

ACE Radio Network submission to the Inquiry into the Copyright Legislation Amendment (Fair Pay for Radio Play) Bill 2023, November 2023

Executive Summary

The ACE Radio Network is strongly opposed to any proposal to remove the current protection for the commercial radio industry under section 152(8) of the Copyright Act. This provision limits the amount that record labels, represented by the Phonographic Performance Company of Australia (PPCA), can charge for the use of sound recordings on radio. Section 152(8) sets this limit at 1% of a station's gross earnings.

The Network

The ACE Radio Network has been at the forefront of regional Victorian Radio since 1984. Our family-owned company is operated by Rowly and Judy Paterson who themselves are regionally based.

The company has grown over the years to include 21 mainly regional-based radio stations, The Weekly Advertiser newspaper, ACE Digital, and ACE Direct Sales. ACE Radio Broadcasters employs over 200 people across Victoria, New South Wales, and Queensland.

ACE Vision

The vision of the ACE Radio Network is to support the communities in which we broadcast. All staff are trained in this vision, and you will find our company culture encourages our staff to actively participate in local sports, community groups and volunteer events for the benefit of our local communities.

How we service the community

In line with existing legislation, all ACE Radio Network stations broadcast a minimum of 3 hours of local programming during peak listening hours every weekday. Many stations go much further with more local broadcasting across the weekday and into the weekend, alongside dedicated local journalists who provide local news bulletins on air five days a week and a complimentary online news service via local station websites.

Support from State and Federal MP's

I am pleased to provide a letter of support for 3NE & Edge FM in Wangaratta in its submission to Federal Parliament in relation to the station's ongoing community support of the local region in relation to emergency service broadcasting.

Radio broadcasting provides real-time information and can provide the most recent updates to listeners. Radio can reach across regions and can become a valuable source of communication where dependable news is scarce.

As we all know, time can be of the essence when emergencies like floods and fires occur and any system that improves the time that is taken from location identification and the rolling out of information can be extremely beneficial.

As the Member for Ovens Valley based in Wangaratta, I acknowledge the success of this broadcasting service in providing a service of value for the community and provide my full support.

Hon Tim McCurdy MP - Member for Ovens Valley (Nov 2023)

2AY (Est 1930) was Albury's first radio station and, to this day, remains the NSW/Vic border region's trusted resource in providing news and information in real time.

There's no better evidence of this than round the clock emergency broadcasts during the recent 2020/21 'Black Summer' fires, severe local flooding events during three ensuing La Nina years, coinciding with rapidly changing and complex COVID-19 health regulations enforced on the border during 2021/22.

During this period, live and local radio was an essential 'go to' resource for people in my electorate day and night.

Like so many businesses across the nation, traditional mainstream commercial media outlets are under enormous pressure to balance their content with costs. What they do not need right now, is a speculative extra impost or levy which would diminish the services we know and rely upon.

Hon Sussan Ley MP - Federal Member for Farrer (Nov 2023)

ACE Radio Network has a strong commitment to the local communities, in which they operate across Wannon. This includes the radio stations of 3HA Hamilton, 3CS Colac, 3YB Warrnambool and 3WM Horsham.

These radio stations play a critical role in keeping our coastal, rural, and regional communities informed and entertained.

In times of emergency, our local commercial radio stations have provided real-time information, emergency alerts, and instructions to affected communities, even when other communication methods have failed.

Our local commercial radio stations are reliable and accessible and have provided a lifeline for those in crisis, helping disseminate vital information. These stations foster community resilience and can help save lives during disasters.

Hon Dan Tehan MP – Federal Member for Wannon (Nov 2023)

At a crucial time where regional Australians need support to maintain their way of life, the ACE Radio Network stands side by side with them. We are linked with our communities and understand the vital role that local radio plays in keeping audiences informed and entertained.

"From direct experience during a range of natural disasters in Gippsland, I am aware of the critical role our local commercial radio stations play in keeping the community informed. Issuing the latest warnings and advice in a timely manner can save lives.

The best medium for providing up to date information across a broad area is local radio.

Even when the power goes out, people can access information via battery operated radios and in their cars.

Hon Darren Chester MP – Federal Member for Gippsland (Nov 2023)

“The East Gippsland region of Victoria is regularly impacted by fire and flood and just last month had emergency evacuation warnings for both in the same week. While the community is resilient, it relies heavily on up-to-date information from our broadcasters, and it is in these times TRFM/Gippsland’s Gold plays a crucial and critical role. Not all areas receive the ABC to the level of clarity they receive TRFM/Gippsland’s Gold and this station’s role in keeping our communities informed in what are literally matters of life and death, cannot be understated. They provide what is an essential service.”

