

April 7, 2010

Project Manager - Review of the commercial radio standards
Broadcasting Standards Section
Australian Communications and Media Authority
PO Box Q500
Queen Victoria Building NSW 1230

Dear Sir/Madam

REVIEW OF THE COMMERCIAL RADIO STANDARDS

The Media Federation of Australia (MFA) is a non-for-profit industry association that represents approximately 75% of the media agencies in Australia. These media agencies are responsible for the decisions affecting over \$13billion in media placement in Australia each year. This submission reflects the opinions of the members of the MFA.

One of the key influencing factors in deciding where to invest advertising dollars is the relationship and level of engagement the consumer has with the media. The media choices made by consumers are very much determined by the content that is offered and the relevance or value it has to them - whether it is for pure entertainment, to seek information, or simply to relax with, every media platform provides many options that meet these needs.

The concerns of the MFA are based on i) the impact on the listener ii) the impact on the advertiser and iii) the implications on the radio industry should any further regulations or restrictions be applied. The chain reaction from any significant changes in the behaviour of the listener is a significant concern.

Impact on Consumers:

Currently, just under 3 hours of radio is enjoyed by listeners each day and this number has been increasing gradually over the years which is encouraging when you consider the increased level of competition and share of time with consumers. There is no question that any proposal to seek greater clarification on the content of any messages that make reference to a product, service or brand would have a major impact on the quality of the broadcasting. The listener can potentially be bombarded with repetitive, not informative content that serves little value to them. The

quality of programming and the appeal of on air talent are vital elements of ensuring the advertiser is effectively reaching the consumer. To offer a broadcast that requires any further transparency on message content will no doubt impact on how the listener engages with their station(s). Listeners will simply turn off the radio.

Impact on Advertisers:

Everything is influenced by what consumers are doing and how they are behaving. The investment of their advertising dollars will be less supportive of any platform that is declining in numbers or becoming less relevant and valuable to the consumer. The advertisers search for optimum accountability and maximum return on investment is only increasing so any changes to consumer behaviour has the potential to see commercial radio becoming less efficient and less effective to them.

Impact on Commercial Radio

The media landscape in Australia is expanding at an extraordinary rate and competition has never been so great. Every media sector is battling to sustain their share of revenue from the advertising dollar. Commercial radio in Australia will be affected by complicated and clunky restrictions and should there be a decline in the current \$936million invested by advertising dollars (CEASA 2009), this will in turn have a direct impact on the quality of the service and talent that we now enjoy.

In summary, it is our belief that the industry maintains the current system in order to maintain the quality of broadcasting consumers want and the appeal it offers to advertisers and their subsequent investment to sustain the industry.

Kind regards

A handwritten signature in blue ink, appearing to read 'Carol Morris'.

Carol Morris

Executive Director