

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

21 March 2016

Dear Committee Secretary,

The Media, Entertainment and Arts Alliance (MEAA) welcome the opportunity to comment on the *Broadcasting Legislation Amendment (Media Reform) Bill 2016*.

MEAA acknowledge the three options in the Bill's Explanatory Memorandum.

With respect, the Bill and its sponsors have avoided advancing comprehensive and integrated reforms in favour of select changes that will have a modest, if not harmful, effect. It is frustrating that current unregulated content providers and potential future rivals will be unable to gain any insight into the future regulation of our media market from this Bill.

For the sake of clarity, MEAA supports the removal of the 75% reach rule. This rule has been entirely superseded by digital technology and the streaming practices of a range of media (and other) organisations.

MEAA also supports the extension of local content requirements following trigger events¹. This is a necessary and desirable change.

We are however concerned that the two-out-of-three rule would be removed without broader consideration being given to the need to identify and enforce the terms upon which *all* media organisations may provide services to the Australian market and provide consumers with greater choice.

MEAA is concerned that the Bill's dominant focus is on relieving the regulatory burden on currently regulated entities. The benefit the Bill seeks to provide to these entities is the ability to consolidate and achieve broader scales of operation and efficiencies in service delivery.

In an already heavily concentrated Australian media-market, we think this approach undermines the public policy benefits of media diversity. While MEAA favours a genuine levelling of the playing field, fewer voices will do a disservice to the Australian community.

MEAA supports a broader approach to media reform that draws on the observations and recommendations of the Convergence Review. In particular, we support a single, platform-neutral 'converged' regulator overseeing a common regulatory regime. The Convergence Review proposed a targeted and refined approach to reforming media ownership rules. This approach was based on a 'minimum number of owners' rule and public interest test replacing a suite of rules, including the two now earmarked for termination.

¹ A trigger event occurs where, as a result of a change of control of a commercial television licence, the audience reach exceeds 75% of the Australian population.

MEAA is concerned that the Government has not fully considered how diversity will be fostered under a partially-reformed media system. It is well and good to assert that the internet will deliver more media organisations due to the relative ease with which digital content can be delivered, but no real contemplation has occurred concerning the type and scale of these new entrants and whether they will compete with major organisations or occupy niche interest areas.

The Department of Communications' June 2014 Policy *Background Paper on Media Control and Ownership* acknowledged that digital technologies would erode 'the historic delineations between traditional and new media.' It nonetheless made the important qualification that:

*'More broadly, the proliferation of online sources of news content does not necessarily equate to a proliferation of independent sources of news, current affairs and analysis. Indeed, the internet has, to date at least, tended to give existing players a vehicle to maintain or actually increase their influence. This pattern can be seen in Australia where to date, the established media outlets have tended to dominate the online news space.'*²

Observations like these give MEAA considerable pause for thought when assessing the need to dispense with regulations in their entirety.

It is also the case that other rules geared towards national and regional media diversity are being compromised. The Department of Communications' 2014 media background paper also reported that 72 licence areas in regional Australia were 'at or below the minimum floor in terms of voices'.³

We cannot agree with Minister Fifield's remarks on 16 March 2016, that: 'Even with two out of three removed and consolidation occurring, there would still be significant ownership diversity amongst sources of news'.⁴ Assertion cannot take the place of fact.

MEAA supports comprehensive media reform over a process that simply relaxes conditions for long-standing media companies. Some minimum conditions based on reasonable thresholds of economic activity or revenue must be established for all players – old and new – to ensure market equality. We are also wary that leaving a regulatory vacuum for any length of time may condition media companies to resist the future implementation of new arrangements.

Media diversity requires policing to ensure the public interest is met. It is not necessarily a natural consequence of technological advancement.

MEAA therefore calls upon the Government to defer abolition of the 'two-out-of-three' rule until plausible laws are drafted to encourage media diversity in the digital age. The effect of doing otherwise will be greater consolidation and fewer voices in media organisations of scale.

² Policy Background Paper, *Media Control and Ownership*, Department of Communications', June 2014, p.p. 35-36

³ *Ibid.*, p. 39

⁴ Minister for Communications, Senator Mitch Fifield, National Press Club Address, Canberra, 16 March 2016.