The information in this Digest follows from the background provided in this paper.

Legislation to allow the introduction of Australia’s first digital radio services was passed in May 2007 and high power digital services commenced in the mainland capital cities of Sydney, Melbourne, Adelaide, Brisbane and Perth later in that year.³ Trials of low power digital radio commenced in Canberra (considered a regional market) in July 2010 and Darwin in August 2010.⁴ Community radio began digital broadcasts in the mainland state capitals in May 2011. Stakeholders were keen for digital radio to be rolled out in regional and remote areas, but there were concerns raised that the DAB+ technology (see explanation in Box 1) used in the major metropolitan areas and in the Canberra and Darwin trials would not be sufficiently robust to replicate the coverage of existing radio services.⁵ A government review of possible technologies that could be used for digital radio in regional

4. Note the legislation to introduce digital radio was amended to exclude the capital city of Hobart from the requirement to launch digital radio at the request of Hobart broadcasters who believed that it was not commercially viable at the time.
5. It was noted for example that the potential adequacy of DAB+ coverage in regional Australia is directly linked to the spectrum in which the technology operates. The preferred spectrum for DAB+ digital radio services is VHF Band III, which is generally defined in Australia as 174–230 MHz, but this band was then used by existing free-to-air analogue and digital television services. This restricted the availability of VHF Band III in the period before analogue television services were switched off, especially in those regional areas close to major metropolitan centres. A direction issued by the Minister for Broadband, Communications and the Digital Economy on 9 July 2010 allowed for 14 MHz of VHF Band III spectrum in each metropolitan licence area to assist in the future rollout of digital radio in regional Australia. Despite this release of spectrum however, there continue to be concerns that the roll out of DAB+ in all regional licence areas may require compromises—particularly in those areas adjacent to metropolitan licence areas where there is considerable spectrum congestion. Department of Broadband, Communications and the Digital Economy (DBCDE), Technologies for digital radio services in regional Australia: discussion paper, DBCDE, Canberra, November 2010, p. 3, accessed 22 January 2016.
areas found that while there was considerable support for the use of DAB+, there was also acknowledgement that the technology will most likely not be able to cover all regional and remote areas.\(^6\)

**Box 1: DAB+**

- To enable a multiplex to transmit a number of stations, audio compression is used to reduce the data rate of each station being transmitted. In taking advantage of the fact that when the human ear detects sound on one frequency it is less sensitive to quieter sounds on nearby frequencies, an audio compression coder calculates a noise floor below which sound cannot be perceived by listeners and discards those sounds.

- The audio coding standard used for Digital Audio Broadcasting (DAB) is MP2. The code used for DAB+ HE-AAC v2 (also known as MP4 or AAC+) however, is more compression efficient. It allows for the equivalent or better subjective audio quality to be broadcast at lower bit rates than DAB. It has been argued that this, in turn, is more spectrum efficient as more stations can be broadcast on a multiplex, less transmission cost is incurred per station and a wider choice of stations becomes available.

- The geographical coverage area of radio services using HE-AAC v2 is also slightly greater than for those using MP2.\(^7\)

Section 215B of the BSA and section 313B of the *Radiocommunications Act* required that the Minister for Communications initiate two statutory reviews of digital radio issues by 1 January 2014. Matters to be examined in this review included consideration of the various terrestrial and satellite technologies capable of transmitting digital radio broadcasting services and restricted datacasting services in Australia. This review was also concerned with other aspects of digital radio rollout, such as ‘the operation of the BSA in so far as it deals with the licensing and regulation of digital radio and restricted datacasting services’.\(^8\)

The Government received 15 submissions to this review and noted in its review report released in July 2015 that the recommendations in that report were informed by the views expressed in those submissions.\(^9\) One of these recommendations reflected the conclusion that while the legislative framework for digital radio was working well, there was room for improvement in particular areas. The measures in this Bill reflect the recommendations for such improvements made in the 2015 report.

