

5.3. TV BROADCASTING ALEXANDRA BAY AND DAINTREE VILLAGE

REPORT AUTHORS	Gaye Scott, Community Liaison Officer Mark Halstead, Building Facilities Officer
MANAGER	Michael Kriedemann, Executive Manager Infrastructure
DEPARTMENT	Infrastructure

RECOMMENDATION

That Council resolves to:

1. **Not renew transmission equipment at the Alexandra Bay and Daintree Village Television Black Spot Towers;**
2. **Continue maintenance of the existing equipment at the Alexandra Bay and Daintree Village Black Spot towers until equipment becomes irreparable, at which time the service will be discontinued;**
3. **Advise Cow Bay, Diwan, Forest Creek and Daintree Village residents that transmissions from the black spot television tower sites can no longer be guaranteed;**
4. **Provide personal loans to residents in the Cow Bay, Diwan, Forest Creek and Daintree Village areas who are unable to finance the switch to the VAST system and who are not eligible for a “No Interest Loan” administered at the Port Douglas Neighbourhood Centre;**
5. **Delegates authority under Section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with the personal loan contracts.**

EXECUTIVE SUMMARY

Due to the difficulty of sourcing spare parts, frequency of breakdowns, high cost of maintenance and the obsolescence of equipment; it is proposed Council discontinues television broadcasting from the Alexandra Bay and Daintree Village Television Black Spot towers.

The option of upgrading and/or renewing equipment is not recommended due to the high capital cost. The estimated cost to restore ABC and SBS is \$200,000 and for channels 7, 9 and 10, an additional \$200,000 would be required. This results in a total capital cost of \$400,000 with an addition \$80,000 per year in operational costs.

The loss of ABC and SBS since 2017 and the unreliability of the service has prompted many residents in Cow Bay, Diwan, Forest Creek and Daintree Village to switch to other service providers. It is estimated less than 37 households across all four locations, still rely upon these two towers.

BACKGROUND

In the early 2000s, the Federal Government provided grants to local councils to establish television retransmission towers and broadcasting equipment to service areas with poor or no television coverage.

Douglas Shire applied for three sites, these being:

1. Cow Bay and Diwan (Alexandra Bay tower);
2. Daintree Village and Forest Creek (Daintree Village tower); and
3. South Mossman.

In 2011, while amalgamated with Cairns Regional Council, the towers were upgraded to digital, in line with an Australia wide upgrade.

While the South Mossman facility operates efficiently, broadcasting services from Alexandra Bay and Daintree Village towers have been unreliable for 18 months. There are frequent breakdowns causing one or more of the free-to-air commercial channels to drop out for periods of days or weeks.

At the time of writing this report, Channel ABC, SBS, 7 and 10 is not being broadcast from Alexandra Bay. The technicians are working to repair 7 but the Channel 10 system cannot be repaired and has been decommissioned.

At Daintree Village, Channel ABC, SBS and 7 is not being broadcast and there's sound but no picture on Channel 9.

When Cairns Regional Council upgraded the sites, it did not enter into a service agreement with any equipment suppliers. This has meant it has become increasingly difficult to source spare parts, to the point which Council is unable to source parts to restore Channel 10 at Alexandra Bay despite a nationwide search.

Staff are in the process of sourcing parts to repair the Channel 7 receiver at Daintree Village however the lead time is proving to be weeks, not days.

Television broadcasting laws sit with the Federal Government. Accessing television channels sits with individuals, this being the purchase of a television and antennae to receive broadcasts.

Some Councils, like Douglas Shire, became involved when the TV Black Spot funding program was introduced. With Federal funding to cover the installation of towers and equipment, and no other options available, it was an opportunity to provide a service to residents that would otherwise be beyond ratepayers. At the time, Council did not anticipate the maintenance costs would become as onerous as they are, nor did they anticipate platform changes by the national broadcaster would require such high renewal costs.

When Council opted into the TV Black Spot program 18 years ago, there were no other options for residents. Today there are several options, all which can provide a superior service to what Council can provide.

It is also worthwhile noting that there are residents within the shire, in the more remote locations, who do not have access to free-to-air television.

COMMENTS

Due to the difficulty sourcing spare parts, frequency of breakdowns, high cost of maintenance and the obsolete equipment, it is proposed Council discontinue television broadcasting from Alexandra Bay and Daintree Village TV Black Spot towers.

The option of upgrading and/or renewing equipment has been considered but the high capital and operational costs and low number of users makes it hard to justify. There is also no guarantee that new equipment will not deteriorate very quickly given the power fluctuations which occur at both sites.

Residents in all four localities are eligible to register with viewer access satellite television (VAST) which is a satellite-delivered, broadcasting service for people in television black spots.

This would not only give residents access to 14 free-to-air channels, the service would be more reliable than Council is presently able to provide.

The approximate cost is less than \$1,000 for one connection. If a home or business has more than one television in different rooms, a VAST set top box is required for each connection, so the cost would be \$300 - \$400 for each additional connection.

The loss of ABC and SBS, as well as the unreliability of the service, have already prompted some residents in Cow Bay, Diwan, Forest Creek and Daintree Village to switch to VAST and/or subscribe to Netflix, Foxtel or other service providers.

Council is currently paying about \$80,000 per annum to maintain this unreliable service. This operational cost includes labour, parts, travel time to site, Council Officer management, diesel, generator costs and licence fees. To renew the equipment and deliver channels ABC, SBS, 7, 9 and 10 at Alexandra Bay and Daintree Village would cost \$400,000. It is estimated to cost \$200,000 for ABC and SBS and \$200,000 for channel 7, 9 and 10.

