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Proposal to vary the Queensland DRCP and declare a foundation DRMT licence for the Gold Coast; ACMA September 2020 Consultation Paper

Rebel Media [Rebel] operates regional commercial FM radio stations 4BRZ (Breeze) & 4RBL (Rebel FM) whose commercial licence areas [Rebel SEQ market] overlap the licence areas of the Gold Coast RA1 & Brisbane RA1 commercial radio markets.

The ACMA is proposing to raise the antenna height and amend the radiation pattern to increase the coverage area of the Brisbane DAB Mt Coot-tha services, and add a new 25,000 watt high power Gold Coast DAB multiplex on Tamborine Mountain co-sited with the existing Breeze 100.6 & Rebel 99.4 FM services.

Executive Summary

Adding to the heavy impact of the ABA's 2000 extension of the Gold Coast RA1 licence area into the largest duopoly population centre of the Rebel market, these latest ACMA proposals will create a further extraordinary level of competition for Rebel which is unprecedented in Australian commercial radio and is commercially unsustainable.

It puts at high risk the coverage of matters of local significance by Rebel in its Logan market services and on its Gold Coast Region services.

The ACMA must amend its proposals or simultaneously increase the size of the Rebel market to ensure our services can survive and continue to deliver quality local content.

Introduction

Lack of Information in the Consultation Paper

The ACMA consultation paper;

1. Did not include predicted signal coverage modelling for either proposal, nor provide population overspill predictions for the GC proposal.
2. Aggregated the population overspill predictions for the Brisbane DAB proposal across the neighbouring Ipswich, Gold Coast, Sunshine Coast & Rebel SEQ markets.

The lack of information available in the consultation paper makes it impossible to easily determine where the overspill will occur and whose market that overspill will impact.

We are concerned this basic information is missing in the paper and that the ACMA has rejected subsequent requests to release it. Both ACMA proposals were based on variations of Commercial Radio Australia (CRA) detailed engineering proposals submitted to the ACMA. We were not made aware of the proposals by CRA, who now claim they can not locate copies of their September 2019 proposal provided to the ACMA. We are now at a disadvantage as it seems most SEQ commercial broadcasters have likely had free access to the CRA/ACMA predicted coverage modelling, but we still haven't.

As an independent commercial broadcaster, the cost to us to outsource that engineering modeling is significant, reduces our ability to provide informed comment on the proposals, clouds open transparency of the ACMA process for select broadcasters and discourages members of the public seeking to participate. Historically the ACMA typically provided coverage and overspill information on request (if not already in the paper) and we don't believe this recent ACMA policy to withhold basic planning information it has on hand that informed its position, is in the public interest.

Brisbane DAB Proposal

Rebel operates Logan regional commercial FM stations Rebel 90.5 & Breeze 92.1, along with associated Kooralbyn infill repeaters, that provide unique localised programming 24/7 for the Logan and Beaudesert region, programmed separately from the rest of our network. This includes airing unique Logan local news bulletins resourced with two full time journalists.

The introduction of Brisbane DAB in this market overlap region has already significantly fragmented this overlap component of our market, currently resulting in one of the lowest Australian 'population per commercial station' levels for our Logan market.

The following table reflects the planned introduction of regional DAB services into the three regional commercial radio markets whose licence area overlaps the Brisbane RA1 licence area, noting all three regional markets currently fund extensive local broadcast content. It assumes that each parent commercial AM/FM station will operate at least 4 (but possibly more) commercial DAB services, which broadly reflects the current number of commercial DAB stations operating in Brisbane.

Commercial License Area	#1 Parent Market Local Commercial AM/FM Stations & Frequencies	#1 Parent Market Population Base	Estimated Number of AM/FM/DAB Commercial Radio Stations	#1 Average 'Number of people per commercial AM/FM/DAB station' Across Parent Market
Rebel Logan & Brisbane Overlap	Breeze 92.1 Logan Rebel 90.5 Logan	~30,000	40	< 1,000
Ipswich & Brisbane Overlap	River 94.9 Ipswich	232,100	36	~18,000
Nambour & Brisbane Overlap	Hot 91.1 Sunshine Coast Mix 92.7 Sunshine Coast Sea 91.9 Sunshine Coast	453,987	44	~23,000
Brisbane	4BC 1116 Brisbane 4BH 882 Brisbane 4KQ 693 Brisbane 4TAB 1008 Brisbane 97.3 FM Brisbane Hit 105.3 Brisbane MMM 104.5 Brisbane Nova 106.9 Brisbane	2,000,753	36-44	~50,000

The average number of people per commercial AM/FM/DAB station within the Rebel Logan & Brisbane overlap region is commercially unsustainable in the long term for Rebel to continue providing meaningful localism as DAB continues to grow in both popularity and receiver penetration. At under 1,000 people per commercial station, this is at least 20 times lower than the other 2 regional markets overlapping Brisbane. A more competitive market in Australia can not be found. The proposed Brisbane DAB upgrade will increase overspill into the minority solus component of our Logan market and further that level of competition.

