



Christine McDonald
Secretary
Senate Environment and Communications
Legislation Committee
Parliament House
CANBERRA ACT 2600

Inquiry into the provisions of the Broadcasting Legislation Amendment (Media Reform) Bill 2016

Dear Ms McDonald

Thank you for the opportunity to provide to the Committee a submission on the above mentioned Bill.

In March 2016, Southern Cross Austereo (SCA) provided a submission to the inquiry conducted by the Senate Environment and Communications Legislation Committee tasked by the previous Parliament into an earlier version of the Bill.

Given that the provisions of the previous Bill are substantially the same as the new Bill, SCA refers the Committee to the SCA submission of the 21 March 2016.

In addition, SCA would like to take this opportunity to update the Committee on changes that have occurred in Australian regional television since our last submission was made. While these changes do not alter our support for the Bill and its intent to abolish the 75% audience reach rule and the two out of three cross media rule, an outline of these changes may assist Senators who are considering the Bill.

Change of affiliation agreements from Ten to Nine

SCA is licensed to broadcast free-to-air television into thirty regional sub-markets (population centres) across northern New South Wales, southern New South Wales, regional Queensland, regional Victoria, Tasmania, the Australian Capital Territory, the Spencer Gulf region of South Australia, Darwin and the remote regions of Australia.

Through affiliation agreements, SCA purchases the vast majority of its programming from the metropolitan networks.



Prior to 1 July 2016, SCA's primary affiliation agreement was with Network Ten but SCA also had affiliation agreements with Seven West Media (for Tasmania, Darwin and Broken Hill/Spencer Gulf) and with Nine Entertainment Company (for Broken Hill/Spencer Gulf).

As of 1 July 2016, SCA entered into a new affiliation agreement with Nine Entertainment Company to broadcast their channels to regional Queensland, regional Victoria and southern NSW. Under the new affiliation agreement SCA pays Nine a 50% affiliation fee paid which sees 50 cents in each dollar of SCA's gross revenue for these markets paid to Nine. The fee is calculated on the gross revenue collected prior to GST.

In joint venture with WIN, SCA also broadcasts the Nine channels in Tasmania. The TDT joint venture previously broadcast the Ten Channels.

SCA continues to broadcast the Ten channels in the northern NSW licence area (which includes the Gold Coast) and in Darwin (in joint venture with Nine Entertainment Company) and in remote Central and Eastern Australian (in joint venture with Imparja Television).

Local content

In addition to the programs supplied by the metropolitan networks, SCA also produces and broadcasts local content as part of its broadcast.

In the five aggregated markets of northern New South Wales, southern New South Wales, regional Queensland, regional Victoria and Tasmania, SCA is subject to a licence condition imposed under the Broadcasting Services Act 1992 requiring it to broadcast minimum levels of "material of local significance".

This local content requirement applies only to regional broadcasters with no equivalent regulatory burden imposed on metropolitan broadcasters.

SCA consistently meets and in some cases exceeds the quota. As outlined in our March submission, SCA's Tasmanian Seven service currently broadcasts a 60 minute news service broadcast seven nights a week and SCA also provides local news updates to local areas across regional Queensland, southern New South Wales, northern New South Wales, and regional Victoria markets.

In addition, SCA also offers a number of news services in licence areas that are not subject to a licence condition due to their smaller population.

SCA broadcasts a 30 minute weeknight news service into Broken Hill and the Spencer Gulf produced in Canberra, sourced from reporters located in Port Pirie, Port Augusta, Port Lincoln, Whyalla and Broken Hill and local news updates for Remote Central and Eastern Australia and for Darwin. These services are provided although there is no regulatory requirement to provide news services in these smaller markets.



This Bill provides that upon a trigger event there will be an increase in the quota of local content required in aggregated markets and introduction of a quota for the non-aggregated markets.

SCA supports these provisions given that the proposed increase and the new quotas are reasonable and are activated on a trigger event. Given declining revenue levels in regional markets and the high costs of programming acquisition and transmission, quotas cannot be either exhaustive or uneconomic for regional broadcasters

SCA would meet any such increased and new quotas should SCA be subject to a trigger event.

Local content under the new Nine affiliation agreement

As a result of the 1 July change of affiliation to Nine in the regional Queensland, regional Victoria and southern NSW markets, SCA has indicated that it will be expanding its local news offerings.

These local news bulletins are funded as a component of the affiliation fee paid to Nine for programming. Taking advantage of its existing news facilities and infrastructure, the production of the local news will be outsourced to Nine.

It is anticipated that SCA will broadcast local 60 minute bulletins branded as National Nine News which will contain dedicated sub-market news content. The local content will be produced using a substantial number of locally based staff including video journalists.

The planned launch dates for these news bulletins will be announced in due course.

Please contact

at or on should you wish to
discuss this submission further.

Yours sincerely