

Commercial radio standards set for major review

The ACMA is set to consult in the review of the commercial radio standards, following the completion of a program of research into community attitudes, industry compliance and international approaches to regulation.

The commercial radio standards were introduced in 2000 as an outcome of the Commercial Radio Inquiry—commonly referred to as ‘cash for comment’—which was conducted by the Australian Broadcasting Authority (ABA) into certain commercial agreements between a number of current affairs program presenters and sponsors. The three standards govern:

- > the disclosure of commercial agreements entered into by presenters of current affairs programs and their sponsors
- > the need to distinguish advertisements from other programs
- > compliance by licensees with their regulatory obligations.

‘This review has two important objectives,’ said Chris Chapman, Chairman of the ACMA. ‘It is intended to ensure appropriate and contemporary community safeguards are being delivered, taking account of the interests

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of commercial radio listeners as citizens and as consumers. Also, it is intended to review industry concerns about a range of operational issues within the existing standards. This is the first substantive review of the standards since their inception and, in light of developments over the past decade, it will be wide-ranging.’

The issues paper gives all stakeholders the opportunity to reconsider the standards from ‘first principles’. The paper considers the need for any regulation, the scope of any regulation and how any regulation, if required, may be put into operation.

This issues paper has been informed by a comprehensive program of commissioned research into community attitudes, industry compliance and international approaches to the regulation of advertising, sponsorship and commercial disclosure on commercial radio (see opposite). This research, together with the information received in submissions, will form the evidence-base for the review.

Process and timeline for the review

The February release of the issues paper marks the commencement of the first of up to three rounds of public consultation.

Any specific options for regulation that emerge from the ACMA’s research program and from consultation on the issues paper will be canvassed in an options paper which will be released in the third quarter of 2010 for a further round of public consultation.

If the ACMA decides that regulatory change is necessary, it will release for public comment draft variations to the existing standards or a draft of any new standard, along with draft explanatory statements. The ACMA will also seek public comment if it decides to revoke one or more of the existing standards.

The consultation phase of the review is expected to be concluded in 2010.

Scope of the review

The review will consider the appropriateness, effectiveness and efficiency of current regulatory arrangements under the commercial radio standards, including the extent to which these achieve their current objects and are consistent with the objects and regulatory policy of the *Broadcasting Services Act 1992* (BSA).

Specifically the review will consider:

- > Community attitudes, industry practice and the regulatory environment in relation to commercial arrangements that may affect the content of news and current affairs programs on commercial radio.
- > The extent to which the commercial radio standards have achieved their objectives, and the experience and performance of the commercial radio sector in meeting current regulatory requirements.
- > The most effective regulatory response to the issues that emerge during the review, including alternative regulatory approaches.

The review will also consider any other relevant matters that may arise through the process.

In undertaking the review, the ACMA will consider contemporary business models operating in the commercial radio sector, changes to the commercial radio industry and to the regulatory environment since the standards were introduced, and possible future developments associated with converging media, including the introduction of digital radio. International approaches to similar issues will also be examined.

The ACMA will consult with commercial radio licensees, interested parties and the general public in the course of the review process.

Submission details

Submissions for the issues paper should be sent to crsreview@acma.gov.au, which is also the contact point for further information.

The closing date for submissions is Friday 16 April 2010. ☎

The issues paper—*Review of the commercial radio standards*—and related research reports are available on the ACMA website at www.acma.gov.au (go to For the public: Content & advertising > Broadcasting : Broadcasting content regulation > Radio content regulation > Commercial radio standards > Review of commercial radio standards).

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Research undertaken for the commercial radio standards review

The ACMA announced the commercial radio standards review in December 2008, and throughout 2009 undertook a comprehensive program of research directed toward establishing an evidence base for the review. The following research is contributing to the review:

- > *Community Attitudes to Radio Content* was prepared for the ACMA by Ipsos MediaCT. The report presents the findings of a national telephone survey, undertaken in February 2009, of Australians aged 15 years and over. Among other things, the research explores: the importance of commercial radio as a source of news and current affairs relative to other media; attitudes towards commercial influence in news and current affairs content; the perceived importance of disclosure announcements in current affairs programs. For more information on this report, see pages 7–8.
- > *Listener Attitudes to Advertising, Sponsorship and Influence on Commercial Radio* was prepared for the ACMA by Ipsos MediaCT. The research explores a range of topics including people's ability to distinguish advertising/sponsorship from other program material; attitudes to advertising/sponsorship practices; concerns about advertising/sponsorship practices. For more information on this report, see page 14.
- > *International Regulation of Advertising, Sponsorship and Commercial Disclosure for Commercial Radio Broadcasting* was prepared for the ACMA in June 2009 by Professor Lesley Hitchens of the Faculty of Law at the University of Technology, Sydney. The report provides a comparative

survey and analysis of policies and regulations relating to advertising and sponsorship on commercial radio, as at June 2009. It focuses on rules which are relevant to news and current affairs programming, canvassing the jurisdictions of the UK, the US, Ireland, Canada and Germany, and includes an overview of Australian regulation in the introduction. The report provides detailed explanations of regulation in each jurisdiction as well as high-level analysis. The report finds some common core principles and practices as well as some fundamental differences in approach.

- > *Industry Compliance with the Compliance Program Standard* was prepared for the ACMA by DBM

Consultants. The report details the findings of a confidential survey of all commercial radio licensees, undertaken in June 2009, to assess the extent of industry compliance with the Compliance Program Standard. The report explores the experience and performance of industry in meeting current requirements under the Compliance Program Standard. 

These reports are now available on the ACMA website at www.acma.gov.au (go to For the public: Content & advertising > Broadcasting: Broadcasting content regulation > Radio content regulation > Commercial radio standards > Review of commercial radio standards).

