

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2016
Communications Portfolio
Australian Communications and Media Authority

Question No: 11

Australian Communications and Media Authority

Hansard Ref: Page 18, 9/02/2016

Topic: Local Content – Audit

Senator McKenzie, Bridget asked:

Senator McKENZIE: So we had a system prior to 2014 where it was self-assessment and we did not do an audit of the veracity of TV broadcasters' claims around whether or not they were providing the local content, and then we decide, 'Oh, well, because there is such a high level of compliance'—that we have never actually audited—'we are going to reduce the level of oversight to move it to a complaint-driven system.' Am I fleshing that out correctly?

Ms McNeill: You are fleshing it out broadly correctly, but I think that the ingredient that you might not be acknowledging adequately is the role that complaints and viewer visibility of compliance have in contributing to the accuracy of the system. Broadcasters are held to account by their audiences as well as the regulatory.

Mr Chapman: What I would also like to take on notice is whether going back there were actual assurance tests and audits conducted on television.

Senator McKENZIE: That was my first question—to see what measures under that self-assessment regime ACMA had to assure that when WIN, Prime and Southern Cross came to you and said, 'Yes, we're fulfilling our local content provisions,' that that was correct and you did not just say, 'Okay'.

Mr Chapman: I have a recollection that we did, but it is dimming in my memory. It was probably before Ms McNeill—

Senator McKENZIE: And when did you arrive, Ms McNeill?

Ms McNeill: I have been general manager since 2011.

Senator McKENZIE: Okay. So, five years—a pretty long time.

Mr Chapman: We will take that on notice.

Answer:

Between 1 February 2004 and 1 October 2014, regional commercial regional commercial television broadcasting licensees were required to furnish detailed reports to the ACMA on compliance with their local content obligations. The consolidated compliance results for the period 3 February 2008 through to 1 February 2014 are available on the ACMA's website at: <http://www.acma.gov.au/theACMA/compliance-results>

The ACMA notes that it is an offence, under section 90B of the *Crimes Act 1914*, for a person intentionally to make a statement that the person knows to be false in a document that is required to be furnished to a Commonwealth officer.

In 2005, following the first full year of the operation of compliance reporting, the ACMA commissioned an independent evaluation of the local content licence condition with a view to

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gathering information about the effectiveness of its implementation and ensuring that the requirements of the licence condition were understood.

The 2005 evaluation found that all licensees were meeting their points quotas under the licence condition. An abstract of the evaluation report is available on the ACMA's website at:

http://archive.acma.gov.au/WEB/STANDARD/pc=PC_100842

In May and June 2007, the ACMA engaged external consultants to conduct three audits assessing compliance with the local content requirements for regional television broadcasting licensees.

The results of the 2007 audits showed a high level of consistency between the local content points reported by licensees, and those estimated by the auditors, suggesting that the self-reporting mechanisms for licensees were working satisfactorily. An abstract of the report on the audits is available on the ACMA's website at:

http://archive.acma.gov.au/WEB/STANDARD/pc=PC_310591

The positive findings of the evaluation and audits, coupled with the absence of valid complaints about compliance, engendered ACMA confidence in the high levels of compliance reported by licensees.