

1. Executive Summary

On 22 November 2001, the Australian Broadcasting Authority (ABA) decided to commence an investigation into the adequacy of local news and information programs provided on commercial television broadcasting services in regional and rural Australia. This is the second report by the (ABA) following that investigation. The first report was released in August 2002, and dealt with the four mainland aggregated television markets of Regional Queensland, Northern New South Wales, Southern New South Wales and Regional Victoria.¹ This second report examines the remaining regional and rural licence areas in Australia, which are known in this report as the solus operator and two operator markets.

The investigation

The investigation was a response to community concerns at the time about the closure of news bureaux in Canberra, Cairns, Townsville, Darwin and Alice Springs by Southern Cross Broadcasting (Australia) Limited in November 2001. This had followed similar closures by Prime Television Limited in Canberra, Newcastle and Wollongong in June 2001.

The ABA called for submissions from the general public and interested parties, and conducted a survey of all non-metropolitan commercial television broadcasting licensees. The ABA made a number of visits to commercial television stations in regional and rural Australia and held public meetings in a number of locations in regional and rural Australia in early 2002.

Submissions from regional broadcasters who had closed their local news bureaux emphasised the high costs and low ratings of the programs. Notwithstanding this, there was a significant level of community concern about the closures, particularly in the mainland aggregated television markets.

Localism

The concept of localism has been one of the main themes underlying the purpose of the legislation, policy and planning associated with broadcasting over many decades. One of the objects of the *Broadcasting Services Act 1992* (the Act) is:

To encourage providers of commercial and community broadcasting services to be responsive to the need for ... an appropriate coverage of matters of local significance. (paragraph 3(1)(g)).

The Act addresses this object to some extent by specifying a minimum obligation on licensees to provide a service that 'contributes to the provision of an adequate and comprehensive range of broadcasting services in (the) licence area.'²

¹ Approved Markets, A, B, C and D, respectively.

² Paragraph 7(2)(a) of Schedule 2 to the Act.

Aggregated Markets A, B, C and D

The Aggregated Markets A, B, C and D were all created through the combination of 'pre-aggregation service areas', which joined together the service areas of monopoly provider commercial television services to create larger competitive markets, which had three commercial television providers.

In its report of August 2002, the ABA found that, in each of the Aggregated Markets A, B, C and D, commercial broadcasters had divided the licence area into smaller sub-markets for the purposes of providing community-specific advertising matter. Some of the commercial broadcasters were also providing community-specific local news or information programs to these 'sub-markets'. The ABA found that these 'sub-markets' generally corresponded to the major population centres of the licence area, which were also the 'pre-aggregation service areas'.

On 8 April 2003, the ABA decided to impose an additional condition on the licensees in the Approved Markets A, B, C and D. The additional condition required each commercial television broadcasting licensee to broadcast a minimum amount of programs about matters of local significance to defined 'sub-markets' within each of their licence areas. The licence condition came into effect on 1 February 2004.

Solus operator and two operator markets

The solus operator markets have two commercial television broadcasting services that are both operated by the same licensee. These are the markets of: Broken Hill, Griffith / MIA, Mount Gambier / South East, Riverland and Spencer Gulf. The two operator markets have either two or three commercial television broadcasting services but there are only two licensees. Where there are three commercial television broadcasting services available, the third service is operated by the two licensees in a joint venture, but is only available in digital mode. The non-remote two operator markets are Mildura / Sunraysia, Darwin and Tasmania. The remote two operator markets are the Remote Central and Eastern market and the Western Australia Regional and Remote market.

The report provides a detailed analysis of the features of the solus operator and two operator markets and the current provision of local news and information programs by commercial television services in these markets.

Difference between aggregated and solus and two operator markets

The ABA found that the solus operator and two operator markets are not similar to the Aggregated Markets A, B, C and D. Their geographic reach is much wider and their population and population densities generally much smaller. The licence areas cover all states of Australia, and almost 91.5 per cent of Australia's land mass, yet only account for 9.7 per cent of its population.

In the ABA's view, the solus operator markets are more similar to the 'pre-aggregated service areas' themselves rather than to the Aggregated Markets, and, with the exception of Tasmania, the two operator markets are either similar to the 'pre-aggregation service area' or have population characteristics that do not warrant sub-

division of the market. Only three of the licence areas in the solus operator or two operator markets have been divided into 'sub-markets' to provide local program inserts, in a way similar to the sub-markets in the Aggregated Markets A, B, C and D. Accordingly, the ABA determined that in considering the provision of local news and information programs in the solus operator and two operator markets, it is not appropriate to apply the approach it took in the mainland aggregated markets.

Furthermore, the considerable differences between the various non-aggregated markets required that they be examined in turn by the ABA, to establish whether any regulatory intervention was appropriate in those markets

Provision of local news and information programs in non-aggregated markets

The ABA found that in each of the solus operator and two operator markets, at least one commercial television broadcasting service was providing local news and information programs for that market.

The ABA found that the population, population density, revenue, profitability and costs associated with the implementation of additional commercial television broadcasting services and the transmission of commercial television broadcasting services in the solus operator and two operator markets was such that it was not appropriate, at this time, to require licensees in those markets to provide additional material of local significance. However, the ABA would encourage Southern Cross Broadcasting, WIN Television and Prime Television to consider the needs of viewers in the Darwin, Remote Central and Eastern Australia, Regional and Remote Western Australia and Mildura markets and develop additional news or information programs that are of local significance to those viewers.

The ABA has undertaken that in 2006 it will review the condition it imposed on the Aggregated Markets. As part of the review, the ABA will consider, whether it would be appropriate to extend the licence condition to licensees in the solus operator and two operator markets.