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## **ACMA Options Paper: FM broadcasting services band in the Perth RA1 licence area**

Nine is the proud owner of 6PR, and makes these submissions on behalf of 6PR.

6PR has a long 90 year history broadcasting throughout the Perth license area and is one of Perth's most popular radio stations. Nine welcomes the opportunity to make submissions on this important issue in relation to the FM broadcasting services band in the Perth RA1 licence area.

Nine strongly supports the ACMA's proposed option 1, and does not support any of the other options presented, for the reasons set out below.

### **1. Public Policy**

Nine strongly supports the following key public policy objectives:

- The production and sustainability of trusted Australian local, regional and national news;
  - The production and sustainability of Australian radio programming and talk content;
  - The broadcast of Australian sport; and
  - The accessibility of the above for all Australians (including regional, elderly and low income audiences)
- (together, the **Key Public Policy Outcomes**).

#### **a. News**

6PR plays an integral role in achieving the Key Public Policy Outcomes in Perth.

6PR creates and broadcasts 146 news bulletins per week (and 38 headline updates), totalling 10.5 hours (Monday to Sunday) of trusted local, regional and national news production – 6PR broadcasts news, including local news, every hour on the hour and employs 9 dedicated local journalists to achieve this.

Our news is subject to professional standards, regulatory and co-regulatory obligations that require impartiality, accuracy and fairness when producing and disseminating news – this framework ensures that 6PR news is considered to be one of the most trusted in Perth.

In addition to the investment in local, regional and national news, 6PR also commits to broadcasting emergency warnings in times of crisis and providing critical information to those affected by emergency events such as bushfires, floods and throughout the COVID-

19 pandemic. Our audiences rely on these critical and essential updates and value this service.

6PR also produces live traffic reports, weather reports and other associated news updates including sport and entertainment.

#### **b. Live Australian programming and content**

6PR is a live 24 hour news, talk and sport radio station.

6PR talk programs report, investigate and explain issues and events that our audiences care about and these programs are directly relevant in engaging Australians in public debate and in informing democratic decision making. Our talk programs also comment on current issues or events of public significance for Australians at a local, regional or national level.

6PR's live programs employ a range of presenters, including award-winning and highly regarded journalists, to deliver uniquely Australian and Perth-based content.

6PR's live programming directly employs 81 dedicated staff and is one of Perth's largest locally based media and news employers. 6PR employs close to 100 employees – a vital injection into the local economy.

6PR has 12 dedicated Australian live talk programs running Monday – Sunday (including sports commentary), bringing Perth listeners 168 hours of live Australian content per week.

6PR's talk programs also allow direct audience interaction – we value our audience's views and opinions, and our listeners value hearing the thoughts, opinions and views of others in their community.

In addition to the above, our commitment to 24 hour talk and live Australian programming means that 6PR provides a vital companionship service to listeners overnight and for those that may not have the ability or resources to interact with the community regularly or more broadly.

#### **c. Sport**

6PR is committed to broadcasting all AFL West Coast Eagles and Fremantle Dockers matches for the entire season, as well as providing pre-game and post-game commentary by popular presenters and former AFL players who have an in-depth understanding of the game and provide meaningful commentary and analysis.

6PR also broadcasts up to 183 hours of additional matches throughout the AFL season and covers the semi and grand finals.

### **2. Accessibility**

Essential to the delivery of the Key Public Policy Outcomes is the ability for all residents living within the Perth License Area Plan (**Perth LAP**) to be able to access our programming.

Nine strongly submits that it should be supported by the ACMA in transitioning to the FM band to ensure that 6PR can deliver its content to **all** residents within the LAP – something which it currently cannot do solely due to it being restricted to transmitting on the AM band.

Sadly, due to 6PR being constrained to broadcast its content on the AM band, it means that many Perth residents cannot access 6PR or they have such poor listening quality that they are not able to listen without significant interference or disruption.

The main obstacles in the accessibility of our content is outlined below.

#### **a. Geographical**

It is well documented that Perth's unique geography is one of the greatest obstacles facing the efficient and effective distribution of AM in the Perth LAP.

The sandy soil composition in the Perth license area, and its associated effect of impeding groundwave propagation of AM signals, is one factor that cannot be overcome on the AM band. Increasing the power of the AM signal from the AM sites is not an option due to the associated radiation danger to the community.

The low conductivity of the sandy soil means that many Perth suburbs within the Perth LAP (including the metro region but also the rapidly expanding Northern and Southern suburbs) cannot access 6PR either at all, or at such poor listening quality that it makes listening a difficult and frustrating experience. Some suburbs, particularly in the North and South of Perth cannot access the AM band at all at night.

Additionally, the Darling Scarp mountain range (which runs through the Perth LAP) is another example of Perth's unique geography impeding the accessibility of the AM signal reaching those listeners in the Darling Scarp area and beyond, due to AM not being able to travel over or through uneven or mountainous regions – it is best suited to relatively flat regions.

