

The Senate

Environment and Communications
Legislation Committee

Australian Broadcasting Corporation
Amendment (Rural and Regional Advocacy)
Bill 2015

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Committee membership

Committee members in the 45th Parliament

Senator Linda Reynolds CSC, Chair (from 15 February 2017)	LP, WA
Senator Peter Whish-Wilson, Deputy Chair (from 7 February 2017)	AG, TAS
Senator Anthony Chisholm	ALP, QLD
Senator Jonathon Duniam	LP, TAS
Senator Anne Urquhart	ALP, TAS
Senator John Williams (from 27 March 2017)	NP, NSW

Substitute member for this inquiry

Senator Bridget McKenzie (NATS, VIC) for Senator Linda Reynolds (LP, WA) on 6 and 9 March 2017

Participating members for this inquiry

Senator Malarndirri McCarthy	ALP, NT
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Senator David Bushby (to 5 December 2016)	LP, TAS
Senator Jane Hume (to 27 March 2017)	LP, VIC
Senator James Paterson (5 December 2016 to 15 February 2017)	LP, VIC
Senator Larissa Waters (to 7 February 2017)	AG, QLD

Committee members in the 44th Parliament

Senator Linda Reynolds CSC, Chair	LP, WA
Senator Anne Urquhart, Deputy Chair	ALP, TAS
Senator Chris Back	LP, WA
Senator James Paterson	LP, VIC
Senator the Hon Lisa Singh	ALP, TAS
Senator Larissa Waters	AG, QLD

Substitute members for this inquiry

Senator Scott Ludlam (AG, WA) for Senator Larissa Waters (AG, QLD)

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List of recommendations

Recommendation 1

3.12 The committee recommends that proposed subsection 11(6A) be amended to omit the proposed residency requirement and insert a broader requirement.

Recommendation 2

3.15 The committee recommends that proposed subsection 12(5AC) be amended to omit the proposed residency requirement of at least two non-executive directors of the ABC Board and insert a broader requirement.

Recommendation 3

3.16 The committee recommends that the bill be amended to insert a requirement that, when a non-executive director is appointed to satisfy the requirement of proposed subsection 12(5AC), the Minister must table a statement of reasons in the Parliament detailing how the director satisfies the broader requirement referred to in Recommendation 2.

Recommendation 4

3.20 The committee recommends that proposed subparagraph 6(2)(a)(vi), paragraph 8(2A)(a), subsection 27(2), section 34 and paragraph 80(ea) be omitted from the bill.

Recommendation 5

3.22 The committee recommends that the ABC Board review its role as an emergency service broadcaster, in light of community expectations, with a view to formalising this vital function.

Recommendation 6

3.23 The committee recommends that the bill be passed subject to recommendations 1 to 4 of this report.

Chapter 1

Introduction

1.1 The Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 (the bill) was initially referred to the Senate Environment and Communications Legislation Committee on 3 December 2015 for inquiry and report by 20 June 2016.¹ The bill is a private senator's bill introduced by Senator Bridget McKenzie.

1.2 On 21 March 2016, the Governor-General issued a proclamation proroguing the 44th Parliament from 5 pm on Friday, 15 April 2016, until 9.30 am on Monday, 18 April 2016. One consequence of prorogation is that all bills on the notice papers of the Senate and House of Representatives lapse. On 19 April 2016, the bill was restored to the Senate *Notice Paper*.²

1.3 The committee tabled an interim report on 5 May 2016. On 8 May 2016, the Governor-General issued a proclamation dissolving the Senate and the House of Representatives from 9 am on 9 May 2016 for a general election on 2 July 2016. As a result of the dissolution of the Senate, the committee ceased to exist and the inquiry lapsed.

1.4 The 45th Parliament commenced on 30 August 2016 and members of this committee were appointed on 1 September 2016. The bill was restored to the Senate *Notice Paper* on 13 September 2016. On 15 September 2016, the Senate referred the bill for inquiry and report by 30 November 2016.³ The report tabling date was subsequently extended to 8 February 2017, to 22 March 2017 and then to 13 April 2017.

