

URGENT SUPPLEMENTARY SUBMISSION
TO ENVIRONMENT AND COMMUNICATIONS REFERENCE COMMITTEE

24 May 2013

Dear Committee Members

Re: Enquiry into the Effectiveness of Current Regulatory Arrangements in Dealing
with the Simultaneous Transmission of Radio Programs using the Broadcasting
Services Bands and the Internet ('Simulcast')

We the undersigned regional radio members of Commercial Radio Australia (CRA), running over 220 regional commercial radio stations, are requesting that the Committee urgently rectifies the current situation in which ALL radio broadcasters (community, public service and commercial) will be required to pay twice for the same broadcast content if it is transmitted over the internet as a simulcast. This also means that exactly the same content will be subjected to two different regulatory regimes, one applicable to broadcast content and the other applicable to the same broadcast content on the internet.

To remedy this, we request that the Committee makes the recommendation that the Minister issues the updated Determination as set out in the joint submission from the radio broadcast sector - signed by ABC, SBS, CBAA and CRA. As you may note, this is an issue for the entire radio industry not just commercial stations. While we fully and wholeheartedly support the joint submission and all points made in it, we also wish to bring the views of regional broadcasters to your attention directly.

The impact on the viability of local regional radio stations will be significant if we are required to pay twice for exactly the same content being broadcast at the same time over the internet. This is a money grab by the large multinational record industry which local Australian regional radio stations simply cannot afford.

Regional radio stations already pay to APRA and the PPCA a total of up to 5% of their gross revenue. Any additional copyright fees payable to the PPCA for broadcasting the same content over the internet will increase this figure substantially. On top of this, regional broadcasters will also incur additional administrative costs of ensuring compliance with two separate regulatory regimes. This cost increase is likely to make it impossible for regional broadcasters to continue to simulcast their broadcasts to the great detriment of the broadcasters and their regional communities.

It is a fact that we do not make any additional revenue from the same broadcast content being accessed live by Australians over the internet. Just as we do not make any additional money from listeners hearing the same content on a car radio, via a hi fi set or on a traditional standalone radio. All of these are simply channels to broadcast our live content.

To require a double payment now, with no redress through an updated Ministerial Determination as we request, means we will be forced to consider ceasing simulcast due to the additional cost imposed. This in turn prevents radio from using a common technology channel and may restrict access for some listeners to our local services.

In addition, we cannot believe that it is acceptable for broadcast content on the internet, which is exactly the same as the broadcast content on AM, FM and DAB+, to now not be governed by the Broadcast Codes and to, potentially, be governed by a completely different set of regulation with even more compliance requirements and costs.

As can be seen from the recent example of the *Self Regulation (News Media) Bill*, the legislative drafters acknowledged the ludicrous nature of this situation by exempting simulcasts by Broadcasting Services Bands (BSB) broadcasters from the separate regulatory requirements.

As you would be aware, revenue for radio, and in particular regional radio, has stagnated over the past few years as the economy for local advertisers (who provide 80% of local regional revenue) has tightened.

In fact, regional radio stations are already burdened with significant extra content and compliance costs as a result of the local content and trigger event regulations imposed in 2007.

We are therefore asking, as a matter of urgency, that you request the Minister address the inequity of radio stations paying twice for the same content and also prevent the imposition of any more cost and compliance burdens on regional radio stations, through both this double payment and double regulation of the same content, by recommending that the Minister makes the following Determination:

COMMONWEALTH OF AUSTRALIA
Broadcasting Services Act 1992
Determination under paragraph (c) of the definition of
'broadcasting service' (No. 1 of 2000)

I, Stephen Michael Conroy, Minister for Broadband, Communications and the Digital Economy, under paragraph (c) of the definition of 'broadcasting service' in subsection 6(1) of the Broadcasting Services Act 1992.

- (a) *revoke the determination made by the Minister for Communications, Technology and the Arts made on 12 September 2000,*
and
- (b) *determine that the following class of service does not fall within that definition:*

a service that makes available television or radio programs using the Internet, unless that service is provided simultaneously with a service that provides the same television program or radio program using the broadcasting services bands and both services are provided by:

- (i) the holder of a broadcasting services bands licence for radio,*
- (ii) the Australian Broadcasting Corporation, or*
- (iii) the Special Broadcasting Service.*

We look forward to your support for the rectification of this current anomaly. We are happy to discuss this personally with you at any time.

Signed for and on behalf of the following broadcasters

Joan Warner
CEO, Commercial Radio Australia

Commercial Radio signatories representing 220 regional radio stations

- James Barrett, West Coast Radio
- Kevin Blyton, Capital Radio
- Shirley Brown, WIN Radio
- Janet Cameron, Grant Broadcasters
- Ron Camplin, Bathurst Broadcasters
- Bill Caralis, Super Radio Network
- Frank Davidson, North East Broadcasters
- Ciaran Davis, Canberra FM, ARN
- Eoghan O'Byrne, Canberra FM
- Stephen Everett, ACE Broadcasters
- Rowley Patterson, ACE Broadcasters
- Roger Harris, Alice Springs Broadcasters
- Rhys Holleran, Southern Cross Austereo
- Aaron Jowitt, Rebel Radio
- Ian Kennedy, Redwave Media Ltd
- Al Kirton, Coastal Broadcasters
- Rob Lowenthal, Macquarie Radio Network
- Rex Morris, Resonate Broadcasting
- Cathy O'Connor, DMG Radio
- Wayne Phillips, Flow FM
- Hans Torv, Hot Tomato
- Glenn Wheatley, EON Broadcasting
- Phil Youd, Hits Radio Pty Ltd