**Attachment A** is a map of the Perth RA1 LAP, with the 6PR 882AM viewshed and, for reference, MMM 92.9 FM viewshed (ie. A very similar frequency to that which the ACMA proposes that 6PR moves to) superimposed.

Attachment A illustrates that even the most densely populated parts of the Perth LAP cannot receive 6PR, or receive it at such poor quality that it cannot be reasonably tolerated due to constant interference. Conversely, whilst the MMM 92.9 FM viewshed is limited in Attachment A to a 30km radius (due to underlying technological constraints in the mapping tool) – it appears reasonable to assume that the 92.9 FM signal would cover most if not all of the most densely populated areas of the Perth LAP. If this assumption is correct, it is a powerful illustration of why 6PR needs to move to the FM band.

#### **b. Electrical interference**

In addition to Perth's inherent geographical obstacles, the construction, development and presence of Perth's train infrastructure over the past 15 years has further compounded the geographical challenges faced by those trying to receive or access the AM band.

Perth's train line runs directly through Perth's most densely populated suburbs, and also runs parallel to the main arterial roads leading into Perth. The problem this creates is twofold – firstly, the significant electrical interference emanating from the train's rail infrastructure means that those residing in the populous suburbs through which the train line runs through cannot access the AM band either at all, or without significant interference. Secondly, those driving along the arterial roads (which lead directly in and out of the Perth CBD) cannot access the AM band or experience significant interference due to the proximity of the train line to the arterial roads.

Electrical interference is also present and increasing throughout Perth from other technology such as the growing adoption of electric motor vehicles, increased electrical production and distribution infrastructure, as well as the general growth of background electromagnetic radiation caused by the use of electronic devices

#### **c. AM Technology**

Nine is also concerned that in addition to the practical issues identified in the geography and electrical interference sections above, AM radio technology is rapidly becoming obsolete.

AM radios (or radios that have AM capabilities) are becoming increasingly harder to buy for consumers (with many retailers no longer selling AM compatible radio devices or having limited stock due to manufacturers often not including AM on their newer radio devices). Similarly, new cars (and in particular new electric cars which are being incentivised by the Government as the future for private transport) are not being fitted with AM radio capabilities. AM radio parts and repair options are also becoming increasingly hard to come by, as is AM radio experience and expertise in relation to the operation and maintenance of AM radio towers, transmitters and associated equipment.

The latest Commercial Radio Australia (**CRA**) data<sup>1</sup> also suggests that the 6PR audience is an audience that relies on listening through analogue devices. The CRA listening report released 1 June 2021 (listening by device with survey 3 2021 data) indicates that of the total 6PR Audience (231,000) 200,000 (or 87%) are listening to 6PR via AM Radio.

Nine is very concerned that it will be unable to retain its listeners in circumstances in which our listeners cannot access 6PR on the AM band due to geographical or electrical interference issues, or in circumstances where they cannot buy or repair their existing AM analogue devices. This will be to the disadvantage of the residents of Perth who rely on 6PR for news, talk and sport content.

Nine strongly submits that the most equitable, fair, efficient and economic use of the available spectrum, would be to allow the commercial radio stations and the three ABC national stations to move across to the FM spectrum in the Perth LAP. This is the only option which satisfies the Key Public Policy Outcomes.

#### **d. FM Translator Technology**

Nine submits that alternative technology, such as FM Translators, are not an appropriate option.

Historically, 6PR was offered the option to either increase its AM power to 10kW or remain on 2kW for AM and install a "FM Translator" at the north and south ends of the city, to cover those areas. 6PR chose to increase its AM power as it believed that it would lose its listeners if they were travelling between these areas and having to switch between the AM and FM band depending on their location. This was particularly concerning given a large proportion of 6PR's listeners tune in during their commute between home and the office.

Nine still holds this view – it would be a impractical and unfair outcome if 6PR's valued listeners were subjected to this experience, and Nine believes that 6PR could lose a large proportion of its listeners (and ad-revenue) if it were required to use this outdated technology. Nine believes that this option would be prohibitively expensive (6PR would

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<sup>1</sup> Gfk CRA Device Report Survey 3 2021 released 1 June 2021

have to operate and maintain 3 transmitters) and would have a direct impact on the delivery of the Key Public Policy Outcomes.

#### **e. Competition**

As indicated above, it is not an equitable or fair outcome to leave 6PR on the AM band in circumstances where its listeners cannot access the AM band due to geographical or increasingly prohibitive electrical interference issues, or in circumstances where they cannot buy or repair their existing AM analogue devices.

Nine submits that the Perth radio marketplace is already an unfair marketplace in which 6PR is paying a license fee for a greatly inferior license which cannot be reached by many listeners – either because the reception on the AM band is so poor or listeners can no longer access the AM band because the technology is becoming rapidly obsolete.

6PR is a commercial radio station which relies on ad-revenue to sustain all of the Key Public Policy Outcomes. By continuing to limit, or taking away, 6PR's ability to effectively compete, 6PR may not be able to provide the critical and essential services it provides, or continue to employ its 89 Perth based employees. This would be a direct economic and social loss to the Perth community.

