



27 October 2017

Senator Janet Rice
Chair, Environment and Communications References Committee
Senator for Victoria
The Senate
Parliament House
CANBERRA
ACT 2600

cc Committee Secretary (ec.sen@aph.gov.au)

Dear Senator

RE: LOCAL CONTENT INQUIRY

We write in relation to the recently announced inquiry into the economic and cultural value of Australian content on broadcast, radio and streaming services (**Inquiry**), moved on 18 October 2017.

We note that the Inquiry includes *'local content requirements for television, radio and streaming services in Australia'*.

We certainly agree that recognition should be given to the enormous amount of great local content that is broadcast day in and day out by Australian commercial radio stations and applaud any process which highlights the key and integral role local Australian commercial radio stations play in their communities.

As you may be aware, there are 260 commercial radio stations across Australia, with 218 of those in regional areas, all providing high levels of local content relevant to their local communities across a range of formats including news, talk, sport, entertainment and music.

However, we would also like to correct some public statements that have been made about commercial radio stations and Australian music quotas. Senator Hanson-Young, in proposing the Inquiry, has stated *"we know that too many commercial radio stations across the country are already not meeting their requirement to play 25 per cent Australian music."*

We would like to provide some accurate information in this regard.

Australian Music requirements

Australian music must be played daily between the hours of 6am and midnight to meet the quotas required under the Commercial Radio Code of Practice (**Code**), which differ by format. Contrary to occasional incorrect public comment, any Australian music outside of those times (i.e midnight to dawn) cannot be counted towards the quotas.

The proportion of total time that must be dedicated to Australian music is determined by the predominant format of the station. For example, not less than 25% of music on a contemporary hits station must be Australian. The average applicable percentage across the commercial radio industry is approximately 20%.

In addition, the commercial radio industry reports several times a year to the Australasian Performing Rights Association (**APRA**) giving details of all music played (on a track by track basis), together with the percentage of Australian music played on each station.

It is a fact that commercial radio stations reach – and in many cases exceed – their Australian music quotas, as can be seen in the most recent AMPCOM report 2015-16.

Compliance with the Australian music quotas, as with all aspects of the Code, is subject to a formal complaints process as set out in section 10 of the Code. Complaints must first be addressed by the station and then, if the complainant is not satisfied, it may escalate the complaint to the ACMA. To our knowledge, there have been no breaches of the Australian music sections of the Code.

The commercial radio industry and the ACMA have also recently reviewed the Code and the public had a 6-week period within which to comment on the draft provisions, including those relating to Australian music. The Code review period took approximately 12 months and the revised Code was registered in March 2017. As the *Broadcast Services Act 1992 (BSA)* provides for triennial reviews of the Code and a review has already taken place this year, complete with public consultation, there is no need for any further review of the Code or its elements.

Local Content

As well as the Australian music quotas the regional commercial radio industry is already subject to the most onerous local content requirements in the broadcast sector.

Under section 43C of the BSA and the *Broadcasting Services (Regional Commercial Radio – Material of Local Significance) Licence Condition 2014* all regional commercial radio stations must broadcast specified levels of material of local significance in addition to Australian music.

In general, regional commercial radio licensees must broadcast a minimum of **3 hours each day** of material of local significance each day. The content must be broadcast during day time hours (5am to 8pm) each business day. This means that the local content is broadcast during peak listening times, thereby reaching the maximum number of listeners.

Once again, regional commercial radio stations often exceed this minimum requirement.

Further local content obligations apply to stations that have experienced a 'trigger event'. A trigger event is, broadly, a change in control of the licensee or registrable media group.¹

Following a trigger event, licensees must:

- meet 'minimum standards' for local news, local weather, local community service announcements, emergency warnings and, where applicable, designated local content programs; and
- maintain the existing level of local presence (defined by retaining as a minimum existing staffing levels and number of studios and other production facilities) for a period of 24 months after the trigger event.

¹ Section 43B of the *Broadcasting Services Act 1992* and *Broadcasting Services (Regional Commercial Radio – Local Presence) Licence Condition 2014*.

The 'minimum standards' for local news, local weather, local community service announcements, emergency warnings are set out in section 61CE, *Broadcasting Services Act 1992* are as follows:

- local news: a local news bulletin lasting at least 12.5 minutes must be broadcast on at least 5 days per week during prime time hours. None of the bulletins may consist wholly of material that has been broadcast in the licence area;
- local weather: local weather bulletins must be broadcast on at least 5 days per week during prime time hours;
- community service announcements: trigger event affected licensees must broadcast at least one local community service announcement each week; and
- emergency warnings: trigger affected licensees must broadcast emergency service warnings when requested to do so.

As an example of the volume of local news provided by regional and rural radio stations, Canberra FM broadcasts 55 local news bulletins per week on 104.7, and 85 per week on Mix 106.3.

Duplication of inquiries

We also feel that we should point out that this is yet another in a long line of inquiries into local content.

Most recently, in February 2016, CRA made a detailed submission to the House Standing Committee on Communications and the Arts' *inquiry into broadcasting, online content and live production to rural and regional Australia*. We attach a copy of CRA's submission for your information.

The new Inquiry appears largely to duplicate elements of the 2016 inquiry in relation to local content in commercial radio.

Our members would prefer to focus on their core business of producing quality broadcast content, rather than making submissions to yet another Committee inquiry covering similar subject matter, particularly when Australian commercial radio stations achieve and exceed the music quota and local content requirements placed on them.

We will be making a more detailed submission to this latest inquiry and would be happy to discuss these issues with the Committee at any time.

Yours sincerely

Jean Warner
Chief Executive Officer