Hon Tim Bull MP – Member for Gippsland East (Nov 2023)

“In times of emergency, many of my constituents still turn to local radio to get updates on what’s going on, including Gippsland’s Gold and TRFM. With recent fires and floods in my electorate, there were failings of the emergency apps and messages that caused confusion; however, people told me they still could listen to the radio and get the information they needed about the threat to their local community.”

Hon Danny O’Brien MP - Member for Gippsland South (Nov 2023)

The ACE Radio Network meets all ACMA’s legislated local content obligations and exceeds them with pride to support the communities in which we broadcast.

The ACE Network invests in broadcast talent providing employment for over 200 regionally and city-based staff who live locally in the communities in which they work. Because our staff live locally, we understand the needs of each community and broadcast information in support of local community groups, local, state, and federal governments, local sporting organisations and the wider community.

Appendix 1 ACE Staff

Most importantly, when called upon, our regional staff broadcast emergency information on behalf of the authorities to keep our listeners safe and well-informed. **Appendix Two and Three Emergency Responses**

Our business assists mum and dad small businesses to promote their products to local listeners in an ever-changing sales environment.

If the 1% Protective Cap goes, the Australian music quotas must also go

The current 1% Protective Cap and Australian music quotas have been in place for over 50 years. The legislated obligation to play Australian music supports Australian artists and is balanced by the cap.

Without the 1% Protective Cap, the record industry would be able to charge whatever it likes for the broadcast of sound recordings on the radio. US music is free for radio to broadcast. However, the Australian music quotas mean that stations cannot broadcast only free music. Instead, stations must buy a PPCA licence, as they have a legislated obligation to play Australian music.

The 1% Protective Cap exists to balance the amount that the record industry can charge in the context of the Australian music quotas. If the cap were taken away, the Australian music quotas also would need to go. This would hurt the music industry as well as the radio industry.

Inability to service the community

Regional Radio, as with other traditional media, is facing ongoing challenges from innovative technology not always subject to rigorous scrutiny and legislation (online media including websites, content creators, and internationally based streaming services).

Should the legislation change to increase the copyright fees payable to PPCA, the ACE Radio Network would have to review its operating costs in line with the new fees that will be imposed upon us.

Such a review could lead to redundancies of broadcast talent and, therefore, the ability to properly serve the communities in which we broadcast.

Without a 1% Protective Cap, there would be no limit on the amount PPCA could charge for the broadcast of songs on our stations. We would in fact be obligated to play the music no matter the price. Not knowing the fiscal impact will endanger our existing business model and the free services we provide to listeners.

If the 1% Protective Cap was increased, the ACE Radio Network would have to look at increasing talk-based programming on air to limit our production costs. This would be to the detriment of both the Australian music industry and Australian listeners, as it would restrict the formats that Australian radio can afford to broadcast.

If the 1% Protective Cap were increased, the ACE Radio Network would seriously consider more internally produced networked programming at the loss of local jobs but, more importantly, local knowledge.

When our communities are impacted by natural disasters, our staff have years of experience in supporting local communities. Living and working in the very communities impacted by natural disasters gives us a unique opportunity to provide listeners with information, support and leadership when they most need it.

Final Summary

The ACE Radio Network is undoubtedly unique in the Australian Media Landscape. A family-run company with a vision to support the communities in which we broadcast.

Proposed changes to the 1% Protective Cap legislation could threaten the services we provide to our listeners.

Operating a Regional Radio Network will always be challenging, but the proposed change to the cap places yet more onerous responsibilities on an already highly legislated, regulated, accountable (and compliant) industry.

The proposed change to the 1% Protective Cap will have a direct fiscal impact on our business and would require restructuring for us to remain a competitive business in a challenging marketplace.

The restructuring could lead to local job losses along with a reduction in local information, news, and emergency broadcasting.

If successful, the proposed change to the 1% Protective Cap could reduce local Australian voices from local media to the detriment of local residents.

Appendix One – ACE Radio Staff

| BOARD/Head Office | Employment Category | ACE Marketing / DIGITAL | Employment Category |
|-------------------------|-----------------------------|--------------------------|-----------------------------|
| Names redacted 14 Staff | Executive | Names redacted 13 Staff | Admin |
| | Admin | | Admin |
| | Executive | | Admin |
| | Admin | | Admin |
| | Executive | | Admin |
| | Executive | | Admin |
| | Executive | | Executive |
| | Admin | | Admin |
| | Executive | | Admin |
| | Executive | | Admin |
| | On-air Presenter/Production | | Admin |
| | Admin | | Admin |
| | Executive | | Sales |
| | Executive | | |
| | | | |
| 2AY Albury | Employment Category | 2QN & Edge FM Deniliquin | Employment Category |
| Names redacted 15 Staff | Executive | Names redacted 9 Staff | News |
| | Admin | | On-air Presenter/Production |
| | On-air Presenter/Production | | Sales |
| | On-air Presenter/Production | | Sales |
| | Admin | | Sales |
| | Sales | | On-air Presenter/Production |
| | On-air Presenter/Production | | On-air Presenter/Production |
| | On-air Presenter/Production | | Sales |
| | News | | Admin |
| | On-air Presenter/Production | | |
| | Technical | | |
| | Sales | | |
| | On-air Presenter/Production | | |
| | Sales | | |
| | On-air Presenter/Production | | |
| | | | |