This loss is even more profound given that 6PR is the only commercial radio station in the Perth LAP which provides 24 hour talk, news and sport. This is a service that many depend on.

In addition to the above, Nine does not consider that it would be unfair to any existing FM stations in the Perth license area if 6PR was to move to the FM band. 6PR is already an established competitor within the Perth license area market, with a distinct audience base that is unlikely to affect (or detract from) the other FM stations' existing audiences.

If anything, 6PR will bring its listeners to the FM band and this may result in higher listener traffic for the existing FM stations.

### **3. Proposed options**

#### **a. Option 1 – strong support**

For all of the reasons set out above, Nine strongly supports the ACMA's proposed option 1 – to convert to FM both commercial services (6IX and 6PR) and the national ABC AM services (6PB, 6WF and 6RN).

It is clear that Perth is uniquely unsuitable for AM broadcast due to geographical, electrical interference, and technical issues. The use of AM spectrum for radio broadcasting is not an economic, efficient or practical use of spectrum in Perth. Nine is of the view that allowing the existing AM radio stations to move across to the FM band would be the most efficient and economical use of the available spectrum – an outcome which the ACMA should take into consideration when planning radiofrequency spectrum (and which is required in the *Broadcasting Services Act 1992*).

Further, 6PR should not be expected to continue to pay broadcast spectrum tax in relation to the Perth LAP in circumstances where the most densely populated parts of the Perth LAP cannot receive our station, or can only hear it at such poor quality that listening is intolerable due to constant interference. Similarly, due to being restricted to AM, many other parts of the Perth LAP cannot access 6PR at all. Restricting the audience of a commercial

radio station, which is dependent on ad-revenue, in this way undermines the value of the license and makes it increasingly difficult to achieve the Key Public Policy Outcomes.

Nine is of the opinion that of all the options presented, option 1 is the option that best serves the community and ensuring that the Key Public Policy Outcomes are met. It is also the fairest and most equitable outcome, with the least detriment on the existing Perth radio market.

Option 1 also does not require listeners to upgrade or change their existing analogue devices – ensuring that the Key Public Policy Outcomes remain accessible for all.

Whilst some costs may be incurred in transitioning over to the FM band, Nine notes that the operation and maintenance of the AM band infrastructure is becoming cost prohibitive and may start to impede 6PR's ability to effectively compete. These costs are amplified if 6PR is left on the AM band where its listeners cannot access our services and content and in circumstances where 6PR is dependent on ad-revenue.

Nine welcomes the opportunity to consult with the ACMA and the Government in relation to the practical implementation of this option, including appropriate timeframes, and appropriate public awareness campaigns

## **b. Other options**

Nine has significant concerns about the other options presented.

Our over-arching view is that there are substantial risks with each of the other options – which will directly undermine the delivery of the Key Public Policy Outcomes.

Any decision that results in 6PR being left on the AM band, coupled with the possible introduction of new competitors, will significantly diminish 6PR's ability to compete and will have a profoundly negative impact on those who rely on 6PR to deliver 24 hour news, talk and sport free of charge every day of the year – including during times of crisis. Nine includes its specific comments on each of the other options below.

### **i. Option 2**

Nine does not support option 2.

Converting the three ABC services to FM and leaving 6IX and 6PR on AM would be incredibly detrimental to the commercial radio stations and fails to provide an equitable or efficient use of the spectrum.

It is Nine's understanding that as it stands, the three ABC services on the AM band currently have far better reception and reach than 6PR and 6IX. This option would defy the stated outcomes in the BSA and leave the commercial radio stations at an even greater disadvantage and unable to effectively compete for audience—which as outlined above, would directly impact our ad-revenue and ability to sustain the delivery of the Key Public Policy Outcomes.

### **ii. Option 3**

Nine does not support option 3.

Whilst the ABC is not dependent on ad-revenue, its longevity and sustainability is also dependent on maintaining its listeners. The ABC provides a valued service –



which listeners should be able to access regardless of where they live within the Perth LAP.

**iii. Option 4**

Nine does not support option 4.

Only moving one ABC service to FM and leaving the commercial radio stations and the other ABC services on AM is not sustainable and fails to adequately address the multitude of concerns expressed in this submission.

**iv. Option 5**

Nine does not support option 5.

Leaving the existing AM services on the AM band, whilst creating 3 new FM services would exacerbate the already unfair marketplace. Any increase of this nature would also permanently remove 6PR's ability to convert to FM in the future – this would directly undermine 6PR's longevity and sustainability, and would directly impact its ability to contribute to the Perth economy and deliver the Key Public Policy Outcomes.

**4. Next steps**

6PR welcomes the opportunity to be consulted in relation to the FM broadcasting services band in the Perth RA1 licence area options paper, and would like to work with the ACMA in implementing any transition of 6PR across to the FM band.

Please do not hesitate to contact us if you would like to discuss.

Nine Radio



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