**Committee consideration**

At the time of writing this Digest the Senate Scrutiny of Bills Committee had not commented on the Bill.

On 3 December 2015 the Senate Selection of Bills Committee deferred consideration of this Bill to its next meeting.\(^10\)

**Policy position of non-government parties/independents**

At the time of writing this Digest Parliamentarians do not appear to have made any specific comments on the issues raised in this Bill.

**Position of major interest groups**

The position of major interest groups regarding the measures proposed in this Bill can be found in the various submissions made to the Government’s review of digital radio completed in July 2015. These are elaborated upon in more detail in the key issues and provisions section of this Digest. The Australian Competition and Consumer Commission (ACCC) submission, for example, remarked on the regulatory regime for digital radio in general that it considered:

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... regulatory frameworks should maximise the opportunities for businesses to enter media and communications industries and encourage robust competition between different types of services. On this basis, any regulation should meet broader public interest objectives and be proportional to the market or regulatory failure that has been identified.

As such, the ACCC considers that any reform of the legislative or regulatory framework should not have the effect of inhibiting the development of competition in the digital radio market or other media or communications platforms. The ACCC submits that any reform to the relevant frameworks should be based on an identified and persistent issue with its current construction, and consideration should be given to the precise outcomes sought by any modifications to the regime.  

After the release of the digital radio review findings it was reported across the media that all major regional broadcasters welcomed the review recommendations.  

**Financial implications**

There appears to be no direct financial implications for the federal government or relevant commercial stakeholders arising from this Bill. It should be noted, however, that there has been some speculation that if the Government chose to fund contributions to digital radio roll out in regional areas, the cost could be in the vicinity of $500 million over a 16 year period. This may partly explain the Government’s recommendation in its review paper that the timing of digital rollout in regional areas should be a commercial decision for broadcasters to be made in the medium to long term.

**Statement of Compatibility with Human Rights**

As required under Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011 (Cth), the Government has assessed the Bill’s compatibility with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of that Act. The Government considers that the Bill is compatible as it does not engage any of the relevant rights or freedoms to which the Act refers.

At the time of writing this Bills Digest, the Parliamentary Joint Committee on Human Rights had not commented on the Bill.

**Key issues and provisions**

This section does not discuss all provisions in this Bill. For a detailed analysis of all provisions, see the Explanatory Memorandum.

**Schedule 1: restricted datacasting licences**

**Box 2: datacasting**

**Datacasting services**

A datacasting service is one which delivers content in the form of text, data, speech, music or other sounds or visual images (animated or otherwise), or in any combination of forms to persons who have the equipment to receive that service.

The BSA gives ACMA the power to allocate datacasting licences to authorise the provision of datacasting services. ACMA is also empowered under the Radiocommunications Act to require datacasting services to hold an apparatus licence for the purposes of delivering, by means other than by satellite, datacasting services to persons having equipment appropriate to receive that service. Apparatus licences are issued by the regulator.

The operation of transmitters used for datacasting is authorised under the datacasting licence type. A datacasting licence authorises the use of one or more transmitters that are operated.

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14. Ibid.
15. The Statement of Compatibility with Human Rights can be found at pp. 4–6 of the Explanatory Memorandum to the Bill.
Restricted datacasting licences

The Broadcasting Legislation Amendment (Digital Radio) Act 2007 amended the BSA to establish a new category of datacasting service, known as the restricted datacasting service. This category was intended to enable non-radio broadcasters to make use of the digital radio platform to deliver innovative non-radio services.\(^{16}\)

Broadcasting Services Act

Items 1, 2 and 3 of this Schedule repeal the definition of restricted datacasting licence and restricted datacasting service and remove the existing reference to restricted datacasting licence and restricted datacasting service from the definition of broadcasting services bands.

Other changes to provisions in the BSA proposed under this Schedule are either repealed consequentially as a result of the repeal of the definitions of restricted datacasting licence and restricted datacasting service, are redundant because these categories will no longer be included in the BSA or are no longer necessary as a result of the repeal of the definitions.

