



**Submission re**

**Implementation of Spectrum  
Pricing Review**

ANRA, the Australian Narrowcast Radio Association, is the peak industry body representing High Power Open Narrowcast (HPON) Radio services and Low Power Open Narrowcast (LPON) Radio services located across all States and Territories of Australia.

Our membership includes the major Narrowcast radio program providers such as the TAB agencies and organisations, foreign language groups, fringe music services, tourist services and religious services, as well as many other independently owned and operated services.

ANRA welcomes the opportunity to respond to the Implementation of the Spectrum Pricing Review. Our comments reflect the consensus of our membership. However individual members may make their own submissions.

As always ANRA appreciates the opportunity to make this submission and is aware that ACMA has a good understanding of the ongoing development of the Narrowcast sector when making decisions that may impact its future growth.

Regards,

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## OVERVIEW

These discussions come at an important time for Narrowcasting, especially given the adverse effects on the industry as a result of the current Covid-19 pandemic.

In particular Minister Fletcher has acknowledged ANRA's concern about the impact of Covid-19 on its Members and has requested the Department of Communications to consider regulatory reviews that may assist the Industry.

The ACMA is well aware of the changing landscape in the future delivery of Radio, and ANRA believes that the market will decide which platform/s they prefer when listening to the radio in the car, at work, at home, or away. In most cases we believe it will be a combination of platforms. ANRA also believes that, for the safety and security of Australia and its citizens, we should not be reliant on just one delivery platform to communicate important messages and information.

The contribution of Narrowcasting to the broadcast mix has been acknowledged by the Minister, the ACMA and DOCA. For the Narrowcast Industry to continue to grow we must look at a more equitable fee/tax structure that brings it back into parity with Commercial licences.

This is an opportune time to revisit the matter of fees/taxes for high power open narrowcasting and low power open narrowcasting to maintain their viability and long-term tenure.

To properly consider this matter we need to go back to the original ACA correspondence from 2002 where, at the time, the HPON licence fee was set at a nominal \$35 pa until such time as the Minister announced security of tenure and the ACA developed an appropriate fee structure. At the time I was on the Board of ASTRA which lobbied the ABA to hold off on any change until such time as a clarification was made on how Open Narrowcast licences were going to be assessed.

From correspondence we have on hand, we can see that the original formula adopted had a top tier of \$23,000 pa for Sydney/Melbourne/Brisbane licences, with fees for other areas calculated to be the equivalent of 10% of the average AM Commercial Licence fee across the three markets (which equated to approx 20% pa of the auction value of the HPON licence giving a total return over five years).

Based on the percentage formula, many operators would have paid three times the value of their HPONs over the past 15 years.

And, since that time, commercial licence fees have been significantly reduced, whereas there has been no comparative reduction in HPON fees/taxes. ANRA firmly believes that it is now time for the fee/tax structure for HPON licences to be brought into line with other licences.

ANRA has had many discussions with Mark McGregor, ACMA Manager Economics & Market Analysis, and we would appreciate the opportunity to have further discussions with ACMA before any determination is made.

In addressing the issues, it is important to take into account, firstly, that Narrowcast radio services have certain unique properties compared with commercial services, ie, being restricted in regard to content and power...and, secondly, that there are two discrete forms of these services, ie, high power open narrowcast services (HPONs) and low power open narrowcast services (LPONs).

In regard to LPONs there are many operators with large licence holdings (networks of LPON licences) that are needed to provide sufficient coverage in many areas. ANRA would like to discuss a fee structure for LPONs that incorporates a sliding scale based on the number of licences held. Naturally there would need to be a common renewal date for each operator's licences to facilitate this system, but we believe there is merit in adopting this approach for LPON fees/taxes.

## **CONCLUSION**

The percentage formula fee/tax structure for HPONs was originally introduced to alleviate the necessity of conducting auctions every five years. This system has been in place for over 15 years. Commercial licence fees/taxes have been significantly reduced. No similar reduction has been implemented for HPON licences.

ANRA would appreciate participating in further discussions before any determination is made.