Conduct of the inquiry

1.5 In the 44th Parliament the committee received 29 submissions, which are listed at Appendix 1. In the 45th Parliament the committee received 37 submissions. These are also listed in the Appendix 1. The committee also received also received 31 form letters. The committee public submissions are available on the committee's website at www.aph.gov.au/senate_ec.

1.6 No hearings were held during the 44th Parliament for the inquiry. However, the committee held hearings in Melbourne on 6 March 2017 and in Darwin on 9 March 2017. The list of witnesses who appeared at the hearings is at Appendix 2.

1 *Journals of the Senate*, 2013–15, No. 134, 3 December 2015, pp. 3622–24.

2 *Journals of the Senate*, 2013–16, No. 150, 19 April 2016, p. 4129.

3 *Journals of the Senate*, 2016, No. 7, 15 September, pp. 211–13.

Reports of other committees

1.7 When examining a bill or draft bill, the committee takes into account any relevant comments published by the Senate Standing Committee for the Scrutiny of Bills. The Scrutiny of Bills Committee assesses legislative proposals against a set of accountability standards that focus on the effect of proposed legislation on individual rights, liberties and obligations, and on parliamentary propriety.

1.8 In its Alert Digest No. 1 of 2016, the Scrutiny of Bills Committee stated that it had no comment on the bill.⁴

Purpose of the bill

1.9 The bill proposes to amend the Australian Broadcasting Corporation's (ABC) Charter in relation to the delivery of services in rural and regional Australia in each state and territory. In addition, the bill seeks to define the ABC's mandate for its public service function for journalism in rural and regional Australia.

1.10 The bill proposes to amend the Charter provisions which the ABC must fulfil contained in section 6 of the *Australian Broadcasting Corporation Act 1983* (ABC Act). The proposed amendments will:

- repeal the existing subparagraph 6(1)(a)(i) and substitute it with a requirement to broadcast programs that not only contribute to a sense of national identity or cultural diversity, but also a sense of regional identity and geographic diversity of the Australian community;
- insert new paragraph 6(1)(d) which requires the ABC to foster the space within which its journalists operate to the benefit of communities and the viability of regional journalism as a profession, by providing the resources necessary to enable the ABC to satisfy its functions and duties in regional communities;
- insert subparagraphs 6(2)(a)(iiia) and (iiib) which require the ABC to maintain an effective presence in regional communities and to provide regular transmissions of local content across a variety of platforms;
- insert subparagraph 6(2)(a)(vi) mandating that the ABC approach its obligations to provide services in regional Australia from a social service and community perspective, as opposed to a purely commercial position, when making programming and management decisions; and
- insert subparagraph 6(2)(a)(vii) which requires the ABC to have regard to community expectations in regional areas as to the frequency and nature of broadcasts.⁵

4 Senate Standing Committee for the Scrutiny of Bills, *Alert Digest*, No. 1 of 2016, 3 February 2016, p. 1.

5 Explanatory Memorandum, p. 2.

1.11 The bill also proposes to establish a rural and regional advisory council (the council). The functions of the council are to advise the ABC Board on rural and regional issues in particular and to conduct a biennial survey of regional audiences regarding their satisfaction with services. The results of the survey are to be reported in the annual report of the year in which it is conducted. The Board, in appointing members to the council, is to have regard to the desirability of members being residents in rural or regional Australia (proposed subsection 11(6A)). Remuneration of the members of the council is to be determined by the Remuneration Tribunal (proposed subsection 11(12)).

1.12 The Board is to have regard to the advice of the council (proposed subsection 11(12)) and to report the details of these consultations in the annual report (proposed subsection 8(2A)).