Radiocommunications Act

Items 44 to 48 remove references to restricted datacasting licences within the definitions of category 1 and category 2 digital radio multiplex licences (see current definitions in Box 2 below), to reflect the repeal of the category of restricted datacasting licence in the BSA. Item 49 makes an equivalent amendment to the definition of category 3 digital radio multiplex licence. Items 50 and 51 repeal the definitions of ‘restricted datacasting licence’ and ‘restricted datacasting service’ in section 5 of the Radiocommunications Act. These definitions refer to the definitions in the BSA that are repealed by items 2 and 3 of this Schedule.

The other changes to the Radiocommunications Act proposed in this Schedule are a consequence of the removal of the references to restricted datacasting services in items 44 to 51.

Box 3: Categories of digital radio multiplex transmitter (DRMT) licences

A category 1 digital radio multiplex transmitter (DRMT) licence is a licence that provides for the transmission of any or all of the following services:
- one or more digital commercial radio broadcasting services;
- one or more digital community radio broadcasting services;
- one or more restricted datacasting services.

A category 2 DRMT licence is a licence that provides for the transmission of any or all of the following services:
- one or more digital commercial radio broadcasting services;
- one or more digital community radio broadcasting services;
- one or more digital national radio broadcasting services;
- one or more restricted datacasting services.

A category 3 DRMT licence is a licence that provides for the transmission of:
- one or more digital national radio broadcasting services;
- one or more restricted datacasting services, where each relevant restricted datacasting licence is held by a national broadcaster.\(^{17}\)

Comment

ACMA has issued no restricted datacasting licences since this sub-category of datacasting was introduced in 2007.\(^{18}\) The ABC commented on this fact by noting that there was ‘little or no industry interest in restricted datacasting’ and given this absence of demand, combined with the scarcity of spectrum it could see no reason for retaining the licence category.\(^{19}\)

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Commercial Radio Australia (CRA) could see limited benefits from maintaining the restricted datacasting licences category and agreed that there was little or no excess multiplex capacity in existing markets to be allocated for this purpose. In addition, in reference to its proposal to the review for shared multiplexes between commercial and public service broadcasters in the vast majority of regional areas, multiplex capacity is also likely to be extremely scarce in those markets. Further, the CRA found it difficult ‘to see the benefit of industry participants incurring additional infrastructure build costs for demand that is unlikely to materialise’. At the same time, the CRA was prepared to support a review of the restricted datacasting licensing framework, as opposed to its repeal.20

The Australian Narrowcast Radio Association (ANRA) wanted the restricted narrowcast licence category retained with narrowcasters given the right to apply for and operate these services as it was ‘the nature of narrowcasting to provide niche services.’21 This was echoed in a submission by a member of the public who considered the category should be opened up to ‘scientific licences’ so they could be used ‘to test equipment’.22 However, as the review report pointed out, there is nothing in the current legislation to prevent existing narrowcasters from applying for a restricted datacasting licence, yet none has chosen to do so.23

Schedule 2: start-up day

Item 1 of Schedule 2 repeals subsection 8AC(3) of the BSA to remove a requirement for the Minister to specify in a legislative instrument a digital radio start-up day for a licence area. Thus it will be left to ACMA to set the commencement dates for regional digital radio services. A digital radio start-up day is the day on which licensees are authorised to commence digital radio services in an area.

Comment

As the Explanatory Memorandum notes, this proposed changes would ‘remove unnecessary Government intervention in the commencement of digital radio services’ in regional areas, giving the broadcasting regulator ‘direct responsibility’ for determining when digital radio services should be allowed to commence in an area.24

Schedule 3: digital radio moratorium period

Broadcasting Services Act

Under section 35C of the BSA new digital commercial radio broadcasting licences must not be allocated by ACMA for a period of six years after the digital start-up day in a particular licence area. This is known as the digital radio moratorium period and it was intended to provide incumbent broadcasters with ‘stability and certainty’ during the investment phase of establishing digital radio services.25 This moratorium period expired for metropolitan areas on 30 June 2015. However, a moratorium period is to commence in regional areas when they commence digital radio services. In his second reading speech the Minister for Major Projects, Territories and Local Government, Paul Fletcher, stated that the digital radio report found the moratorium did not provide sufficient incentive for commercial radio broadcasters to extend digital radio services into regional licence areas.26 It is unclear if this means that the moratorium remained necessary but not sufficient on its own.