The Rebel Logan market includes the Bromelton region, which is outside the Brisbane RA1 overlap area and exclusively within our market. The Queensland Government has planned for Bromelton to be a major regional interstate connecting rail and road transport hub for SEQ, and are forecasting rapid population growth to 20,000+ people in the area within the next 20 years.

Responding to the previous ACMA proposal to upgrade Brisbane DAB coverage, we raised our concern about the predicted Brisbane DAB+ overspill into our market, particularly within the Bromelton region. We are disappointed the ACMA has again not protected Bromelton with its latest

proposal. The existing Brisbane DAB services already overspill into Bromelton, and the ACMA proposal will further notably improve the grade and reach of the existing overspill.

Bromelton is the only duopoly component of our Logan market that is predicted to have a significant population & economic base within the next two decades and the ACMA proposal will see it extensively covered by Brisbane DAB overspill, decimating our ability to generate significant income from that area long term.

We ask the ACMA to reflect carefully on the impact of its proposal to strengthen the Brisbane DAB services in our Logan market, and the resulting inevitable long term reduction of Logan local content and local news services broadcast on our Logan services.

We ask the ACMA to explore lower overspill alternatives to the Mt Coot-tha proposals, including additional targeted suburban 'on channel' low power repeaters located within the Brisbane RA1 market.

Gold Coast Proposal

Breeze 100.6 & Rebel 99.4 on Tamborine, along with associated Canungra infill repeaters, provide unique localised programming 24/7 for the Gold Coast Region region (~10,000 people), programmed separately from the rest of our network.

20 years ago, Tamborine Mountain was the largest duopoly population centre within the Rebel network, and we are the regions incumbent commercial licensee. Tamborine Mountain [Tamborine] is comprised of three suburbs;

1. Mount Tamborine
2. Eagle Heights
3. North Tamborine

In 2000 the ABA at the request of the Gold Coast licensees extended the Gold Coast licence area into the Rebel market to include Mount Tamborine. *This remains the only time in ABA/ACMA planning history that the authority ever extended 3+ major regional commercial licence stations into the largest population centre of an adjacent regional commercial market. *Excluding mutually agreed licence area aggregation.

Today, the three Gold Coast commercial stations; *Southern Cross Austereo's* [SCA] MMM 92.5 + Hit 90.9, and *Grant Broadcasters* [Grant's] Hot Tomato 102.9 operate co-sited with Breeze 100.6 + Rebel 99.4. There is extensive reciprocal signal overlap between the two markets, with the Gold Coast stations over spilling throughout Tamborine Mountain and the Gold Coast Region region of our market.

Eagle Heights

The current Gold Coast RA1 licence area inexplicably includes Eagle Heights, which was not originally in the licence area, nor has the authority ever consulted on adding it. The ACMA has since refused to investigate how it was added, and further, has advised it believes that all of Tamborine Mountain should of been originally added, though it has produced no evidence to substantiate that claim.

The ACMA should investigate this potential administrative licensing error and correct it by removing Eagle Heights from the Gold Coast RA1 market. The Gold Coast DAB proposal affords good DAB signal coverage to Eagle Heights, and therefore incorrectly over inflates the number of people that

will be served 'within market' and under represents how many people will receive overspill in the Rebel market. The ACMA should defer Gold Coast DAB licensing until its investigation is complete and the suitability of the proposed DAB specification has been freshly reassessed by the ACMA against the corrected Gold Coast licence area boundaries.

Inequitable That Gold Coast Afforded First DAB Entry to Tamborine

As the original duopoly licensee for Tamborine, we have consistently asked the ACMA to ensure Rebel Tamborine DAB services are licenced first or no later than Gold Coast DAB services. We are disappointed that the ACMA has chosen to instead licence the Gold Coast stations ahead of us.

We have been forced to share the market with three Gold Coast FM competitors, diluting the 'population per commercial station' within our Tamborine market down to only ~2,000 per commercial station. The Gold Coast DAB proposal will facilitate at least 12 (4 per FM station) Gold Coast commercial radio stations over spilling across Tamborine Mountain, taking the total number of commercial radio stations broadcasting from Tamborine to at least 14. Only two of those will be ours. 86%+ of Tamborine FM/DAB based commercial services will be Gold Coast radio stations, and only 14% ours.

We are staggered at the inequity of an ABA/ACMA planning process that can take our markets largest duopoly population centre, and 20 years later propose a planning outcome that freely gifts SCA Gold Coast another 6+ commercial radio stations serving most of Tamborine, while making no provision for Rebel to provide additional services.

This excludes the fact that SCA Brisbane DAB stations also currently overspill to the North and Western parts of Tamborine, overspill, which will further increase under these ACMA proposals. Combined, the GC DAB & Brisbane DAB proposals will have blanket coverage of nearly the entire Tamborine region. Coverage modelling suggests the Gold Coast DAB services alone will cover most of Tamborine, particularly if the proposed co-channelled Toowoomba DAB services never commence.