1.13 In addition, the bill proposes a range of other amendments aimed at improving the ABC's regional services as follows:

- the Board must have at least two directors who reside in regional areas (proposed subsection 12(5AC));
- provision of a requirement that the ABC broadcast at least five radio bulletins that consist solely or primarily of regional or local news between 5am and 8pm, at regular intervals (proposed new subsection 27(2));
- imposition of obligations on the ABC as an employer in regional areas including rostering effectively in emergency broadcasting situations so that production can both ensure community safety and comply with employee health and safety standards (proposed new section 34); and
- that the ABC report on Board consultations with regional employee stakeholders and the Council, advice received by the Board from the Council, significant changes of transmission content in rural and regional areas, particulars of employee locations by base, particulars of employment by type of employment and location of employment, comparison of regional and metropolitan employment figures, ratios of journalists to support staff and the particulars of hours of local rural and regional news broadcasts, aggregated by broadcast area (proposed new paragraphs 80(ea), (h), (i) (l) and (p)).⁶

1.14 In the second reading speech for the bill, Senator McKenzie stated:

This Bill seeks to provide the ABC Board with the appropriate tools to govern the organisation in a manner which reflects the expectation the community has of public broadcasters. This Bill seeks to call the ABC to account and states in unambiguous terms what the ABC needs to aspire to when servicing our regions. This includes a physical presence and

6 Explanatory Memorandum, pp. 3–4.

embeddedness that allows journalists to facilitate discussion and well-connected and informed rural and regional communities.⁷

Developments since the introduction of the bill

1.15 There have been two significant developments since the introduction of the bill: the termination of the ABC shortwave transmission service and the announcement of the restructure of the ABC.

Termination of the ABC shortwave transmission services

1.16 In December 2016, the ABC announced the termination of shortwave transmission services in the Northern Territory and to international audiences. The services ceased on 31 January 2017.

1.17 Following the termination of services, Senator Nick Xenophon introduced the Australian Broadcasting Corporation Amendment (Restoring Shortwave Radio) Bill 2017. This bill was referred to the committee by the Senate on the recommendation of the Selection of Bills Committee on 16 February 2017 for inquiry and report by 10 May 2017.⁸

1.18 In this report, the committee considered the evidence received concerning the termination of shortwave transmissions services that affect rural and regional Australians.

Restructure of the ABC

1.19 On 7 March 2017, the ABC Managing Director, Ms Michelle Guthrie, announced a restructuring of the ABC. The restructure was aimed at reducing the number of managers by an average of 20 per cent across the organisation. The restructure will aim to reduce duplication in support roles. As a consequence, up to 200 positions will be cut by June 2017.

1.20 The savings realised from the restructure—\$50 million over several years—will be used to establish the Content Fund. The Content Fund will support up to 80 new positions in regional areas within 18 months. The aim is to increase the ABC's digital and video output from rural and regional Australia. In addition, the Content Fund is intended to enable the ABC to respond to shifting audience trends and to extend its reach and engagement.

7 Senator Bridget McKenzie, *Senate Hansard*, 1 December 2015, p. 9423.

8 *Journals of the Senate*, 2016–17, No. 30, 16 February 2017, pp. 992–93.

1.21 The internal restructure of the ABC will see the number of main divisions decreased from 14 to nine.⁹

1.22 The Minister for Regional Communications, Senator the Hon Fiona Nash, commented on the restructuring:

A third of Australians live outside capital cities and many of those rely on the ABC for coverage of important local news on TV, radio and online.

Answers in Senate Estimates have revealed 51 per cent of the ABC's staff are in Sydney—that's more than 2000 people.

With many rural newsrooms understaffed, this makes no sense and also produces a Sydney-centric view of the world...

The ABC's obvious point of difference from other media organisations is its nationwide network. This should be harnessed by decentralising the ABC. This includes the executive, all of whom are based in Sydney except the regional director.

Far more of the ABC's journalists should be based in rural, regional and remote Australia. They should be reporting on issues which affect people's lives from Broome to Burnie, not trivial city debates over first world problems like how many levels a multi-story car park should have.

Relocating a good slice of the ABC's capital city base employees would also have huge flow on benefits for local towns, putting more money and jobs into their economies.

I applaud the ABC's initial move and look forward to more like it.¹⁰

Structure of the report

1.23 Chapter two discusses the issues raised in evidence including the proposed changes to the ABC Charter, termination of shortwave transmission services in the Northern Territory, emergency broadcasting and proposed changes to membership of the ABC Board

1.24 Chapter three provides the committee's views and recommendations.

Note on references

1.25 References to the committee *Hansard* transcript for the 6 March and 9 March 2017 public hearings are to the proof transcript. Page numbers may vary between proof and official *Hansard* transcripts.