Item 1 of Schedule 3 repeals the definition of digital radio moratorium period in subsection 6(1) of the BSA. The other proposed changes to the Act in items 2 to 7 are a consequence of the repeal of this definition as they are redundant or unnecessary as a result.

21. Australian Narrowcast Radio Association (ANRA), Submission to DoC, Digital radio discussion paper, February 2014, p. 3, accessed 21 January 2016. Note: sections 17 and 18 of the BSA define narrowcasting services as broadcasting services whose reception is limited by: being targeted to special interest groups; intended only for limited locations; provided during a limited period of time; because they provide programmes of limited appeal or for some other reason.
23. DoC, Digital radio report, op. cit., p. 34.
**Radiocommunications Act**

**Item 8** repeal the definition of digital radio moratorium period in section 5 of the *Radiocommunications Act* as a consequence of the repeal of the definition in the *BSA*. Other proposed changes to the *Radiocommunications Act* in **items 9 to 14** are a consequence of the repeal of this definition as they are redundant or unnecessary as a result.

**Comment**

In its submission to the digital review paper, the ACCC did not support the extension of a moratorium period for digital radio. It noted that the stability and certainty rationale for the moratorium for incumbent broadcasters during the digital radio investment phase had lessened as digital radio has become established.\(^\text{27}\)

According to the ACCC:

> The potential emergence of new competitors may further stimulate the market by driving innovation and investment. For example, as digital radio services are not intended to replace existing analogue services, a broader range of services available on digital radio platforms may enhance consumer awareness and drive take-up rates through further differentiation from existing analogue services.\(^\text{28}\)

The Community Broadcasting Association of Australia (CBAA) was concerned about the effect extending the moratorium requirements would have on the community broadcasting sector. CBAA stated:

> If the moratorium is extended for any significant length of time, and no counter-measure is taken by government to provide for additional community sector capacity, the moratorium will, effectively, lock community digital radio broadcasting into severe capacity constraints long-term.

> In that circumstance, the ability for digital community broadcasting services to increase their self-reliance and, in fact, to exist in a way that is equitable or comparable with other digital radio broadcast services, is severely compromised.\(^\text{29}\)

CRA disagreed, arguing in favour of extending the existing moratorium ‘for a period of years’.\(^\text{30}\) In CRA’s view this was necessary because it was possible that the viability and profitability of future digital radio services could be undermined if new digital broadcasters who ‘bear none of the analogue costs borne by incumbent broadcasters’ are allowed into the market.\(^\text{31}\)

CRA continued:

> Over recent years, radio has evolved to become a medium which is compatible with and complemented by the alternative delivery models, such as digital radio and the internet.

> This multi-mode environment has resulted in substantial additional costs on broadcasters which are not off-set by any additional revenue.

> More importantly, digital multi-channelling and a converged environment by its nature results in a more competitive and diverse media landscape.

> As a result, the argument for awarding new entrant digital broadcast licences in addition to those already allocated to analogue licence holders has been significantly weakened.\(^\text{32}\)

The digital radio review report noted that the existence of the moratorium in metropolitan areas did not provide sufficient incentive for commercial broadcasters to extend the services to regional Australia.

\(^{27}\) ACCC, Submission to DoC, op. cit., p. 7.

\(^{28}\) Ibid.


\(^{30}\) CRA, Submission to DoC, op. cit., p. 13.

\(^{31}\) Ibid.

