The ABA received ten responses to its request for comment on the findings of the report, *Trading the Regulatory Obligations of Broadcasters* which considered the applicability of a tradable obligations scheme to broadcasting content.

Trading the regulatory obligations of broadcasters: industry responses

The report, *Trading the Regulatory Obligations of Broadcasters,* prepared for the ABA by The Allen Consulting Group, considered the applicability of a tradable obligations scheme to broadcasting content. The report concluded that a limited trading scheme involving commercial television broadcasters, and applying to the quotas for children's programming and Australian documentaries may be feasible, depending on the preparedness of broadcasters to trade.

The ABA received ten responses to its request for comment on the report's findings. These came from: Commercial Television Australia (CTVA, now Free TV Australia), the Australian Film Commission (AFC), Film Australia, the Australian Children's Television Foundation (ACTF), Youth Media Australia, and a number of production industry organisations, namely Screen Producers Association of Australia (SPAA), Burberry Productions, Media Entertainment and Arts Alliance (MEAA), the Writers Guild (AWG), and the SPAA/ASDA Documentary Council.

While supportive of the report's recommendation on tradability between commercial broadcasters in children's programming and documentary, CTVA disagreed with the limitations proposed in the Allen's model. Commercial broadcasters considered that tradable obligations should apply to all programming areas, including those where above minimum quota programming occurs, and should also extend to national broadcasters. CTVA suggested that by providing a broadcaster the ability to specialise in a particular genre, a tradable obligations approach could potentially improve the quality of programming, 'while ensuring a greater variety of programming across all networks'(CTVA p.1).

Other respondents supported some aspects of the report such as the finding that tradability should not extend to above quota areas, or to national broadcasters. The AFC submitted that while a tradable quota approach may have merit in the context of future digital multichannelling by free-to-air broadcasters, it is inappropriate within the current analog environment. Overall, all responses, other than that of the CTVA, opposed the introduction of tradability for children's programming and documentary for broadly similar reasons which can be summarised as follows:

- The cost of compliance for broadcasters is not high and content regulations are part of the cost of owning a free-to-air commercial broadcasting licence
- Current content regulations provide substantial flexibility and do not limit schedule innovation
- While broadcasters only just meet the sub-quota requirements for children's and documentary programming, tradable quotas would ensure that current levels in these areas would become maxima not minima
- Tradable content quotas could lead to a loss in diversity in content with programs commissioned from a smaller number of sources
- Moves to concentration in content buying could drive down licence fees and transfer more of the cost of producing these programs to funding bodies and producer sourced finance.

The ABA is not proposing that a regime of tradable obligations be established in the short to medium term. The report was commissioned by the ABA as part of its ongoing research into policy options for achieving public benefits in a changing broadcasting environment.

To see the report

The report, *Trading the Regulatory Obligations of Broadcasters* and the responses from industry groups are on the ABA web site: www.aba.gov.au/tv/research/projects/trading_oblig.htm