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**Submission to the Environment and Communications Legislation Committee with reference to the Australian Broadcasting Corporation Amendment (Local Content) Bill 2014**

We have been invited to make a written submission to the Committee on the above bill, in consideration of: *the importance of local content in Australia, and the role the ABC should play in the provision of such content; the recent efficiency savings imposed on the Corporation by the Government; the centralisation of the Corporation's operations to Sydney; and any related matters.*

Thank you to the committee for the invitation to contribute to its work. We refer members to the evidence given by myself, Dr Ben Goldsmith and Dr Adam Swift, all of QUT, to a public session on December 10 2014. On that occasion we answered questions on the rationale for, and impact of the government's recently announced cuts to the ABC. We there argued that:

The ABC represents good value for the Australian taxpayer, by comparison with the costs to the consumer of access to commercial media, and also by comparison with the costs of the BBC, which performs a similar set of cultural functions in the UK.

For a relatively small cost the ABC provides key cultural services to Australia, in particular:

- **politically impartial, well-resourced news and current affairs, at national, regional and local levels.**
- **technological innovation – the ABC's iView is an example of the corporation pioneering a form of content distribution which the commercial sector has lagged in.**

The ABC's services are popular. In 2013, following a Ministerial direction to investigate the operation, effectiveness and potential extension of section 43A of the Broadcasting Services Act, the Australian Communications and Media Authority commissioned Newspoll to conduct quantitative community research in to "awareness, use of, perceived importance and preferred source/s for accessing local content in regional areas of Australia".<sup>1</sup> The headline findings of this research were:

- 91% of those surveyed said access to local content was important or very important to them;
- 91% of those surveyed said they had access to all of the local content they would like;
- 95% of those surveyed said they accessed some kind of local information or content available in their local area;
- Multiple sources of local content are available;
- 63% of those surveyed accessed local content on local ABC radio at least weekly;
- Younger people were more likely to use and prefer online sources than their older counterparts.

The findings of this research lead to a number of conclusions:

- Local content is clearly important to regional Australians;
- ABC local radio and online services are important components of the media mix in regional Australia;

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<sup>1</sup> ACMA (2013) Attachment B Regional Australians' Access to Local Content, December 2013, p.1.

- Should there be any change in commercial media provision in regional Australia, the role of the ABC will increase in importance.

The recently announced cuts to the budgets of the ABC and SBS amount to around 5% per annum. The contracting out of backroom services, and infrastructure such as outside broadcast vehicles, may permit efficiency savings which have little or no impact on the quality of content. The introduction of new digital technologies has permitted efficiency savings in many aspects of content production. Lightweight cameras, computer editing and so on, have transformed the cost structure of reporting in conflict zones, for example.

In this sense, Mr Scott's emphasis on the ABC's digital future need not be seen as undermining the public service remit of the corporation. As the Australian public becomes more and more digitally connected, and as more and more content is consumed on computers and mobile devices rather than TVs, digital investment is entirely rational, indeed essential if the ABC is to retain its current role as the country's national voice. While the ABC must be digital, for the same reason that it moved to TV from radio in an earlier era – because that is where the audience will increasingly be located – its digital presence should focus on supporting existing and well established public service functions, rather than going online for its own sake.

In this context, there has been a perception that the digital strategy will be at the cost of both the quantity and quality of local and regional content. We address the remainder of this statement to the local content issues highlighted in the invitation.

***the importance of local content in Australia, and the role the ABC should play in the provision of such content;***

'Local content' has been an important consideration and objective of broadcasting policy in Australia for much of the last two decades, and in particular since the changes made to cross-media ownership rules in 2006. Regional (ie. non-metropolitan) commercial radio and television broadcasting licensees are required to broadcast specified levels of material of local significance, and to maintain a 'local presence'.

The importance of local content in a large and geographically dispersed country is not in dispute, and a central element of the ABC's public service remit is to provide that content, particularly in the spheres of news and journalism (including reportage of local and regional affairs, investigative journalism, human interest news, etc.). In addition to its value to the conduct of business, community cohesion and identity, and simply keeping people informed about their immediate environment, local journalism is crucial to the maintenance of democratic accountability at local level. Where national news organisations rarely report on the routine affairs of state, regional and city governments, local media must ensure that citizens are aware of and understand the issues on which their locally elected representatives make policy and take decisions. Such scrutiny, a manifestation of the Fourth Estate and watchdog roles deemed to be core functions of the media in a democracy, is just as important at the local level as the national.

However, the economics of media production constrain the delivery of local news and journalism. In most Australian localities, including big cities such as Brisbane, there remains only one local newspaper. Commercial TV and radio provide important coverage, and there are more and more online outlets of varying quality - but these are inevitably driven by commercial priorities and private interests, rather than the interests of local publics in general. In this climate, the ABC provides an essential bedrock of disinterested, quality journalism about the localities.