9 'ABC boss Michelle Guthrie announces \$50m Content Fund, with management positions cut', *ABC News*, 8 March 2017 <http://www.abc.net.au/news/2017-03-07/michelle-guthrie-unveils-abc-restructure-plan/8330878>

10 Minister for Regional Communications, Senator the Hon Fiona Nash, 'Nash welcomes ABC's regional investment as a good start', *Media Release*, 7 March 2017.

Chapter 2

Issues raised in evidence

Introduction

2.1 The committee's interim report canvassed the evidence received during the 44th Parliament related to the importance of the ABC in rural and regional areas and the provisions of the bill including Board membership, local radio bulletins, reporting requirements and funding and employment in rural and regional areas.

2.2 The following discussion covers issues relating to the proposed amendment of the ABC Charter, the termination of shortwave transmission services, provision of emergency broadcasting, changes to the format of Radio National, the proposed establishment of a rural and regional advisory council and changes to Board membership. The discussion is based primarily on submissions in the current Parliament and the evidence provided at the committee's recent hearings.

Recognition of rural and regional Australia in the ABC Charter

2.3 The majority of submitters were supportive of the proposed changes to the Charter in relation to the delivery of services to rural and regional Australia. Many submitters pointed to the termination of shortwave services in the Northern Territory as an example of where the needs of rural and regional Australia had been ignored.¹ In providing this support, submitters noted the importance of the ABC in rural and regional areas. Local ABC radio was seen as a significant resource for keeping regional and rural communities informed about local and national news, current affairs, community information, the weather, and agricultural news, such as stock reports, and providing vital information in times of emergency, particularly in areas where there is poor or no mobile network coverage.²

2.4 It was also noted that in many rural and regional areas, commercial media has contracted their services or withdrawn completely, thus increasing the importance of the ABC to local communities.³ The lack of adequate coverage of local news was highlighted in the report of the Independent Inquiry into the Media and Media Regulation (Finkelstein Report) which stated that 'coverage of local community news

1 Local Government Association of Queensland, *Submission 15*, p. 1; Local Government Association of Tasmania, *Submission 23*, p. 1.

2 Glenelg Shire Council, *Submission 1*, p. 2; Narromine Branch of The Nationals, *Submission 2*, p. 1; Wellington Shire Council, *Submission 6*, p. 3; Mr Ian McCorkindale, *Submission 17*, p. 1; Numeralla and District Activities Inc, *Submission 24*, p. 1; Mr Brian Curzon, *Submission 29*, p. 1.

3 Glenelg Shire Council, *Submission 1*, p. 1; Media, Entertainment and Arts Alliance, *Submission 10*, p. 8; The Australia Institute, *Submission 11*, p. 8; Deakin University, *Submission 26*, p. 2.

is...modest, particularly in small communities in regional and remote areas'. In relation to newspapers servicing these areas, the Report observed that 'most of them have limited resources and consequently low capacity for in-depth coverage of local issues. Much of the content is in the form of generic news with little independent analysis'.⁴

2.5 However, it was submitted that despite the importance of the ABC in rural and regional areas, service levels have declined. At the same time, ABC operations have become increasingly centralised in Sydney. Many submitters emphasised that the ABC exists for all Australians but considered that the ABC's decisions do not reflect this.⁵ Mr Darryl Fallow, for example, stated:

As taxpayers, people in rural and remote areas are entitled to receive radio and television services that meet their needs. For far too long, the few ABC broadcasting services that have been available to rural and regional areas have been wound back, made less relevant or, in some cases, have been completely terminated.⁶

2.6 Mr Philip Brennan commented, in relation to the termination of shortwave services in the Northern Territory, 'if ever there was an exemplar, if you like, of an organisation completely ignoring its regional base, this is it'. He went on to support a change to the Charter to increase regional representation as a way to ensure regional views are heard by the ABC Board.⁷

