

# Response to the Spectrum Pricing Review

Submitted by Italian Media Corporation

ACMA Client ID: Gumnut Nominees Pty Ltd – 1314015

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Gumnut Nominees owns and operates a mix of HPON, LPON and MFNAS services in NSW, Victoria, QLD, Tasmania and Northern Territory to provide networked broadcast services in foreign language. We operate on both the AM and FM bands.

The network commenced operation in 1994 providing locally produced Italian language content 24 hours a day on an expanded national platform, supplementing its two bi weekly newspapers, Il Globo and La Fiamma.

In recent year, we incorporated additional content Cantonese, Mandarin, Arabic, Vietnamese and Hindi due to requests from these Communities who were unable to secure spectrum.

Our network is the only independent foreign language content provider of its scale and diversity in Australia.

Our services are streamed online, but given the age of our audience, being over 65, the vast majority still tune in on traditional receivers. The uptake of online listening is almost non existent.

Our comments regarding the Spectrum Review focus primarily on the discrepancy that exists in the pricing of licence renewals, an issue already flagged with the ACMA and Minister Fletcher's office without any satisfactory outcome.

We understand from our previous discussion with the ACMA, that changes were made to licence taxes payable by Commercial Broadcasters in 2017 under Commercial Broadcasting (Tax) Act 2017 and these taxes are determined according to complicated formulas including geographic density and transmitter power.

Narrowcasters like us pay apparatus licence taxes for both HPON's and MF NAS as determined by the Radiocommunications Transmitter Licence Tax) Act 1983.

Whether a licence renewal fee, a tax, call it whatever you like, the resulting effect of the changes in favour of Commercial Broadcasters in 2017 a spectrum access charge was considerably reduced.

Whilst this group of Broadcasters have the benefit of a lower tax or charge as an annual cost, Narrowcasters like us have not seen any reduction at all. We have attached a spreadsheet as Appendix 1 which lists Gumnut's licences and shows our annual licence fee and what a Commercial Broadcaster pays for a comparable licence in the same area. It is very clear for example in the case of Melbourne or Sydney, that from 2016 we pay between 39,000 to 40,500 per annum whilst a commercial broadcaster has had the benefit of an initial 25% reduction and further so fees have started with a reduction to 29,000 and now sit around \$3,648 per annum. Narrowcasters are paying 10 times as much.

We acknowledge that the Commercial Broadcast tax is levied under different legislation. It should make no difference.

We propose that we should have the benefit of a reduction in licence fees too. In general, our licences are inferior as they are higher up in the AM band and have content restrictions. We are smaller organisations, not large well resourced multimillion dollar companies. We seek to cover the costs to maintain our services to the communities we serve.

The situation is further impacted by a decision of Minister Fletcher on 15 April 2020 to **waive** fees for Commercial Broadcasters altogether for 12 months due to the impact of the Coronavirus. This benefit has not been afforded to Narrowcasters who are impacted in just the same way. Although listenership remains strong, as audiences are home and seek information about coronavirus, business closures and general economic uncertainty have led to an immediate impact on and reduction in advertising revenue.

In this case, it is not sufficient that we are offered an instalment plan or deferral on the payment of our fees. We should be afforded the same benefit as Commercial Broadcasters with a 12 month waiver of fees.

We strongly believe that these decisions are not only unfair but are in fact discriminatory against Ethnic and Niche interest communities.

The Management of Italian Media Corporation

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