The ABC is vital to three kinds of media diversity: diversity of media sources; diversity of media content; and diversity of media exposure (the diversity of content or sources that are actually used or consumed by audiences and by individuals). With no requirement to satisfy shareholders' profit expectations, or proprietors' political agendas, the public service broadcaster is free to report on local affairs without fear or favour, and to serve the public interest in a much more comprehensive manner than, will, say the local private tabloid. It is the only organisation in Australia capable and legally mandated to do so.

The ABC's Senate Submission on its local news services (March 2013) states that "the Corporation views its service to regional communities as integral to meeting its charter obligation". To repeat – **this obligation is a foundation not just of local quality of life and business, but democracy and good governance.**

*the recent efficiency savings imposed on the Corporation by the Government;*

In response to the Coalition government cuts announced in late 2014 the ABC announced that a number of regional production facilities would be closed, in South Australia and Queensland most notably. The current weekly state-produced 7.30 current affairs show would go from TV, and the *Bush Telegraph* from radio. Production of ABC content would be further concentrated in Sydney.

The potential impact of these cuts, or efficiency savings is obvious. To the extent that cuts mean a reduction of local and regional production, one of the ABC's key public service functions in Australia is undermined.

In an attempt at mitigation, Mark Scott has indicated that the ongoing move to digital platforms will enable the quantity and quality of local and regional content to be maintained. It is undoubtedly true that digitalization enables the ABC to do more with less, and that specific program strands or services should not be regarded as fixed in place forever. The costs of newsgathering have fallen steadily over the years (light weight cameras and digital editing have transformed the economics of journalism at local level, for example). Digital networks enhance local access to the rich variety of online content now emerging as the technological revolution continues. All this is welcome, and the ABC should not be criticized for pursuing a digital strategy designed to maximize the benefits of technological progress. But detail on how an adequate level of local news and current affairs coverage can be ensured in the post-cuts environment remains sketchy.

While the ABC Charter includes international transmission of a variety of Australian broadcasting programs among the Corporation's functions, there is no specific requirement that the Corporation broadcast 'local content', as distinct from 'Australian content'. Indeed, the only mention of the word 'local' in the Australian Broadcasting Corporation Act 1983 occurs in relation to a definition of 'election' (Section 79A[5]). To that end, the ABC Charter should be as explicit as possible on the requirement that an appropriate portion of publicly-funded ABC resources be devoted to the production of local news and current affairs (coverage of state and territory, region and city level affairs).

The commitment to universality of provision must be restated, albeit in a climate of accelerating digitalization where audiences are moving online. It will be some time before regional and rural Australia is fully networked, and until then it should be the acknowledged responsibility of the ABC to provide local content on TV and radio, as well as digital platforms.

*the centralisation of the Corporation's operations to Sydney*

While a degree of centralization of operations is inevitable for an organization such as the ABC, and parallels the concentration of the BBC's staff and facilities in London, the danger of excessive metrocentrism is clear – the concerns of Australians outside the big southern media and economic centres are marginalized in preference for the ease of reporting what is most familiar to, and convenient for the metropolitan media elites (often working with their politician and business counterparts). In the United Kingdom, faced with significant criticism of its London-centrism in the 1990s and 2000s, the BBC established major production centres in Manchester and Glasgow, specifically to distribute resources and editorial focus more equally across the country. The ABC has regional facilities, and the recently opened centre in Brisbane exemplifies what should be done to reduce metrocentrism. The cuts announced by Mark Scott in late 2014 have been perceived to threaten that direction of travel, which would be a retrograde step for the corporation. Perceptions that the ABC was retrenching to a metropolitan safe zone would fuel the opponents of public service media's alleged 'liberal elitism', and risk undermining the broad base of support which it currently enjoys with the Australian people.

To address this concern, quotas on the share of ABC production resources to be allocated to state and regional centres (for journalism and other content categories) would provide confidence that the corporation is truly committed to regionalism and diversity.

## **Conclusion**

Notwithstanding the specifics of the ABC Charter and the ABC Act, the ABC does play an important role in the achievement of elements of the Broadcasting Services Act (relating to media diversity, competition and the responsiveness of broadcasters to audience needs, promotion of Australian identity and cultural diversity, and making programs of local significance broadly available). It is also indisputable that the ABC has an important role to play in the provision of local news and other content, via broadcast or online services, throughout Australia. In the absence of specific regulations or legislative requirements, the question of how the ABC performs this role is entirely up to the Corporation's Board and its senior executives. In a context where political pressures on funding may impact negatively on the ABC's capacity to resource all of its activities, stronger guidelines, including Charter revisions, would assist ABC managers in their prioritisation responsibilities.

**Brian McNair, Ben Goldsmith**

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