2.7 The committee received evidence from the Community and Public Service Union (CPSU), the Media Entertainment and Arts Alliance (MEAA) and other submitters concerning the decline in ABC services in rural and regional Australia. The Local Government Association of Queensland (LGAQ), for example, pointed to the closure of the Gladstone ABC office and relocation of regional journalists to Rockhampton. The LGAQ commented that there is now 'no local presence in and around Gladstone, an area undergoing major change and requiring a local voice'. The LGAQ supported amendment of the ABC Charter 'to strengthen the ABC's mandate for the delivery of services to rural and regional Australia'.⁸

2.8 The CPSU commented on understaffing of ABC Regional radio stations and the age and lack of replacement of equipment in stations. The CPSU also stated that ABC staff indicated that 'they are a bit invisible to the ABC executive on a day-to-day level. They do not see the executive, and do not engage with the executive'.⁹

4 Report of the Independent Inquiry into the Media and Media Regulation, Hon R Finkelstein, February 2012, p. 328 cited by Media Entertainment and Arts Alliance, *Submission 10*, p. 8.

5 Mr Darryl Fallow, *Submission 55*, p. 1.

6 Mr Darryl Fallow, *Submission 55*, p. 1.

7 Mr Philip Brennan, *Committee Hansard*, 9 March 2017, p. 38.

8 Local Government Association of Queensland, *Submission 15*, p. 3.

9 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 25; CPSU, *Submission 22*, p. 2.

2.9 However, the CPSU viewed the establishment of ABC Regional as a step in the right direction. Ms Sinddy Ealy, CPSU, stated:

Having a strong voice on the ABC executive means that there is somebody there who can do the bidding for ABC Regional and make sure it is getting its fair share of resources and not being invisible on the radar of some of the more Sydney based or Melbourne based folk on the executive.¹⁰

2.10 The MEAA pointed to the reorganisation of regional services over the last decade or so and stated that while the ABC provided 'supportive words' during these reorganisations, the slow deterioration in the ABC's actual presence in regional communities 'cannot be masked'.¹¹ As a consequence, remaining staff feel that:

...they are letting the communities they serve down by not having the resources, time and personnel to create the kinds of important, revealing and in-depth coverage that properly represents the diversity of regional communities.¹²

2.11 Associate Professor Lisa Waller, Deakin University, provided evidence on the civic purpose of the ABC. She stated that the ABC, as 'Australia's premier public service media', should 'strengthen its mandate from a social and civic purpose position, commit to rural and regional Australians by protecting and enhancing the types of content available outside urban centres and regional hubs, and prioritise communities that are otherwise underserved for local news'. Professor Waller went on to comment that Deakin University noted that:

...the amendments to the ABC's Charter are imperative in facilitating greater consideration of the local context of Australia's communities and in building the capacity of rural and regional newsrooms and journalists to deliver quality local news.¹³

2.12 A further matter raised was the inclusion of a 'geographic' concept in the Charter. Professor Waller commented that 'a geographically targeted approach in the ABC's Charter and funding allocations would help ensure public service content is available where it is needed most'.¹⁴ In addition, Professor Waller supported a more explicit definition of 'local' for the ABC and the need for place-based news.¹⁵

2.13 Professor Waller went on to comment on the importance of the employment of local journalists to ensure that quality local news is provided to communities. She also stated that locally produced news is crucial during coverage of natural disasters

10 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 25.

11 Media Entertainment and Arts Alliance, *Submission 10*, p. 14.

12 Media Entertainment and Arts Alliance, *Submission 10*, p. 6.

13 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

14 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

15 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

and other crisis situations to assist those who are directly affected.¹⁶ Professor Waller further noted that without local journalists, the credibility of the information can be called into doubt thus undermining confidence in that reporting.¹⁷

2.14 Dr Alexandra Wake, Senior Lecturer, RMIT University, also provided evidence on the need to support and boost the efforts of journalists and broadcasters who work in and service the needs of regional and remote areas. Dr Wake argued that local journalists should not just feed more stories into state and national programs; rather, 'while there is always a need for stories of regional and rural areas to be told to a metropolitan audience, there are many more stories that simply must be told by local reports to local audiences'.¹⁸

2.15 Dr Wake added that there was a need to ensure adequate coverage of news and other events in rural and regional areas as commercial media contracts in many locations. Dr Wake stated:

