

EXPLANATORY STATEMENT

Regional Equalisation Plan

Issued by the authority of the Minister for Communications, Information Technology and the Arts

Background

Subclause 64(1) of Schedule 4 to the *Broadcasting Services Act 1992* (the Act) requires the Minister to formulate a written Regional Equalisation Plan which specifies the measures proposed to facilitate the transmission of digital commercial television and datacasting services in regional licence areas.

In formulating the regional equalisation plan, the Minister under subclause 64(2) of the Act, had regard to the following objectives:

- (a) the objective of maximising the diversity of choice in television services provided in regional licence areas;
- (b) the objective of bringing to regional licence areas a similar range of entertainment and information services as are available in metropolitan licence areas;
- (c) the objective of maintaining the financial viability of the commercial television broadcasting industry in regional licence areas;
- (d) the objective of providing commercial television broadcasting services in regional licence areas that are relevant to, and responsive to, local needs in those areas;
- (e) the objective of discouraging the concentration of media ownership in regional licence areas.

Formulation of the regional equalisation plan was finalised following:

- (a) an independent analysis of the estimated total costs (capital and operating) of digital conversion for regional and remote commercial broadcasters (\$519 million); and
- (b) the announcement in the 2000-01 Budget of a financial assistance package of up to \$260 million over 13 years to assist regional and remote broadcasters with the introduction of digital broadcasting and datacasting services.

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Under the Plan, assistance will be available from 2000-01, with individual broadcasters able to access assistance in the form of licence fee rebates in the fiscal year in which the broadcaster commences digital transmission.

Assistance levels are as follows:

- In the Northern NSW, Southern NSW, Regional Victoria and Regional Queensland aggregated (three-service) regional licence areas, \$13.6 million per commercial broadcaster over eight years by licence fee rebate;
- In the Mildura/Sunraysia two-service licence area, \$0.8 million per commercial broadcaster over eight years by licence fee rebate;
- In the Tasmania two-service licence area, \$6.64 million per commercial broadcaster over eight years by licence fee rebate;
- In the Darwin two-service licence area, \$3.28 million per commercial broadcaster over eight years by licence fee rebate;
- In the Griffith and MIA two-service licence areas, \$0.56 million per commercial broadcaster over eight years by licence fee rebate;
- In the regional Western Australia two-service licence area, \$14.72 million per commercial broadcaster over eight years by licence fee rebate;
- In Solus (one-service) licence areas, \$8.8 million over 7-9 years by licence fee rebates and grants in some areas; and

Arrangements for individual broadcasters in remote markets will be finalised once the Australian Broadcasting Authority (ABA) has completed a digital conversion scheme for remote licence areas. The level of assistance to be provided to remote broadcasters is estimated at more than \$30 million.

Regulations will be made under the *Television Licence Fees Act 1964* to allow for the rebate of licence fees. The licence fee rebate arrangements are to be administered by the ABA.