

## 2.4 CURRENT LAP PROCESSES

### LEAD/SUPPORT: LINDA CARUSO | RACHEL BLACKWOOD

The Australian Communications and Media Authority (ACMA) is working with radio licensees to convert radio services in regional licence areas from AM to FM.

The ACMA has expanded its solus (single licensee) conversion program to competitive markets. It has adopted planning principles to guide the ACMA's decision-making for AM–FM conversions in regional competitive markets. The ACMA is also progressing Licence Area Plan (LAP) variations to improve coverage of national, commercial and community broadcasting services where spectrum is readily available.

The ACMA's planning decisions take into consideration all relevant facts and information on a case-by-case basis. In performing its planning functions, the ACMA is required to take account of a range of legislated objectives. These considerations often require the ACMA to balance the competing interests of relevant licensees including those in adjacent licence areas.

### KEY ISSUES

#### *Forward work plan for LAP variations*

- The ACMA's main broadcast spectrum planning priorities are:
  - converting commercial, community and national services from AM to FM in areas where FM spectrum is readily available
  - improving coverage of national, commercial and community broadcasting services where spectrum is readily available
  - making digital radio channel plans for regional DAB+ where a commercial licensee or national broadcaster has committed to a rollout
  - supporting trials of new broadcasting technology.
- The ACMA annual workplan for 202-24 released on 3 October 2023 as part of the Five-Year Spectrum Outlook, outlined the following LAP variations which are being progressed within specified timeframes:
  - supporting AM–FM conversions:
    - the Tamworth AM–FM conversion was finalised on 28 September 2023
    - the Armidale AM–FM conversion is expected to be released for public consultation in Q4, 2023.
  - following the extension of Part 3 of the *Broadcasting Services Act 1992* (the BSA) to include Norfolk Island and the licensing of various incumbent broadcasting services on the Island, we varied the Remote Central and Eastern Australia Radio LAP to include Norfolk Island radio services in Q2, 2023
  - we committed to develop and consult on proposals for variations to the Remote Western Australia Radio LAP in Q4, 2023.

#### *LAP variations*

- As of 15 September 2023, the ACMA had 123 outstanding LAP variation requests, with 23 of these under current consideration.

- 31 of the outstanding variation requests concern services in the Remote Central and Eastern Australia Radio LAP (the Remote LAP). Historically, many of the remote broadcasters' previous requests have not proceeded due to unacceptable levels of overspill into neighbouring regional licence areas.

***LAP requests from remote broadcasters – not progressing***

- The ACMA has reviewed its processes and is providing earlier notification to licensees of those requests which will not be progressed, because of either engineering or policy reasons, such as if the proposal is unlikely to result in the efficient or economic use of spectrum:

[REDACTED]

**BACKGROUND**

***Issues in remote licence areas***

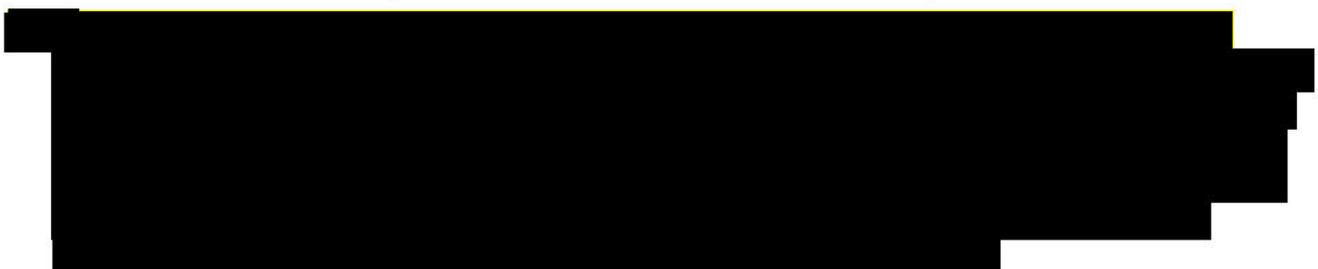
- Discussions between the ACMA and licensees about whether and how to improve terrestrial coverage of central and eastern remote commercial radio services are long-standing.
- The two remote licensees in the eastern parts of Australia are W & L Phillips Pty Ltd (Flow FM) and Rebel Radio Network Pty Ltd (Rebel FM). Their services are planned in the Licence Area Plan – Remote Central and Eastern Australia Radio (Remote LAP).
- Flow FM is a commercial radio broadcasting licensee that holds the commercial radio broadcasting licence for the Remote Commercial Radio Service Central Zone RA1 (RCRSCZ RA1) covering regional and remote communities of South Australia, Victoria and the Northern Territory.
- Rebel FM is a commercial radio broadcasting licensee that holds the two commercial radio broadcasting licences in the Remote Commercial Radio Service North East Zone RA1 (RCRSNEZ RA1) covering regional and remote areas of Queensland and New South Wales.
- In its decision-making, the ACMA seeks to strike a balance between the desirability of providing radio services to population centres within the remote licence areas and the undesirability of allowing excessive signal overspill into adjacent radio markets. The complexities involved in considering remote LAP variations inevitably results in the process taking considerable time.

