

## ACMA Draft 2024-25 fees for service Cost Recovery Implementation Statement

### Commercial Radio & Audio Submission June 2024

Commercial Radio & Audio (**CRA**) is the industry body representing the interests of the entire commercial radio and audio industry throughout Australia. CRA has 258 member stations, of which 219 are in regional and remote areas.

CRA appreciates the opportunity to make a submission to the ACMA in relation to its *Draft 2024-25 fees for service Cost Recovery Implementation Statement Consultation Paper (Paper)*.

CRA acknowledges the need for cost recovery by the ACMA for the provision of certain services.

We are, however, concerned about the proposed increase to the existing charge for processing an application under section 46 of the *Broadcasting Services Act 1992 (BSA)* for renewal of a commercial radio broadcasting licence (**Proposed Charge**).

CRA's key points:

1. CRA urges the ACMA to make no increase to the existing charge for processing an application under section 46 of the BSA. There appears no reason why the Proposed Charge has increased so significantly since the 2022-23 budget. If it is a result of ACMA's increased processing times, then CRA suggests that the ACMA looks at streamlining its processes before passing additional costs to the commercial radio industry.
2. It may be appropriate for the ACMA to review with Government the current Gazettal requirements in section 46 of the BSA.

We hope that the ACMA will look carefully at these suggestions and do what it can to ease the burden on the commercial radio industry.

#### A. Review of the Proposed Charge

##### ***Impact of the Proposed Charge***

The ACMA proposes to increase the cost of renewing a commercial radio broadcasting licence under section 46 of the BSA from \$202 to \$778.<sup>1</sup>

With over 300 commercial radio broadcasting licences renewable every 5 years, this will result in additional charges of over \$170,000 for the commercial radio industry over 5 years. This places an additional cost burden on an industry which is already facing significant challenges. The administrative fee increase will absorb resources which would be better applied to providing content for audiences.

The impact will be even greater for those smaller commercial radio networks in regional and remote Australia.

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<sup>1</sup> ACMA *Draft Cost Recovery Implementation Statement – Fees for radiocommunications, telecommunications and broadcasting services, budget year 2024-25*, page 21.

## ***No justification for the Proposed Charge***

The Paper states the reason for the increase in the fee is “*mainly due to an increase in effort required by the ACMA to provide the services*”<sup>2</sup> and, following a recent examination of its practices on renewal of commercial broadcasting licences, the ACMA has “*identified that it has been under-recovering the true cost of this activity. The new charge, which is based on the ACMA’s standard hourly rate, better reflects the time spent by staff on licence renewal applications*”<sup>3</sup>.

As the ACMA’s current standard hourly rate is \$226, the Proposed Charge of \$778 suggests that the ACMA spends nearly 3.5 hours on each renewal application.

The feedback received from CRA members is that the renewal practice is relatively straightforward with networks receiving a standard renewal notice and invoice, which is returned signed to the ACMA and accompanied by the fee. Pursuant to section 47(3) of the BSA, the ACMA is not required to conduct an investigation or a hearing into whether a licence should be renewed. Instead, the ACMA must simply notify in the Gazette the fact that the application has been made (section 46(2)).

While CRA appreciates that the renewal applications do involve ACMA time, we would appreciate clarity as to what work is involved in processing renewal applications particularly when substantive investigations into the circumstances of each renewal is not required.

Further, CRA notes that in the 2022-23 budget year, the corresponding fee was reduced from \$422 to \$202.<sup>4</sup> The ACMA cited the reason for this 52% decrease was because the “*processing time has decreased by 57%*”.<sup>5</sup>

**Given the previous reduction in processing times, there appears no reason why the Proposed Charge has increased so significantly since the 2022-23 budget. If it is a result of ACMA increased processing times, then CRA suggests that the ACMA looks as streamlining its processes before passing additional costs to the commercial radio industry.**

## **B. Repeal of section 46(2) of the BSA**

Section 46(2) of the BSA requires the ACMA to notify in the Gazette the fact that a commercial radio broadcasting licence renewal application has been made.

CRA does not consider that the Gazette notification serves a useful purpose. The relevance of the Gazette notification should be reviewed and Gazette notification should not be the reason for the Proposed Charge.

The publication in the Gazette is intended to give interested parties an opportunity to raise any concerns with the ACMA about a licensee’s suitability.

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<sup>2</sup> ACMA Draft Cost Recovery Implementation Statement – Fees for radiocommunications, telecommunications and broadcasting services, budget year 2024-25, page 20.

<sup>3</sup> ACMA Draft Cost Recovery Implementation Statement – Fees for radiocommunications, telecommunications and broadcasting services, budget year 2024-25, page 21.

<sup>4</sup> ACMA Draft Cost Recovery Implementation Statement – fees for radiocommunications, telecommunications and broadcasting services - Budget year 2022–23, page 65.

<sup>5</sup> ACMA Draft Cost Recovery Implementation Statement – fees for radiocommunications, telecommunications and broadcasting services - Budget year 2022–23, page 65.

The BSA however fails to include any mechanism that would allow renewal applications to be delayed while an investigation into suitability takes place. In addition, the ACMA has been given a separate power under section 143 to suspend or cancel a commercial radio broadcasting licence at any time if, amongst other things, the licensee breaches a condition of the licence (suitability is a licence condition under Schedule 2, subsection 8(2)(b)).

Accordingly, the Gazette notification requirement serves little useful purpose – an investigation of suitability cannot delay licence renewal and anyone with concerns about a licensee’s behaviour may raise suitability concerns at any time with the ACMA empowered to investigate.

Further, we do not consider the Gazette is effective in drawing the public’s attention to the renewal of a commercial broadcasting licence. Notices required to be Gazetted are published online and available through the Federal Register of Legislation, which are relatively difficult to find.

**It may be appropriate for the ACMA and Government to consider whether section 46(2) of the BSA should be repealed.**

CRA would be pleased to discuss this further and to explore means of alleviating burden on the industry, while satisfying the ACMA’s need for cost recovery.

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