...it has never been more important or more difficult for journalists in this country, but particularly in regional and remote areas, to hold to account people and institutions whose functions impact social and political life. We are in the midst of what has been called by Associate Professor Margaret Simons a potential civil emergency caused by a breakdown in the commercial model of journalism. Newspapers, commercial radio and television are struggling in metropolitan areas, and news organisations are cutting back in regional areas. Many reporters in regional newspapers have no-one to read their work before it is published immediately online, and decisions are increasingly being made in capital cities by people who think that everyone has access to a strong digital service.¹⁹

2.16 The committee received conflicting views on the best way to ensure that rural and regional issues are adequately accounted for by the ABC. Professor Waller, for example, commented that 'the bill is really important but I guess we are also concerned that the ABC Charter, in its current form, does not enshrine a responsibility to regional and rural communities'. Professor Waller added that if the Charter was amended so as to require the ABC to have regard for rural and regional concerns 'it would probably provide more of a guarantee to the affected communities that their interests would continue to be catered to'.²⁰

2.17 Other submitters, while supportive of the need for the ABC to provide adequate services to regional and rural Australia, did not consider that the changes to

16 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 1.

17 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 3.

18 Dr Alexandra Wake, *Submission 4*, p. 4.

19 Dr Alexandra Wake, RMIT University, *Committee Hansard*, 6 March 2017, p. 19.

20 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

the Charter as proposed by the bill were the most effective mechanism for achieving this aim.²¹ The Australia Institute, for example, commented:

The Australia Institute advocates that the ABC equitably serve regional and rural communities and be adequately funded to do so. However, changing the ABC Act is not an appropriate mechanism for enforcing granular decisions on operational matters. The ABC's strategy needs to evolve faster than federal legislation can. It must remain the purview of the ABC board and the executive.²²

2.18 ABC Friends National also stated that it did not agree with the concept that:

...there should be specific points made and prescribed points made for the ABC, because of the impact it would have on what we see as the importance of its independence, the importance of its management to report to the board, the importance of the board to report to the community and for bodies, such as yourselves, to hold the management and the board's feet to the fire to perform according to the charter.²³

2.19 Ms Susan Pinnock, ABC Friends National, commented that the problem 'seems to be that we are just not getting the ABC to respond' to the Charter requirements.²⁴ Rather than the amendments proposed by the bill, ABC Friends submitted some less prescriptive amendments to the Charter to ensure the provision of improved services to regional and rural Australia.²⁵

2.20 Mr Ranald Macdonald, ABC Friends National, added that 'the ABC is absolutely basic to our democratic structure, as is public broadcasting'.²⁶ Mr Macdonald concluded that 'the charter is the basis on which the ABC operates. The ABC as a public broadcaster should be free of political interference. It should have a representative, broadly diverse board and the management should be allowed to perform with a board supervising its activities'.²⁷

The ABC's response to issues raised in evidence

2.21 In response to the evidence received, the ABC reiterated its commitment to regional Australia. Mrs Fiona Reynolds, Director of Regional, outlined the development of the ABC Regional Division. She noted that in July 2015 regional

21 Media, Entertainment and Arts Alliance, *Submission 10*, p. 3; The Australia Institute, *Submission 11*, p. 1; CPSU, *Submission 22*, p. 1.

22 The Australia Institute, *Submission 30*, p. 1.

23 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

24 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 14.

25 ABC Friends, *Submission 3*, p. 3; see also Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

26 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 8.

27 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

radio and news-gathering capacity was combined 'to champion the voices of the one-third of Australians who live outside of the capital cities'. Mrs Reynolds added that the ABC's investment in rural and regional audiences is over \$380 million, or a third of the ABC's budget, overall.²⁸

2.22 Mrs Reynolds went on to comment that 'the ABC remains a safeguard for localism and media diversity' and that in the past, regional operations have been quarantined from funding cuts. However, this may not continue as 'the ABC must make clear-headed and rational decisions about the services it can provide within a finite budget envelope. It does this in regard to its services to all Australians, not just those that affect regional constituencies'.²⁹

