

Aurora

Community Channel

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AURORA SUBMISSION TO THE DEPARTMENT OF COMMUNICATIONS ON THE SPECTRUM REVIEW ISSUES PAPER

Aurora Community Channel (**Aurora**) welcomes the opportunity to comment on the Department of Communications' Spectrum Review Issues Paper of May 2014 (**Issues Paper**) seeking stakeholder views on issues that the scheduled Spectrum Review should consider.

1. About Aurora

Aurora is an independent television channel, screening Australian community content and currently available nationally on Channel 138, FOXTEL. Aurora showcases the work of independent and emerging Australian producers, and is committed to screening interesting, diverse and innovative content to encourage awareness and understanding of community issues and interests. Our vision is to provide a space where all Australians can come together to share their stories, experiences, interests and passions. 100% of our content is Australian made.

Aurora is supportive of the Department's planned review of the Spectrum Management Framework (**Review**), and specifically sees the Review as an opportunity to achieve more efficient and innovative use of spectrum in community and not-for-profit television broadcasting.

Aurora is seeking to expand into free-to-air broadcast, and therefore has an interest in the allocation and use of spectrum on the sixth multiplex on the Broadcasting Services Band (**sixth multiplex**). We believe that community broadcasting should be subject to a system of review and assessment as part of any licence condition to encourage more innovation and efficient use of spectrum.

While we base our comments in this submission on our interest in the sixth multiplex, we believe there is significant social, educational and cultural value in allocating spectrum for community (or social enterprise) television broadcast in a strategic and structured manner. We invite the Department to apply our comments to comprise part of the Department's broader Review on allocation of the sixth multiplex. In addition, we encourage the Department to consider applying our comments to other television channels using the Broadcasting Services Bands to ensure consistent approach and overall efficiency in the use of the Broadcasting Services Band spectrum.



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2. Background

The sixth multiplex is a valuable spectrum resource, which has historically been underutilised. We recognise that current models of community television broadcast are inefficient, as highlighted by the restrictive costs of broadcasting to individual markets, inconsistent programming policies, high levels of imported content and crippling licence restrictions on seeking funding. Furthermore, opportunities to use the spectrum for innovative purposes have not been realised. This is evident in the perceived failure of the Digital 44 datacasting service.

Aurora believes that the permanent allocation for community television broadcast within the sixth multiplex is crucial for maintaining and enhancing the significant social, educational and cultural value derived from community television. We acknowledge, however, that the spectrum in the sixth multiplex must be utilised by community broadcasters in more efficient and innovative ways.

Aurora is hopeful that the Department's Review will be an opportunity to achieve better and more efficient use of spectrum on the sixth multiplex for community and social enterprise television broadcast.

3. Response to Issues Paper

The Department issued the Issues Paper for public comment in May 2014, and it seeks feedback on the scope of the issues to be considered in the Review. In summary, Aurora submits that in conducting the Review, the Department should:

- *Prioritise innovative and efficient spectrum use in any spectrum management framework ;*
and
- *Develop mechanisms for review and measurement of performance and re-allocation of spectrum within the sixth multiplex to incentivise innovative and efficient use.*

In response to the Issues Paper, Aurora makes the following comments:

a) **Term of Reference 2: Facilitating new and emerging services**

Aurora supports Term of Reference 2, which considers the flexibility of the spectrum management framework to facilitate new and emerging services, while creating potential for efficient spectrum use. Term of Reference 2 looks at a range of considerations to increase efficiency in spectrum use. We recommend it also include a reference to establishing a review, measurement and reallocation framework for the sixth multiplex.

As was noted previously, the sixth multiplex is a valuable spectrum resource, which at present is not being efficiently utilised. Despite this, Aurora considers that there is great potential to use the sixth multiplex in innovative and efficient ways. By permanently allocating spectrum to the sixth multiplex for community use, there will be continuing opportunity for new and emerging broadcasting services to create innovative and efficient uses of spectrum. This model will maximise the social, educational and cultural value of community broadcasting. Aurora supports the fact that innovation and efficiency is at the foundation of the spectrum management framework, and that it is a primary consideration for the Department in its Review.

Recommendation: *The Department include in Term of Reference 2 a reference to establishing a review, measurement and reallocation framework for the performance of community broadcasters on the sixth multiplex to facilitate innovative use of the sixth multiplex.*

b) Term of Reference 3: Ensuring efficient allocation, use and management of spectrum

Aurora supports Term of Reference 3, which focuses on improving the efficiency of spectrum allocation and use, and agrees on the need to develop frameworks that will incentivise efficient use of the spectrum.

