

MEDIA REFORM GREEN PAPER SUBMISSION BY LINDSAY SOMERVILLE

THE BROADCASTING SERVICES ACT [1992] NEEDS REFORM

- The Broadcasting Services Act 1992 (BSA) was established almost 30 years ago as a regulatory framework for Free-to-Air (FTA) services in Australia.
- In 2021, the BSA is no longer fit-for-purpose for administering and regulating traditional media and digital platform broadcasting services.
- A major review and reform of the BSA is overdue.

THE MEDIA REFORM GREEN PAPER IS INADEQUATE

The Green Paper seriously fails to identify and address any shortcomings of the BSA, specifically, provision of a regulatory environment that will facilitate the further development of a broadcasting and datacasting industry in Australia that is efficient, competitive, diverse and responsive to the needs and the expectations of the Australian audience.

MULTIPLEXING

- The Green Paper is trying to get the commercial TV stations [FTA] to use privately owned transmission facilities, instead of stations using their own transmission facilities, as they do today. The commercials will be forced to use private transmitters where there will be no control of their transmission costs forever.
- Private transmission operators would be able to increase charges when contract periods expire. There could be no turning back under this proposal.
- Multiplexing means that the ABC and SBS would have to close TV stations as bandwidth will be decreased. Rural and regional communities will be greatly disadvantaged.
- Instead of supplying more TV services to rural and regional Australia there would be less channels available - absurd.

Why should the ABC be forced to join the commercial stations if two commercial stations opt in? This is the government directing how the ABC operates.

LICENCE FEES

- Why is the government planning to eliminate licensing fees? Who will make up the \$9.5-12 million shortfall in the budget?
- Licence fees were cut by the government recently yet ABC funds were also cut.
- Although the commercials pay \$9.5-12 million pa licence fees and claim this is excessive their revenue from advertising is up according industry body ThinkTV:

The total TV market, which includes metropolitan free-to-air, regional free-to-air, subscription TV and Broadcast Video on Demand (BVOD) and excludes SBS, recorded combined revenue of **\$3.4 billion for the year to June 2020.**

In the June half, TV advertising revenues were \$1.49 billion.

The total revenue for the metropolitan free-to-air networks was \$1.01 billion for the six months to June 2020. For the 12 months, **metropolitan free-to-air advertising revenue was \$2.33 billion.**

The record-breaking performance of BVOD platforms 7Plus, 9Now, 10 Play and Foxtel Now continues with BVOD revenue **up 23.4% to \$83 million** for the six months to June 30, 2020.

BVOD revenue for the total financial year was **\$170 million, up 32.7% year-on-year.**

[https://mumbrella.com.au/tv-advertising-market-falls-back-22-1-in-first-half-of-2020-637484#:~:text=For%20the%20entire%202020%20financial,video%20on%20demand%20\(BVOD\).&text=BVOD%20revenue%2C%20however%2C%20was%20up,financial%20year%20to%20%24170m](https://mumbrella.com.au/tv-advertising-market-falls-back-22-1-in-first-half-of-2020-637484#:~:text=For%20the%20entire%202020%20financial,video%20on%20demand%20(BVOD).&text=BVOD%20revenue%2C%20however%2C%20was%20up,financial%20year%20to%20%24170m).

Why would the government even contemplate foregoing the revenue from licence fees when the commercial stations are making huge profits by their own admission?

AUSTRALIAN CONTENT

- We need more Australian content but it is proposed that content transmission obligation for multi-channels be repealed. This is completely absurd. We already

have many old movies on TV and without any obligations for Australian content we will have more old movies and old shows on TV. Hardly an ideal outcome.

- Why is the Green Paper advocating the ABC and SBS provide new Australian programming when elsewhere in the paper it is proposed to reduce the FTAs requirements to provide Australian programming?
- Claiming that SVOD operators cannot afford to produce local content is nonsense. SVODs operating in the EU are currently required to devote 30% of their catalogue to European produced content. France requires that the SVODs spend 16% of revenue earned in France on locally commissioned content whilst Germany requires Netflix and Amazon to invest in the German Federal Film Board.
- A similar requirement would greatly enhance local production.
- Other jurisdictions legislate the above outcomes and all survive.
- Commercial stations have had the requirement for Children's programming reduced recently by government. So why contemplate a quota for the ABC? Resurrect the previous requirement for commercials to produce Australian content for children.

There is no evidence the free-to-air business model is challenged.

NEW LICENCES

- Chapter 3 states that there would be a continuing moratorium on allocation of any commercial licences. Why? Under a free enterprise system commercial companies must be able to add or subtract any services they see fit. Protecting the existing players enhances mediocrity and diminishes vision for new services.
- Newspapers, magazines and websites are not licenced and thrive on competition. Why not TV stations? With no licence fee to be paid competitors may be willing to set up new stations.

It is stated on p20 that '...a diverse...media is a key goal...'. Why restrict the players in the market?

DEATH OF FREE-TO-AIR TV?

- The Media Reform Green Paper claims that many Australians would be disadvantaged if free-to-air TV services were withdrawn. However we all had to get the NBN whether we liked it or not. So why the concern about possibly losing free-to-air TV in some areas?

- I am now paying considerably more for my internet for a slower speed. Both outcomes endorsed and forced on me by the government. So much for freedom of choice.
- Why should regulatory obligations be reduced for free-to-air services? The commercial operators will do less and less unless forced to accept government guidelines.

CONCLUSION

- I cannot see any advantages for consumers in the Green Paper. It is heavily slanted towards the commercial TV stations who are always complaining about licence fees, and protest about being forced to produce Australian programming.
- They have never stopped complaining since TV was introduced in Australia 65 years ago despite making huge profits.
- Allow the ABC to determine how much local content is shown annually.
- This also appears to be a request for the private operator of transmission services, to be the multiplexing transmitter company at the expense of licence fees and Australian content. The winner would be the private transmission operator and the loser will be the Australian public.
- Rural and regional services will be adversely affected which will decrease diversity

Getting more bandwidth appears to be the main object in this Green Paper so extra bandwidth can be auctioned to the highest bidder at the expense of having less channels, especially in rural and regional Australia and inferior signal quality.