2.23 The ABC also responded to arguments that it must take account of 'market failure' and step in where commercial media organisations withdraw, or fail to provide, services. The ABC stated:

This ignores the history of the ABC and its Charter, which requires it to serve both specialised and mass audiences. Put simply, the ABC has never been 'just' a market failure broadcaster. Australia has been well-served by a media sector that sees the ABC working alongside commercial operators, providing a diversity of choice and services that the private sector cannot and will not deliver. That dual role is well understood and well appreciated by the community.³⁰

2.24 The ABC submitted that the bill's proposed changes to the Charter are unnecessary. For example, it stated that the current Charter includes the phrases 'national identity' and 'cultural diversity' which are 'interpreted broadly', and that it is not necessary to include the 'words "regional" [identity] and "geographic" [diversity]'. It stated that the current interpretation requires that the ABC take into account regionalism and geographic diversity when delivering programs which contribute to Australia's national identity and cultural diversity.³¹

2.25 Mrs Reynolds commented further:

I do not think that the charter needs to talk about regional Australia because it talks about things like reflecting the national identity. The one thing that I believe that the regional division is truly championing is that distinctiveness of the content across the country. There is not a one-size-fits-all for regional Australia. That is what I am trying to say.³²

28 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 32.

29 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 2.

30 ABC, *Submission 16*, p. 4.

31 ABC, *Submission 16*, p. 6.

32 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 40.

2.26 The ABC also challenged the need to alter the Charter to require the Corporation to 'provide services that transcend commercial objectives' in rural and regional areas (sub paragraph 6(2)(a)(vi)). The ABC stated that its 'remit is to serve the people of Australia' and that it has maintained 'its investment in the regions', including by 'setting up a new Regional Division to consolidate and build upon this important work'.³³

Committee view

2.27 The committee received a range of evidence pointing to a decline in ABC broadcasting services in, and for, rural and regional Australia. Submitters pointed to the decrease in the number of ABC staff in regional offices, the closure of offices and reduction in local news content.

2.28 The committee acknowledges the ABC has endeavoured to improve services to rural and regional Australia through the establishment of the Regional Division. More recently, the ABC announced that the Content Fund would be used to increase staffing in, and digital and video output from, rural and regional Australia. In addition, the committee welcomes the increase in staffing in rural and regional areas as it considers that having journalists on the ground is fundamental to providing quality local news and support for communities.

2.29 While these are significant commitments, the committee considers that a clearer statement of expectations in relation to services for rural and regional Australia is required to ensure that they remain a priority in ABC decision making now and into the future. The committee therefore supports amendment of the Charter to include a requirement that programs are broadcast that contribute to a sense of geographic and cultural diversity.

Termination of shortwave transmission services in the Northern Territory

2.30 The committee received a considerable amount of evidence following the termination of the shortwave transmission service in the Northern Territory and the international service. The decision was taken by the ABC Board in December 2016 with services terminated on 31 January 2017. Submitters pointed to the termination of the shortwave service as exemplifying the lack of understanding by the ABC of the needs of rural and regional communities. The Northern Territory Cattlemen's Association (NTCA), for example, described the decision as an 'unjust and dishonest policy of exclusion and discrimination against remote and regional Australians'.³⁴

33 ABC, *Submission 16*, p. 7.

34 Northern Territory Cattlemen's Association, *Submission 44*, p. 1.

Decision to terminate shortwave transmissions

2.31 The ABC provided shortwave transmissions to the Northern Territory via three transmitters: Alice Springs; Tennant Creek and Katherine. The ABC contracted the transmitters from Broadcast Australia. The cost of the shortwave service for the Northern Territory was \$1.2 million per year. The savings from the termination of this service, as well as international shortwave transmission, will be used in part to increase the ABC digital radio footprint in Hobart, Darwin and Canberra.³⁵