| 3CS & Mixx FM Colac | Employment Category | 3HA & Mixx FM Hamilton | Employment Category |
|--|-----------------------------|-----------------------------|-----------------------------|
| Names redacted 14 Staff | Sales | Names redacted 14 Staff | Admin |
| | Technical | | On-air Presenter/Production |
| | News | | Technical |
| | Sales | | On-air Presenter/Production |
| | Sales | | News |
| | Sales | | Sales |
| | Admin | | Sales |
| | Admin | | Admin |
| | On-air Presenter/Production | | Sales |
| | On-air Presenter/Production | | On-air Presenter/Production |
| | Sales | | Technical |
| | Admin | | Sales |
| | On-air Presenter/Production | | Sales |
| | On-air Presenter/Production | | Executive |
| | | | |
| METRO STATIONS 2UE, 3MP, 4BH & Magic | Employment Category | 3NE & Edge FM Wangaratta | Employment Category |
| Names redacted 17 Staff | Sales | Names redacted 14 Staff | Sales |
| | On-air Presenter/Production | | Sales |
| | On-air Presenter/Production | | Sales |
| | On-air Presenter/Production | | On-air Presenter/Production |
| | On-air Presenter/Production | | Sales |
| | On-air Presenter/Production | | On-air Presenter/Production |
| | On-air Presenter/Production | | Technical |
| | Admin | | On-air Presenter/Production |
| | Sales | | Sales |
| | On-air Presenter/Production | | On-air Presenter/Production |
| | News | | Executive |
| | Admin | | Admin |
| | On-air Presenter/Production | | News |
| | On-air Presenter/Production | | On-air Presenter/Production |
| | Sales | | |
| | On-air Presenter/Production | | |
| | Sales | | |
| | | | |

| | Gold & TR FM Gippsland | Employment Category | 3WM & Mixx FM/TWA Horsham | Employment Category | |
|--|---|-----------------------------|--|-----------------------------|--|
| | Names redacted 25 Staff | On-air Presenter/Production | Names redacted 31 Staff | Sales | |
| | | Sales | | On-air Presenter/Production | |
| | | On-air Presenter/Production | | Admin | |
| | | Sales | | Executive | |
| | | Sales | | On-air Presenter/Production | |
| | | Sales | | Sales | |
| | | On-air Presenter/Production | | Sales | |
| | | On-air Presenter/Production | | On-air Presenter/Production | |
| | | On-air Presenter/Production | | On-air Presenter/Production | |
| | | Admin | | On-air Presenter/Production | |
| | | On-air Presenter/Production | | Sales | |
| | | Admin | | News | |
| | | Executive | | On-air Presenter/Production | |
| | | On-air Presenter/Production | | Sales | |
| | | Sales | | On-air Presenter/Production | |
| | | On-air Presenter/Production | | Sales | |
| | | On-air Presenter/Production | | News | |
| | | On-air Presenter/Production | | News | |
| | | Sales | | On-air Presenter/Production | |
| | | Technical | | On-air Presenter/Production | |
| | | Admin | | Admin | |
| | | Sales | | Admin | |
| | | News | | Sales | |
| | | Sales | | Sales | |
| | | On-air Presenter/Production | | Technical | |
| | | | | Sales | |
| | 3YBFM & Coast FM Warrnambool | Employment Category | | Sales | |
| | Names redacted 24 Staff | On-air Presenter/Production | | News | |
| | | Sales | | Technical | |
| | | On-air Presenter/Production | | Admin | |
| | | Sales | | Technical | |
| | | Sales | | | |
| | | Admin | 3SH & Mixx FM Swan Hill | Employment Category | |
| | | On-air Presenter/Production | Names redacted 13 | Sales | |
| | | | | | |

| | | | | |
|--|-----------------------------|-------|-----------------------------|--|
| | Sales | Staff | Sales | |
| | On-air Presenter/Production | | Admin | |
| | On-air Presenter/Production | | Sales | |
| | On-air Presenter/Production | | On-air Presenter/Production | |
| | Admin | | Sales | |
| | Technical | | On-air Presenter/Production | |
| | On-air Presenter/Production | | Sales | |
| | On-air Presenter/Production | | Admin | |
| | On-air Presenter/Production | | Executive | |
| | On-air Presenter/Production | | Admin | |
| | Sales | | Sales | |
| | On-air Presenter/Production | | On-air Presenter/Production | |
| | News | | | |
| | Executive | | | |
| | On-air Presenter/Production | | | |
| | On-air Presenter/Production | | | |
| | Sales | | | |
| | | | | |

Appendix Two – Emergency Broadcasting

Source: Deloitte Connecting Communities Report 2023

During the pandemic in 2020, radio was integral to reducing case numbers and protecting the community.

