

Submission to the Proposal to vary the Nowra licence area plan

Consultation Paper January 2020

This submission is made by South Coast and Tablelands Broadcasting Pty Ltd, the licensee of 2ST and 2WSK in Nowra RA1.

The consultation Paper outlines three proposals

1. Variation of the 2ST commercial service at Nowra
2. A new commercial radio broadcasting service in the Nowra RA1
3. Variation of the Technical specifications of community station 2UUU

We support the 2ST variation and the 2UUU variation but strongly oppose the proposal to allow a new commercial radio broadcasting service to be issued in the Nowra RA1 licence area.

Further detail is set out below.

1. Variation of the 2ST commercial radio service at Nowra

We support the ACMA's Proposal to vary the 2ST commercial service with a new FM transmitter at Cambewarra Mountain and the changes to infill translators at Huskisson, Kiama and Kangaroo Valley.

2. Proposal for a new commercial service in Nowra RA1

We have the following comments to make in relation to this proposal.

1. We strongly support ACMA's long standing policy approach that any new service should cover the same licence area. It would be unfair on the incumbent broadcasters who serve a larger area and cover towns with small populations, if their competitor was able to "cherry pick" the larger population within the market in a concentrated area. It is the responsibility of the broadcaster to cover the whole population even if it is not financially viable to cover small towns with minimal population. If the ACMA does decide to issue a new licence, then it should be planned to cover all of Nowra RA1.
2. As noted by the ACMA, if a new licence was issued, it would be allocated under a price-based auction. Without knowing of any particular interested parties, it is not clear who would end up being successful. We believe that it would be highly likely that the successful bidder would be an existing radio network looking to extend their coverage. If this were the case, we believe it would be a highly networked program that would not contribute significantly to localism in the area. The viability of a single stand alone licence is highly questionable and we believe that it would need to rely heavily on group resources and networking.
3. We do not believe that there is advertiser desire for a new commercial licence. Advertisers already have multiple avenues for advertising available to them. There are 9 television channels, two radio services, community radio, newspaper, Out of Home, Google, Facebook and other

social media channels and multiple internet websites. The advertising market is already highly fragmented and traditional media are under enormous pressure and competition for the advertising dollar. An additional commercial radio service will only further fragment the listeners and increase the extensive competition. This will make it more difficult and potentially more expensive for advertisers to reach listeners which may result in driving advertisers away from the radio medium.

4. We do not believe that there is desire from listeners for a new commercial service in Nowra. There are already significant audio services available in the Nowra region. In addition to public, commercial and community radio stations, there are an infinite number of radio stations available on streaming and a large number of podcasts available. As has happened in most radio markets in Australia, the formats of 3 commercial radio services would not be expected to be substantially different, and with significant overlap in music and target audiences. This proposal would not provide any diversity to the listening audience.
5. Given the availability of choices for advertisers, it is , in our opinion, highly unlikely that there will be an increase in overall advertising revenue as a result of an additional service. We believe that it is more likely that the existing revenue will be split between 3 services as a direct result of the fragmentation of listeners.
6. A significant reduction in revenue for 2ST and Power FM will mean that we will need to reduce our expenses to remain viable. Staffing costs make up 60% of our total expenses. In cutting expenses substantially, we will have no choice but to reduce manpower. The flow on effect from this will be a loss of localism for both 2ST and Power FM, both on-air and off-air. Whilst a new commercial service may produce small levels of localism, we believe the net effect to the community will be an overall loss of localism. We do not believe this would be in the community's best interest.
7. Power FM is Live and Local from 6am to 4pm Monday to Friday and from 10am to 2pm on weekends. 2ST is Live and Local from 5.30am to 6pm Monday to Friday, 6am to 3pm Saturdays and 10am to 3pm on Sundays. This is a significant number of hours per week and is far and above the hours of matters of local significance required by Regulation. In addition, during times of emergency and when it is important for the local community, we provide additional hours of live service so that we can keep the community informed.
8. This happened most recently during the bushfire emergencies that have gripped the South Coast of NSW since December. At a time when many of our own staff were being evacuated from their homes, and indeed our own studios in North Nowra were evacuated, we had a number of staff provide excellent on-going coverage of the emergency providing regular and timely information about the fires and their path. This happened a number of times throughout the fire period. Attached at Appendix A is a summary of the feedback we received regarding our coverage. Full data can be provided if required.

In summary, we do not believe that there is demand for a new commercial service and that should one be issued, this will have a detrimental effect on the local services provided to the community.

3. Proposal to vary the technical specifications for 2UUU

We have no issues with the Community Station 2UUU increasing their power for their Shoalhaven Heads transmitter.

Should the ACMA wish to clarify any aspect of this submission, please do not hesitate to contact Alison Cameron on 02 9437 8888.

South Coast & Tablelands Broadcasting Pty Ltd
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