



18 March 2013

Mr Matt Thislethwaite MP
Chair
Joint Select Committee On Broadcasting Legislation
Department of House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr Thislethwaite

RE: SUPPLEMENTARY SUBMISISON TO THE JOINT SELECT COMMITTEE ON BROADCASTING LEGISLATION

Nine thanks the Committee for its time at the hearing and wishes to lodge these supplementary submissions.

The abolition of the 75 percent reach rule is long overdue in a convergent media landscape. There is some suggestion that, if the parliament was to remove the rule in the current sittings, the timing of the change would unfairly advantage particular broadcasters, and presumably disadvantage others.

The simple fact is that the change was publically announced by the Minister for Broadband, Communications and the Digital Economy last November. All commercial broadcasters have therefore been on notice to the potential for change since that time.

Presently, four of the six commercial broadcasters are in discussions on renewal of affiliation agreements. Conclusion of those discussions will effectively close the door on a merger with another party for these broadcasters, and will stifle commercial discussions with an affiliate who could refuse to substitute the affiliation arrangement for a merger or worse, hold the other party to ransom on the terms of a merger.

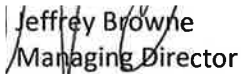
If the rule was to be removed, it is open to any of the broadcasters currently in affiliation discussions to convert those discussions to merger negotiations if that would significantly benefit their respective businesses and the audiences they reach. Additionally, the regional affiliate PRIME, which is not in affiliation discussions, has requested that the rule be disposed with now to preserve shareholder value - which has factored in the abolition of this rule.

Nine is respectful of the concerns raised by some Committee Members to ensure local content is protected. Nine has provided a draft of an Enforceable Undertaking it would be prepared to provide to the ACMA to address this concern. This Enforceable Undertaking will ensure that provision of local news bulletins is legally enforceable so there can be no doubt about compliance.

It is critical therefore to do away with this anachronistic rule now as it serves no useful purpose and more so having regard to the Enforceable Undertaking Nine is prepared to provide and which could equally be required from other parties wishing to merge.

We urge the Committee to support the inclusion of this change into the draft legislation currently being considered by the parliament.

Yours sincerely


Jeffrey Browne
Managing Director