\(^{32}\) Ibid.
Given this situation, the review considers that there is no strong public policy rationale for artificially restricting the allocation of new digital commercial radio broadcasting licences in a regional licence area for six years after the commencement of services in that area. On the contrary, audience take-up of digital radio services—and purchase of digital radio receivers—in regional areas would be assisted by the presence of additional broadcasters delivering a greater range of content, subject to spectrum availability (and commercial interest). Furthermore, the participation of additional broadcasters may assist in recovering the infrastructure costs borne by those broadcasters who first supply digital radio services in an area.33

**Schedule 4: non-foundation digital radio multiplex transmitter licence**

The *Broadcasting Legislation Amendment (Digital Radio) Act 2007* implemented certain multiplex management and access arrangements for digital radio.34 These arrangements drew a distinction between what are called foundation DRMT licences and non-foundation DRMT licences. The distinctions are:

- foundation digital radio multiplex transmitter licences are licences that provide standard access entitlements for digital commercial, digital community and digital national radio broadcasting operators in an area. They are licences designed to accommodate incumbent operators and
- non-foundation digital radio multiplex transmitter licences are any additional licences issued in an area which do not provide for standard access entitlements. They are licences intended to accommodate any future digital radio broadcasters.

ACMA can declare category 1 and category 2 DRMTs as foundation licences. Foundation licences provide standard access entitlements for incumbent licensees, namely:

- each incumbent digital commercial radio broadcasting licensee in the licence area is entitled to access one-ninth of multiplex capacity under a foundation category 1 or category 2 DRMT
- two-ninths of multiplex capacity under a foundation category 1 or category 2 DRMT is reserved for sharing between digital community radio broadcasting licensees nominated by the digital community radio broadcasting representative company for the area and
- each national broadcaster is entitled to access one-ninth of multiplex capacity under a foundation category 2 DRMT.35

As noted in Box 3 above, category 3 DRMT licences authorise the transmission of national radio broadcasting services and/or restricted datcasting services. These licences can only be held by the national broadcasters. Category 3 DRMT licences are regarded as non-foundation licences, and as such they cannot be issued in a particular licence area unless ACMA has issued one or more foundation licences for that area (section 102F of the *Radiocommunications Act*). Further, section 129 of the *Radiocommunications Act* prohibits non-foundation licensees (including category 3 DMRT licensees) from applying for renewal. As Minister Fletcher noted in his second reading speech on this Bill, this situation means that the ABC and SBS are unable to apply for renewal of licences. Hence, this is ‘a technical amendment to address an unintended consequence of the existing drafting’.36

The Explanatory Memorandum argues that as there is no ‘clear policy reason’ for category 3 licences to be so limited, the Bill intends in item 1 of schedule 4 to amend the definition of non-foundation DRMT licence so that it excludes category 3 licences.37

**Comment**

Given the government’s recommendation that the roll out of digital radio should be a commercial decision for broadcasters, it may be that they choose not to roll out digital broadcasting in certain areas for reasons of cost and because there may be limited possibilities that services will be commercially viable. This possibility can be

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34. As unoccupied spectrum which could be used for digital radio services was limited (particularly in Sydney and Melbourne), the spectrum was split into multiplexes, which are able to accommodate a number of different streams of content to be broadcast within the one spectrum. DAB+ technology allows nine channels per multiplex.
36. Fletcher, Second reading speech, op. cit.
37. Explanatory Memorandum, op. cit., p. 3.
illustrated by claims made by the broadcasters over time in relation to lobbying the Government for more flexible licence requirements for regional commercial radio generally. Many of the arguments posed by the broadcasters, for example, express concern that excessive licensing, staffing and content requirements make it more difficult for them to make a profit in regional markets where they are required to serve large geographical areas which have limited populations and potential to deliver revenues.\textsuperscript{38}

The digital radio report observed that while the current legislative framework provides for arrangements which allow the national broadcasters to share a multiplex with commercial and community broadcasters (category 2), or operate their own multiplex (category 3) independently of other broadcasters:

