

# Local content condition on regional commercial television broadcasters

**From 1 January 2008, as part of the Australian Government's media reform package, it is proposed that the existing local content licence condition will be revoked and replaced.**

Whereas the existing licence condition was enforced at the discretion of ACMA, the new licence condition is a statutory requirement. Tasmanian licensees are also required to meet local content requirements for the first time. The proposed new requirements will not materially alter the requirements of the existing condition for those who are currently required to comply with it.

In revoking the condition and replacing the local content licence condition, ACMA must ensure that regional television broadcasting licensees in Queensland, New South Wales, Victoria, and Tasmania, broadcast at least minimum amounts of material of local significance. The test of whether material is of local significance combines the subject and the way in which the subject is presented. Material must have a local emphasis to qualify as 'material of local significance'.

The imposition of the local content licence condition in 2004 was in response to an investigation into the closure of news bureaus by Southern Cross Broadcasting in Canberra, Cairns, Townsville, Darwin and Alice Springs and the cutting of local news bulletins in Canberra, Newcastle and Wollongong by Prime TV.

The licence condition for commercial television broadcasters was introduced in northern New South Wales, southern New South Wales, regional Victoria, eastern Victoria, western Victoria and regional Queensland, from 1 February 2004.

The licence condition requires all regional television licensees in the four regional markets to broadcast material of local significance, within each specified local area, to meet minimum quotas comprising:

- a minimum of 720 points per six-week period; and
- a minimum requirement of 90 points per week.

Material of local significance can either relate to a local area, or to the licensee's licence area. Material that may be considered of local significance could include:

- material that deals with people, organisations, events or issues that

are of particular interest to people in the area, in a way that focuses on the interests of people in the area;

- material about an individual in whom people in the area are particularly interested because of an association with the area, such as the individual having grown up, or lived, in the area.
- material that deals with the effects on the area of an event that occurs elsewhere;
- material about a sporting event that involves a team from the area or that involves a team from a nearby area, whose principal support base includes the area, or a significant part of the area;
- material about market conditions that closely affect a major business activity in the area, such as prices of a commodity in an area where that commodity is produced on a significant scale.

The points system provides an incentive for licensees to broadcast local news above other material, while also recognising that other types of material of local significance may be of interest to local audiences. The licence condition recognises both news bulletins and news updates. It notes that the traditional format of a 'news update' is a program of not more than two minutes that does not include advertisements.' Both the bulletin and update format are acceptable, provided that they meet the licence condition's requirements.

This flexibility allows licensees to broadcast different and complementary services within the local areas served. On account of low take-up rates of digital receivers among consumers in Tasmania, ACMA proposes to grant alternative treatment to Tasmanian digital television for a limited period as an interim measure. Tasmanian digital television would be required to meet minimum quotas comprising a minimum of 120 points per calendar year. A separate licence condition has been drafted to reflect the proposed alternative arrangements for Tasmanian digital television. This treatment is proposed until the earlier of the

Saturday immediately following switch-off of analog television services in the Tasmanian licence area or 31 December 2012. The date of analog switch-off is not yet known. From the appropriate date, Tasmanian digital television will be required to comply fully with the proposed local content requirements for other licensees.

ACMA adopted a compliance strategy consisting of self-reporting of points, licensee education and liaison, and targeted audits.

Following the first full year of the condition's imposition, ACMA commissioned an independent preliminary evaluation of how the condition has been implemented. The intention of the preliminary evaluation was to gather information about the effectiveness of the implementation process and to ensure that the requirements were understood.

The 2005 evaluation found that all licensees were meeting their points quotas under the licence condition. It also concluded that the condition has been effective in generating local programming, in that each of the audited licensees succeeded in generating sufficient points to comply with the condition's local area broadcast requirements.

Implementation issues were identified in the evaluation on which further improvement could be made. Licensees also provided feedback to ACMA on their experiences in applying the condition's requirements. ACMA engaged consultants in May–June 2007 to conduct three audit projects.

ACMA released the draft new licence conditions on 27 August 2007, inviting written submissions from affected licensees and the public. Comments closed on 21 September 2007.

## APPLICATIONS FOR TWO NEW COMMUNITY RADIO LICENCES IN PERTH RELEASED FOR COMMENT

ACMA recently invited submissions on the applications received from four organisations for two new community radio licences to serve Perth. The new services would operate on the frequencies 90.5 MHz and 100.9 MHz.

Only non-profit community broadcasting organisations that represent a community interest are eligible for the allocation of a community broadcasting licence.

ACMA received four applications for the 100.9 MHz frequency and three for 90.5 MHz. The four applicants for frequency 100.9 MHz are Peedac Pty Ltd; Capital Community Radio Inc.; Phoenix Radio Pty Ltd and Western Sports Media Inc. The three applicants for frequency 90.5 MHz are Capital Community Radio Inc., Phoenix Radio Pty Ltd and Western Sports Media Inc.

ACMA will decide whether a licence is to be allocated and, in the case of competing applicants, to which applicant. The *Broadcasting Services Act 1992* provides that the allocation of broadcasting services bands community broadcasting licences is merit based: that is, ACMA will allocate these licences on the basis of the merits of applicants and their proposed services and, where necessary, on the comparative merits of competing applications. ACMA is not obliged to allocate a community broadcasting licence to an applicant even though ACMA has advertised for and received applications.

Submissions closed on 21 September 2007. The applications are on ACMA's website at [www.acma.gov.au](http://www.acma.gov.au) (go to For licensees & industry: Licensing & regulation > Broadcasting: Broadcasting licensing > Current activities > Licence allocations > Current AM/FM radio licences).