Council estimates there are 37 households relying on television from the two towers. The option of 37 households switching to VAST is a far more cost-effective option for Council than continuing to maintain equipment at the two towers.

It will also deliver a more reliable service, and unlike the current circumstances, the service is guaranteed in the foreseeable future.

PROPOSAL

That Council resolves to:

1. Not renew transmission equipment at the Alexandra Bay and Daintree Village Television Black Spot Towers;
2. Continue maintenance of the existing equipment at the Alexandra Bay and Daintree Village Black Spot towers until equipment becomes irreparable, at which time the service will be discontinued.
3. Advise Cow Bay, Diwan, Forest Creek and Daintree Village residents that transmissions from the black spot television tower sites can no longer be guaranteed.
4. Provide personal loans to residents in the Cow Bay, Diwan, Forest Creek and Daintree Village areas who are unable to finance the switch to the VAST system

and who are not eligible for a “No Interest Loan” administered at the Port Douglas Neighbourhood Centre;

5. Delegates authority under Section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with the personal loan contracts.

FINANCIAL/RESOURCE IMPLICATIONS

The proposal will result in capital and operational cost savings for Council. The capital cost for new equipment is \$400,000 and has a useful life of 10 years. The long-term savings in capital is therefore \$400,000 every 10 years.

Additionally, the depreciation per year for the life of the asset is \$40,000. With the service ceasing, this amount would be saved from Council's budget.

Similarly, the operational cost of \$80,000 per year would be saved from Council's budget.

The Port Douglas Neighbourhood Centre administer a “No Interest Loan Scheme”, commonly known as NILS. The Port Douglas Neighbourhood Centre confirmed they had given people No Interest Loans previously to connect to VAST. To be eligible for a loan, people needed to be a resident for at least six months, receive Centrelink and had the capacity to repay the loan. The Neighbourhood Centre confirmed they would be happy for Council to refer anyone to the service.

If residents are not able to afford the VAST system and are unsuccessful in obtaining a No Interest Loan through the Port Douglas Neighbourhood Centre, Council will consider offering residents a loan. The terms and conditions relating to these loans has not yet been developed, however a loan contract and customer eligibility criteria will be developed to provide a governance framework for Officers.

It is not known how many residents require financial assistance, nor is it known how many of these residents will not qualify for the No Interest Loans, therefore it is not possible to quantify the potential number of loans or dollar value of future loans administered by Council.

RISK MANAGEMENT IMPLICATIONS

Discontinuing broadcasts will reduce the current level of service for a small number of residents and there is a risk of reputational damage. It should also be noted that because of the unreliability of the current service, Council is already suffering a degree of reputational damage.

The VAST system is delivered through a third party, external to Council, and this eliminates Council exposure to service delivery issues.

The proposal is to continue the current limited service until the equipment fails. Notifying the community of this will help residents to transition to alternative arrangements and the longer the existing system can continue to work, the longer residents have to transition.

To minimise financial risk on Council, residents who are not able to fund the VAST system will be directed to the Port Douglas Neighbourhood Centre and apply for a No Interest Loan. If residents are not eligible for a loan and approach Council for financial support, a loan contract between the Council and the resident will be completed detailing the resident's obligations, repayment terms & conditions and Council actions if loans default.

There is a risk that loans offered by Council could default and become 'bad debts'. These loans will be unsecured loans and if not repaid Council will either need to pursue repayment through the legal system or the debt will have to be written off.

SUSTAINABILITY IMPLICATIONS

Economic: This proposal reduces Council's capital investment by \$400,000 every 10 years. Additionally, depreciation of \$40,000 and operational costs of \$80,000 per year would be eliminated.

Social: At the point when broadcasting ceases, those people who have not signed up with an alternative service will be without access to news, current events and light entertainment via television. For some this could result in social isolation or missing out on importance announcements such as total fire bans.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan

Goal 3 - We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.

COUNCIL'S ROLE

Council can play s different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Information Provider Council provides the community with important information on services, events, policies, rules, strategies, and any other relevant data that helps the community to stay informed. In performing this role, Council seeks to be open and transparent.

CONSULTATION

Internal: Governance and Finance

External: Cow Bay and Diwan residents - household survey
Daintree Village – anecdotal evidence

COMMUNITY ENGAGEMENT

A survey was sent to 169 Diwan and Cow Bay households in August 2019, asking people whether they relied on the free to air broadcast signal, or whether they had either switched to another service or did not have a television. A total of 39 responses were received and the key findings were:

- Ten survey respondents currently rely on the free to air channels broadcast from the Alexandra Bay tower.
- While designed to cover the whole of Cow Bay, about halfway down Buchanan Creek Road, coverage drops out.
- Some households in Diwan receive transmission from a different tower e.g. Mt Lewis, so do not rely on the Alexandra Bay transmission, and they get all channel.
- 29 of the 39 respondents do not access TV channels from Alexandra Bay. [74%]
- Several residents and one business advised they have invested up to \$1,000 to upgrade their own equipment to receive transmissions from the Alexandra Bay tower.

A survey has not been done in Daintree Village; however, we know there are about 72 homes in the area. Anecdotal evidence indicates that since the ABC and SBS ceased broadcasting, many have switched to VAST and/or accessed Foxtel and/or Netflix. If we assume a similar proportion to those in Cow Bay and Diwan who don't rely on the tower, the number of impacted households is estimated at 18.

There are also a few homes in Forest Creek who receive broadcasts from the Daintree Village tower. The exact number is unknown, but if its assumed to be half the number in Daintree Village, that's 10 households.

This results in an estimated 37 households across all four locations.

ATTACHMENTS

Nil