In light of the existing inefficiencies in the use of the sixth multiplex, Aurora submits that the Department should prioritise issues of efficiency in the Review. Aurora believes that mandating a channel on the sixth multiplex for use by a customer will enhance efficiency in the allocation and use of the sixth multiplex for community uses. This will be key to maximising the overall social, educational and cultural value of community television broadcasting.

Aurora also believes that incentivising the efficient use of spectrum by community broadcasters in the sixth multiplex is essential. In addition to the issues set out under Term of Reference 3, Aurora submits that the Department should also consider:

- Developing criteria for the allocation of spectrum in the sixth multiplex, which will balance the broadcaster's capacity to pay for access with the potential for social, educational and cultural value to be derived from granting access;
- Developing mechanisms for periodic review and measurement of the social, educational and cultural value actually generated by a broadcaster who is granted access to spectrum in the sixth multiplex; and
- Developing mechanisms for identifying inefficient use of spectrum in the sixth multiplex, and developing re-allocation processes for when measurable social, educational and cultural value is not being achieved.

Aurora believes that these additional considerations will create competition for spectrum allocation within the sixth multiplex, thereby incentivising innovative and efficient use by community broadcasters.

Recommendations: *The Department prioritise Term of Reference 3 to incentivise efficient use of the sixth multiplex, and in addition consider mechanisms for review, measurement and reallocation.*

c) Term of reference 4: Ministerial oversight

Term of Reference 4 proposes that consideration be given to the appropriate role of the Minister in spectrum management. In addition to those considerations set out under Term of Reference 4, Aurora submits that the Department should consider a potential role for the Minister to oversee the review, measurement, and reallocation processes that Aurora has proposed for consideration above.

Recommendation: *The Department consider a role for the Minister in overseeing review, measurement and reallocation of spectrum use in the sixth multiplex.*

d) Term of Reference 6: Frameworks for considering public interest spectrum issues

As a broadcaster of community content, Aurora has a particular interest in Term of Reference 6. In relation to access to spectrum in the sixth multiplex, Aurora believes that the Department should prioritise the development of an effective framework for allocating spectrum to community television broadcasters, and in addition, consider mechanisms for reviewing, measurement and re-allocating access to spectrum if public interest outcomes are not being achieved.

In particular, Aurora considers that the application of market-based principles is an issue that the Department should address. Aurora believes that the efficient use of spectrum in the sixth multiplex should be incentivised by developing a framework that is based on the broadcaster paying for access to spectrum, but where access is granted to the broadcaster who will create the most value overall, rather than to the highest bidder however a fee may be payable. Value should fundamentally be measured in terms of the broadcaster's capacity to generate economic benefits, balanced against the soft benefits to the public in having access to the community or social enterprise broadcasting services. The Department should consider in addition to those issues stated under Term of Reference 6, frameworks for measuring and reviewing the overall value created by broadcasters, as a means for promoting and incentivising the efficient use of spectrum by community television broadcasters in the sixth multiplex.

Recommendations: *The Department prioritise Term of Reference 6 in relation to the sixth multiplex, and in addition consider mechanisms for review, measurement and re-allocation.*

e) Term of Reference 8: A whole-of-economy approach

Aurora considers that a 'whole-of-economy approach' to spectrum management, as proposed for consideration under Term of Reference 8, is necessary. This is particularly so in relation to the allocation of spectrum in the sixth multiplex to community broadcasters, where it is important that the economic benefits derived from allocation to community broadcasters are viewed in connection with the social, educational and cultural value of community broadcasting.

In addition to the issues raised under this term of reference, Aurora submits that the Department should consider a framework for measuring and reviewing the value created by community broadcasters utilising the sixth multiplex. This will enable the Department to identify inefficiencies in spectrum use, which may be grounds for re-allocation of spectrum for more efficient use in certain circumstances.

Recommendation: *Under Term of Reference 8, the Department also consider frameworks for measuring the overall value created by users of spectrum in the sixth multiplex.*

4. Conclusion

Aurora supports the Department's Review of spectrum management, and in particular sees it as an opportunity to achieve more innovative and effective use of the sixth multiplex on the Broadcasting Services Band. Given that existing community broadcasting licences are due to expire at the end of 2014, Aurora submits that the allocation of spectrum in the sixth multiplex is an issue that can and be addressed in the short term, to ensure that spectrum is utilised in a way that maximises social, educational and cultural value.

Aurora appreciates the opportunity to provide these comments, and looks forward to working constructively with the Department on spectrum issues affecting community and social enterprise broadcasters into the future.

Yours faithfully,

Phyllisse Stanton
Chief Executive Officer