ACE Radio Broadcasters is a family-owned network that broadcasts in regional Victoria. The network played an integral role in supporting the community through the COVID-19 pandemic in 2020 in Colac, both prior to and after experiencing an outbreak of the disease. Reaching the community not only through broadcasts but also through its social media presence, MIXX FM and 3CS, which helped to reduce cases of the virus to zero within three weeks of a significant outbreak.

In August 2020, Colac experienced a widespread outbreak of COVID-19 cases and had the highest per capita rate in regional Australia. In 72 hours, Colac had become a hotspot for Covid. Quick action was critical to protect the community. In response to the health crisis, 3CS and MIXX FM ran the initiative Get Back to None to influence the community and local businesses to take care of each other and reduce the number of cases to zero.

MIXX FM and 3CS encouraged the community to wear masks and stay at home to curb the spread of the virus through video content on social media platforms. Their social media numbers saw mass engagement, with content reaching hundreds of thousands of people each month.

Further, the local radio stations leveraged relationships with community leaders to engage the community in their broadcasts. Listeners could hear from people they knew rather than just political leaders. Rowly Paterson, owner of ACE Radio Broadcasters, stated that “they used local identities and leaders, the mayor and football captains – they are the people that are relevant”.

In addition to educating listeners on the pandemic, the radio stations ran initiatives to support the community during the challenging period. For example, they ran food drives and rallied local businesses to supply lunch for nurses working in testing clinics. The network also worked to support the local hospitality and music industry by running events like the Big Night In, which engaged the local artists and businesses.

The impact of the initiatives has been widely appreciated in Colac. Fiona Brew, CEO of Colac Area Health, stated that “we wouldn’t have survived without the support of MIXX FM”. It is clear that Local radio plays a significant role in the community, as highlighted by Nick Hay, General Manager of 3CS and MIXX FM. “Whether that’s a bushfire, health crisis or a flood – it’s local radio’s time to step up”.

Appendix Three – Emergency Broadcasting

Source: TR FM and Gippsland’s Gold October 2023

On Saturday, September 30 as Gippslanders gathered to enjoy the AFL Grand Final, fires broke out to the north of the Heyfield Township in the Wellington Shire. Unknown at the time, these fires were to start an incredible week in Gippsland with Fires to be followed by Floods and then an Earthquake, all within eight days.

Gippsland’s Gold and TR FM quickly began emergency broadcasting that Saturday afternoon, reporting on the Watch and Act level messaging for the fires North of Heyfield. Whilst this did interrupt the coverage of the AFL Grand Final, the prioritisation of information for local communities has always been at the forefront of the commitment from the ACE Radio Network.

The next day, in the early hours of Sunday the 1st of October, the communities of Erica, Rawson and Walhalla were put on alert for a fire that began sometime before 5 am that morning. Quickly escalating from Watch and Act through to Emergency Warnings for evacuation, Gippsland’s Gold and TR FM were on air broadcasting important messages for those communities and interviewing incident controllers on air to provide as much information as possible. By afternoon the situation had worsened and new fires well away from the Erica fire had begun to threaten lives.

Live, local broadcasting did not stop as fires began near Briagolong and Loch Sport in the Wellington Shire and near Eagle Point in the East Gippsland Shire. By afternoon, fires were active in 3 of Gippsland’s local government areas.

Gippsland’s Gold and TR FM would remain on air with emergency messages into Monday and Tuesday before the incredible happened; a large storm front would bring over 200 mm of rain to some parts of Gippsland, including the fire grounds. But with the rain came a dangerous new threat for communities who had escaped the fire: rapid increases in local rivers leading to major flooding and inundation of homes and businesses.

Again, Gippsland’s Gold and TR FM broadcast emergency evacuation messages for the flooding. Mercifully, fire activity calmed as did the flooding and by Friday night, the 6th of October, emergency messages on air were eased.... Until Saturday morning when East Gippsland suffered an earthquake.

In all, Gippsland’s Gold and TR FM produced well over 80 hours of live emergency broadcasting in one week, with further messaging updated at night as dictated by Vic Emergency.

Local Incident Controllers were on the radio stations every day for seven days straight, talking about the impacts on local people. The local newsroom interviewed emergency response coordinators, local community leaders such as Shire Mayors, our State MPs and business owners impacted by the natural disasters. “Our staff are proud to have supported Gippsland during an incredible week”, Mat Cummins, General Manager of Gippsland’s Gold and TR FM.