... the optimal arrangement would depend on the number of commercial and eligible community licensees in the area, and other issues such as cost, as well as optimum arrangements for using any excess capacity on the multiplex.\textsuperscript{39}

The proposed change to the definition of a category 3 DRMT provides some opportunity to explore what would be ‘optimal arrangements’ as it gives the national broadcasters the capacity to extend digital services to regional areas without having regard to the existence of a category 1 DRMT in the licence area. This point having been made, to what extent the national broadcasters will have the capacity to undertake extensive roll out of digital radio services in regional areas will also be a ‘commercial’ decision in a budgetary sense. This is because from July 2015, the Government ceased extra funding provided to the national broadcasters for digital radio transmission. From 2015 digital transmission became part of the base funding equation for the broadcasters.

The digital radio review noted:

Any rollout by the ABC or SBS of digital radio services in regional areas using DAB+ or other technologies would be a decision for the national broadcasters. Similarly, it is a matter for the national broadcasters whether they maintain their existing services.\textsuperscript{40}

Taking into account the findings of the Peter Lewis’ Review into the national broadcasters, adds another dimension to the discussion. Lewis was of the view that discontinuing terrestrial digital radio services may deliver savings to the national broadcasters, and it appears that this view may have informed at least some of the thinking expressed in the Government’s review report.

The Lewis report stated:

Terrestrial digital radio represents a significant ongoing expense for what is primarily a complimentary service, which does not attract a significant additional audience (Nielsen survey results for September–November 2012, estimated the weekly reach for all ABC digital radio services to be approximately 750,000) compared to 716,000 for Classic FM, a single analog service. Nor does digital radio appear to be adding significantly to the diversity and quality of national broadcasting radio content already available to the public, at this stage.\textsuperscript{41}

In terms of savings to the national broadcasters Lewis suggested:

The cost of digital radio services comprises the content costs (which would be very small for simulcast services, and modest for services which largely stream music content), and the distribution costs. Significant savings could be realised if a decision is taken to cease terrestrial transmission which is currently only available in capital cities. Content would continue to be available on alternative platforms such as the web, mobile and through digital television.

Digital radio services are provided for under a joint venture company established between the ABC and SBS with a 15 year contract with Broadcast Australia that expires in September 2024. The joint venture agreement also covers

\textsuperscript{38} For example in 2010 Commercial Radio Australia (CRA) argued strongly that the existing legislation threatened ‘the viability of the regional commercial radio industry by imposing inflexible and unworkable operating conditions and significant additional compliance costs and obligations’, Commercial Radio Australia, Submission to the review of local content requirements for regional commercial radio, March 2010, cited in R Jolly, Broadcasting Services Amendment (Regional Commercial Radio) Bill 2011, Bills digest, 94, 2011–12, Parliamentary Library, Canberra, 2012, p. 8, accessed 28 January 2016.


\textsuperscript{40} DoC, Digital radio report, op. cit., pp. 24–25.

\textsuperscript{41} DoC, [draft report prepared by P Lewis], ABC and SBS efficiency study, April 2014, p. 61, accessed 28 January 2016.
distribution and head end multiplex equipment and maintenance costs provided by other suppliers. It may be possible for these contracts to be terminated [funding amounts blanked out in the report], in order to achieve potential annualised savings [savings amount blanked out in the report] from financial year 2014-15 onwards.  

Ultimately, in making decisions about whether they will roll out regional digital radio, the national broadcasters will be required to take into account the obligations in their charters to provide services to the Australian public. The ABC Charter for example says that the broadcaster must take into account ‘services provided by the commercial and community sectors of the Australian broadcasting system’ when making decisions about its own services and programming.  

Given that the ABC has recently committed to streaming more regional services, it may be that the broadcaster has already decided that it can best fulfil its charter obligations in this manner, rather than through what it appears will be the more costly roll out of terrestrial digital radio, but it is not certain if this is, or will be, the case. The proposed changes in Schedule 4 simply provide more flexibility for the broadcasters in making decisions on regional roll out.

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42. Ibid.