***AM–FM conversions to date***

- Under the regional solus market conversion program, 25 licence areas have been converted from AM to FM radio reception.
- In 2016, the then Minister for Communications, Minister Mitch Fifield, asked the ACMA to prioritise AM–FM conversions in 50 regional ‘solus’ markets (where there is only one incumbent commercial licensee and no more than 30 per cent population overlap with any adjacent licence area).
- Minister Fifield put two caveats on his support for AM–FM conversions which the ACMA has reflected in its policy guidance:
  - existing services are not to be adversely affected (except by commercial arrangement)
  - there must be no significant coverage differences, so the vast majority of listeners who received services in AM can continue to do so following FM conversion.
- FM conversion of AM services has the potential to improve listener experience and support industry as it adapts to changing listener preferences. It can deliver improved audio quality, reduced signal interference and lower costs for broadcasters.
- The ACMA enables AM–FM conversions by varying the relevant LAP to insert a new technical specification for the FM main transmitter, and any more FM infill transmitters if necessary to ensure coverage equivalence of the AM service audience.
- While the ACMA prioritises the approval of AM–FM conversions, the timing for commencement of an FM radio service is a decision for the licensee.

***Expansion of AM–FM conversion program***

- The ACMA has now expanded the AM–FM conversion program to competitive markets. On 14 September 2022, the ACMA published planning principles to provide additional guidance to stakeholders about the approach that the ACMA will take to its decision-making in AM–FM conversions in regional markets.
- The planning principles address the complex policy issues raised by expanding the conversion program to competitive markets, including the potential impact on other broadcasters, spectrum scarcity, potential coverage loss, competition concerns that may involve the ACCC, and prioritisation of other LAP variation requests.



- The ACMA has communicated with AM licensees in competitive regional radio markets who previously expressed interest in AM–FM conversion of their services and advised them of the required process to progress their requests.
- The ACMA is receiving requests for conversions in competitive markets and is assessing those requests with regard to the planning principles and the ACMA’s approach to broadcast planning and varying licence plans.

- In addition to the previously received expressions of interest, the ACMA has also received requests from Maryborough (Bendigo), Sale, Atherton, Coffs Harbour, Kempsey, Orange, Bunbury and Toowoomba/Warwick.
- As of 15 September 2023, there are a total of 15 competitive markets which expressed interest in conversions.

***Perth replanning***

- On 14 September 2022, the ACMA released a statement on the outcome of a consultation process considering options to replan the FM broadcasting services band in the Perth RA1 licence area. The aim of Perth replanning is to address the AM reception problems in Perth due to Perth's unique geographic circumstances and to maximise spectrum efficiency.
- The ACMA received 17 submissions to the consultation process. The option with most support from industry is to convert all AM radio services in Perth to FM; however, this option is opposed by the current FM licensees as being potentially damaging to their business.
- The ACMA formed the view that Option 1, which is to convert the ABC and commercial AM services, best promotes the objects of section 3 of the BSA. It believes the potential benefits of Option 1 could be better realised if it were progressed in stages – to first plan for conversion of the national ABC AM services and to plan for conversion of the commercial AM services if the concerns of commercial FM services have been resolved.
- This 2-stage approach would improve service quality for audiences of the national ABC AM services. There would also be less impact on existing commercial FM services. At this time, the ACMA considers the concerns raised by commercial FM licensees suggest that Option 1 would create uncertainty in the commercial radio industry in Perth.
- The approach allows for conversion of the commercial AM services at a later stage if the commercial radio broadcasting licensees can reach an agreement. Circumstances may also change so that conversion becomes warranted even without this agreement.
- The ABC would be responsible for mitigating the potential impact on other radio broadcasting services affected by the conversion of its national ABC AM services.
- As there are only 5 FM frequencies available in Perth for conversion, it is not possible to convert all services. This means some services will be left on AM. This includes 6RPH, which provides a valuable service for the local blind, low-vision and print-disabled communities, and 2 high-power open narrowcasting (HPON) services.
- The ABC has advised the ACMA that it is holding discussions with affected community broadcasters. On 15 December 2022, the ABC released a request to market on AusTender for the provision of the 3 current AM services in FM and for the cost of relocating the 6SEN Capital Radio community service. The market request closed on the 14 February 2023. [REDACTED]
- The ACMA will monitor implementation of Option 1, and if there is no material progress, it may revisit planning options for the Perth market in 2025.