The ACMA's proposals have no apparent regard for the viability of our existing services, no concern for our original investment in regional commercial licenses that exclusively covered Tamborine, and directly puts our existing localism at high risk. SCA is likely to launch DAB services with formats that directly compete head on with Breeze 100.6 & Rebel 99.4, giving SCA an unassailable 'head start' and competitive edge; <https://www.radiotoday.com.au/sca-strategy-dab-stations/>

We again question why the BAI site (where Gold Coast ABC FM services are sited) at Lower Beechmont has not been considered by the ACMA for the primary high power Gold Coast DAB site, potentially with additional small SFN infill repeaters, which could afford greater overspill protection for the Rebel market.

The following table reflects the eventual introduction of regional Rebel DAB services into the Tamborine Gold Coast Region market. It assumes that each parent commercial AM/FM station will operate at least 4 commercial DAB services per parent station (possible more), which broadly reflects the current number of commercial DAB stations operating in metropolitan areas.

Commercial License Area	#1 Parent Market Local Commercial AM/FM Stations & Frequencies	#1 Parent Market Population Base	Estimated Number of AM/FM/DAB Commercial Radio Stations	#1 Average 'Number of people per commercial AM/FM/DAB station' Across Parent Market
Rebel GC Region & Gold Coast Overlap	Breeze 100.6 Tamborine Rebel 99.4 Tamborine	~10,000	20	< 1,000
Gold Coast	Hit 90.9 Gold Coast MMM 92.5 Gold Coast Hot Tomato 102.9 GC	530,992	12-20	~30,000

This would be an outcome that delivers the Gold Coast stations a lucrative and healthy population base to operate additional profitable services, while decimating the Rebel services within the overlap area.

Inconsistent Planning Decisions Creating Unprecedented Competition

The current ACMA proposals (following the roll out of regional DAB) will see both the;

- Rebel Logan services; Breeze 92.1 & Rebel 90.5
- Rebel Gold Coast Region services; Breeze 100.6 & Rebel 99.4

drop to under 1,000 people served per commercial station in both our core network markets. That level can not hope to sustain meaningful localism in either market. The ACMA is prioritising quantity over localism and healthy ownership diversity. As both these markets are two of the largest in our network, this will have a profound domino effect on our ability to retain marginal commercial services in other smaller more remote parts of the Rebel network.

In January 2020 the ACMA publicly consulted on the viability of adding a 3rd commercial radio station into the Nowra RA1 market. The duopoly incumbent Nowra commercial radio stations are owned by Grant's, who own Hot Tomato Gold Coast. Grant's argued it was not viable to introduce a 3rd commercial station into the Nowra market and that localism would suffer. The Nowra market has a population of 168,718 people (~85,000 per commercial station) and a consistently high population growth rate.

In May 2020 the ACMA quickly finalised the Nowra LAP, without adding an additional commercial radio station, and leaving Nowra a duopoly commercial radio market. Given the ACMA chose not to add a commercial station to Nowra that would have diluted the 'population per station' down to ~56,000 people, how does the ACMA remotely think that Rebel can survive in its core two markets serving <1,000 people per commercial station with the level of competition currently proposed by the ACMA, let alone allowing Rebel to continue to invest in uniquely covering matters of local significance?

Reviewing the 2018 ACMA *Indicative Digital Radio Allotment Plans* for every Eastern Australia commercial radio market, reveals the Gold Coast DAB services planned for Mount Tamborine;

1. is the only regional location in Australia where the ACMA has provisionally planned a high power (2kW+) wide coverage primary DAB+ transmitter that will be allowed to co-site with a competing (different ownership) adjacent markets primary FM commercial radio services. The proposed Gold Coast DAB service are now planned to operate at a higher power of 25 kW.
2. is the only regional location in Australia where the DAB services will overspill to cover the majority of the adjacent markets largest population centre.

The ACMA proposals will create an unprecedented high level of competition in the Rebel markets that the ACMA digital radio allotments plans clearly indicate will be unique and unmatched anywhere else in Eastern Australia. The ACMA should not proceed with its DAB proposals without first driving a planning outcome that will allow the Rebel services to operate with a sustainable level of competition and continue resourcing localism.

Conclusion

Solutions For The ACMA and Government

1. The ACMA revise its proposals to better protect the Rebel markets, including ensuring the proposed Gold Coast DAB transmitters are sited off Tamborine.
2. Excising Tamborine Mountain from the Gold Coast commercial licence areas to restore Tamborine uniquely to the Rebel market, and relocating Gold Coast commercial radio transmitters off Mount Tamborine to an alternative site, such as BAI Lower Beechmont.
3. Adding Rebel to the proposed Gold Coast RA1 DAB mux, as the ACMA has done for community radio in select overlapping markets. i.e. the ACMA 2019 decision to extend Edge community radio onto Hobart RA1 DAB. There is sufficient unused capacity on the proposed Gold Coast DAB mux to accommodate the Rebel services.
4. Reciprocally extending the existing Rebel Gold Coast Region licence area to create a larger Gold Coast RA1 licence area overlap encompassing the far northern Northern Gold Coast.
5. Extending the Rebel Logan licence area to create a larger licence area overlap with Brisbane RA1 market.

We ask the ACMA not to proceed with its proposals until it engages with Rebel and Government to deliver an equitable and sustainable solution that allows Rebel to continue adequately serving its market.

Regards



Aaron Jowitt
Director