

Barry Melville

Community television and that elusive place in the sun

To paraphrase badly from literature, this is the best of times and the worst of times for community television [*Tale of Two Cities*].

Community television started on a trial basis some 14 years ago using what was known as the sixth channel, in most places UHF Channel 31. Permanent community television licences were made available 4 years ago with some significant amendments to the Broadcasting Services Act.

Contrary to popular misconception, community television stations do not get recurrent government grants or subsidies. They derive their revenue from their communities through sale of airtime and sponsorship often from small to medium local business. State governments and the higher education sector have been important buyers of airtime.

Presently with a strong and committed audience of up to 3.7 million viewers¹ and services in 5 capital cities and a handful of regional areas, our community television stations are primed for a digital future. But the migration of audiences to digital services threatens a critical loss of revenue if community stations are not given timely access to a digital free-to-air platform. Community TV does not receive Government financial support but relies on support from sponsorship and sale of airtime.

According to Senator Coonan, the Government is committed to working with the sector to provide for its digital future. On 23 November 2006 at the annual conference of the Australian Communications and Media Authority (ACMA) the Federal Communications Minister launched the Government's *Digital Action Plan*.

Senator Coonan said that the Government will encourage community TV stations to explore options for a 'simulcast' arrangement with a digital platform provider. The CBAA welcomes her commitment but believes without financial assistance to meet additional costs there may not be many simulcast options to explore.

Community television is broadcast in analogue-only using UHF Channel 31 (in most locations). Recent ACMA research indicates that already 29% of free-to-air TV households have adopted digital receivers.

The CBAA's view is that now it is time to commit to support for community TV's transition to digital. Without firm commitment to meeting digital transmission access costs it is difficult to see how community TV stations either individually or as a group would have any traction in negotiations with a digital platform provider.

¹ OzTam industry ratings September 2006

CTV stations are losing audiences and facing substantial erosion of viability. For the Government to overlook the community TV sector's crucial operational needs in the transition to digital in the lead-up to digital switchover in 2010-2012 raises the very real prospect of policy-induced market failure within as soon as 12 months.

The Government committed \$1 billion to the digitalisation of ABC and SBS TV services and \$260 million in direct subsidy to the commercial TV industry for digitalisation of regional service. Capital costs for the mainland capital cities have been identified in the range of \$5.6m to \$7.5m and annual (additional) operating costs are in the range \$1.7m to \$2.4m.

The survival and ongoing success of the community television sector is dependent on the Government delivering on its long-term commitment to ensuring digital carriage. The House of Representatives Committee that has been inquiring into community broadcasting over the past year has released an interim report which is strongly supportive of the Government providing digital carriage for community television.

But the remaining challenge is to get the Government to adopt and implement the Committee's recommendations because the future of the sector depends on it.

On 12 February 2007 the Hon Jackie Kelly MP (Lib) and Julie Owen MP (Lab) jointly tabled a report *Community Television: Options for Digital Broadcasting*, which calls for immediate action on community television gaining access to digital spectrum. The CBAA particularly welcomes the inclusion of the recommendation of a 'must carry community television provision' on the sale of the new digital Channel A, which the Government is currently preparing to auction to a digital platform provider.

The report from the House Committee on Communications, Information Technology and the Arts for the first time canvasses the issue of Government funding to support the additional costs of digital simulcasting for community television. It includes five key recommendations which the committee view as "the only way community television will survive the transition to digital...".

Senator Coonan to date has seemed sympathetic and supportive, but she has not yet made any tangible commitment to how or when the crucial Government will deliver. The day after the Committee's report was tabled in the House of Representatives Senator Coonan told Senate Estimates Committee that:-

Basically, what we are trying to do is, at no cost to the community sector, accommodate them on a digital platform with an obligation on another operator to carry them. There are lots of different ways of doing it....I do not intend to have the community TV sector substantially disadvantaged. They will get onto a digital platform in an appropriate way.

In her tabling speech, Mrs Kelly commented "Community television should be able to participate in the exciting future of digital broadcasting and continue to develop the

richness, diversity and experimentation which have characterised its growth to this point. Any delay in ensuring digital broadcasting would be irresponsible and fly in the face of all Australian Government undertakings to date.”

Labor’s Julie Owen MP as Deputy Chair of the Committees also emphasised that community television has a large and dedicated audience and that the Government needed to take immediate action to ensure that these communities were not left out by the transition to digital.

The recommendations include a 'must carry provision' on the sale of channel A which ensures that the successful bidder this channel must provide broadcasting access to community television stations by January 2008. This move is critical for the community television sector.

Another key recommendation is for a funding package to support the digital transition which includes funding of \$6 million for the conversion of broadcast equipment, plus a further \$1.7 million per year of simulcast.

In a detailed submission to the Australian Communications and Media Authority, CBAA outlined that the allocation of Channel A for new digital television services is a crucial opportunity for the first stage in the conversion of existing CTV services from analogue to digital. We proposed that licensing for Channel A be via a price based allocation process that imposes a precondition (or a participation criterion) requiring the licensee(s) to simulcast CTV services. This approach is consistent with the Government’s stated objectives for the introduction of digital broadcasting and would meet its commitments to converting CTV services to digital.

The Government’s strategy for the introduction of digital television —outlined in *Ready, Get Set, Go Digital - A Digital Action Plan for Australia* (November 2006) — provides for the automatic conversion of the two national broadcasters and the three commercial services, as well as opportunities for new entrants and new services on Channels A and B. The Government reaffirmed its commitments to conversion of CTV services to digital, outlining its encouragement for CTV simulcasting and foreshadowing a must-carry licence requirement, if necessary, for CTV conversion at digital switchover.

Without access to digital spectrum in the near future, the CTV sector will face increasingly uncertain prospects — an inevitable decrease in audiences and financial resources through the simulcast period, and the need for a significant injection of funds for the migration to digital on switchover.

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