



AUSTRALIAN NARROWCAST RADIO ASSOCIATION

11 June 2013

Dr Peter Boxall
Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Dear Dr Boxall

Draft report – Review of Rental Arrangements for communication towers on Crown Land

Please accept this letter as a submission in response to the Draft Report.

We are particularly concerned about some of the consequences, for both our high-power (HPON) and low-power (LPON) open narrowcast members, if the Tribunal's proposals are implemented.

HPON services

In respect of HPON services, our principal concern is that their position would remain unclear and would remain so unless and until the Minister can be persuaded to exercise his discretion and treat such services as belonging to one of the sectors which would be eligible for rebates.

Our experience over the past several years - since it can be safely assumed the Minister would seek the advice of his Department on such a matter – gives us little confidence in the outcome absent a more

rigorous and detailed approach to the mediation and/or arbitration process outlined in the Draft Report. Ideally we believe the process should require the Department or the Minister, as the case may be, to give reasons for a decision and for such decision to be appealable.

LPON services

Before addressing the Draft Report we would like to repeat the question posed in our original submission, namely whether LPON services should be subject to the communication tower rental regime.

To equate tiny LPON transmitters with "communication towers" is, in our opinion, bordering on the ridiculous. It may not be generally appreciated that many of these transmitters are of a size and have a range more generally comparable to mobile phones or tablets. With your indulgence I hope to produce one at the Round Table conference on 17 June.

We believe there is a compelling case for removing LPON services from the tower rental regime. the standard lease agreements for which contain many clauses which could not possibly be applied in practice. We claim LPON services should be licensed under an ad hoc or some other arrangement. Since here are only four or five of them on Crown Land the administrative burden would be negligible. We urge the Tribunal to recommend accordingly.

Failing that, we submit the Tribunal should make it unequivocally clear that all LPON services should be treated as local service providers for the purposes of rebates, whether or not they are located in low location categories. The reason for this latter proviso is that, irrespective of location, the low range capabilities of LPON services ensure they are available to only a fraction of the surrounding population.

A further reason why LPON services should be excluded entirely from the rental regime is that it offends an important principle enunciated by the Tribunal in its 2006 Report, namely that rentals should reflect a conservative view of recent market prices.

We appreciate that the Tribunal has experienced difficulty in implementing this policy because some stakeholders have been unwilling to disclose rental information. However in the case of LPON services we have provided comprehensive information relating to rentals.

Our original submission to the Review showed that of the 121 sites occupied by our members 114 – 94 per cent – paid no rental whatsoever. The average amount payable was a paltry \$25, which is only a fraction of the statutory minimum rent under the current rental regime.

We urge the Tribunal to address this issue and draw it to the Government's attention in its final Report.

Yours sincerely

A solid black rectangular box used to redact the signature of D L FOSTER.

D L FOSTER, acting for the General Manager
of ANRA, Mr Roger Summerill.

Cc: Mr Roger Summerill