2.32 Ms Michelle Guthrie, General Manager, ABC, provided the committee with information on the decision to terminate the service at the Additional Estimates hearing on 28 February 2017. Ms Guthrie commented that there were a number of duplicate services provided into the Northern Territory: shortwave, Viewer Access Satellite Television (VAST), AM, FM and terrestrial TV. She stated that VAST covers the whole of the Northern Territory landmass and there are more than 22,000 active VAST decoders in the Northern Territory. Ms Guthrie indicated that this equates to over a quarter of all Northern Territory households. In addition, NBN Sky Muster satellite services provide access to all ABC online and digital content. Terrestrial AM or FM radio services cover approximately four per cent of the Northern Territory landmass but is available to 84 per cent of the Territory population.³⁶

2.33 The ABC noted that the significant growth in internet usage, access to streamed radio and the increasingly limited amount of content available via shortwave since 2000 has led to a sharp decline in shortwave listenership.³⁷ The ABC estimated that the number of shortwave users in the Northern Territory was small—approximately 500 users. Furthermore, Mrs Reynolds observed that shortwave services were not provided to any other state or territory.³⁸

2.34 Mr David Pendleton, Chief Operating Officer, also commented that the difficulties arise from shortwave transmitter sites being remote and unmanned. He stated that:

...it is a difficult technology and it is a difficult environment that those transmitters have to operate in. Therefore, it is not as reliable a technology going forward in relation to the broadcast of the services. We know that

35 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 80, 81.

36 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 80, 91; ABC, *Answer to question on notice No. 9*.

37 ABC, *Answer to question on notice No. 4*.

38 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 33.

there has not been a great reliance on those services for quite some period of time.³⁹

2.35 The ABC indicated that the decision to terminate shortwave transmissions was made by the Board on a recommendation from management. The recommendation from management followed 'extensive research', including research undertaken by ABC Radio and ABC International on how audiences are listening to ABC radio and technology trends.⁴⁰ The ABC also noted that the ABC Advisory Council did not provide advice to the Board nor did the Board request advice from the Advisory Council as the termination of shortwave radio services 'as it was an operation matter rather than a program matter, and so was outside the remit of the Advisory Council'.⁴¹

2.36 In relation to consultation undertaken before the decision was made, Ms Guthrie stated that the ABC had consulted stakeholders.⁴² Mrs Reynolds clarified this evidence at the hearing on 6 March 2017 and indicated that the consultation had occurred in the time between the announcement of the decision and the termination of the service.⁴³

2.37 Following the decision to terminate the service, the ABC conducted a public information campaign including advertising and broadcasts on local radio and over the shortwave.⁴⁴ Ms Guthrie noted that the ABC had been contacted by around 15 people from the Northern Territory commenting on the termination. Ms Guthrie concluded that 'so the number of people affected seems to be very small'.⁴⁵ The ABC also noted that when the service was unavailable for two weeks in August–September 2016 due to maintenance work, there had been a negligible response thus also pointing to the low use of the service.⁴⁶

2.38 On 30 January 2017, the ABC announced transitional measures following the termination of shortwave services. The ABC indicated that comprehensive advice was

39 Mr David Pendleton, Chief Operating Officer, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 83–84.

40 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 79; see also Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 34.

41 ABC, *Answer to question on notice No. 8*.

42 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 83.

43 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 34.

44 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 33.

45 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 82.

46 Mr Michael Millet, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 90.

available on how best to access emergency information, ABC News and entertainment. In addition, VAST satellite system units will be donated to all Royal Flying Doctor Service (RFDS) bases and 4WD Radio Club bases in the affected region. The ABC stated that this will allow the rebroadcast of emergency and warning messages.⁴⁷

2.39 Ms Guthrie concluded:

...our priority has to be the efficient management of our total ABC budget. The way in which we analysed the level of duplication that was offered in the Northern Territory made it very clear that the continued provision of the short-wave service for a long contract, or a contract renewal, was not in the best interests of the efficient operation of the ABC budget.⁴⁸

Response to the termination of shortwave transmissions

2.40 The evidence received in response to the termination of shortwave transmissions services focussed on a range of issues:

- the lack of understanding by the ABC of the nature of shortwave transmissions and its coverage in the Northern Territory;
- the lack of consultation by the ABC before the decision was made to terminate the service;
- the information provided by the ABC in relation to alternative sources of weather and emergency advice; and
- the limitations and costs of alternative technologies.

2.41 The evidence received regarding emergency broadcasting not only related to shortwave transmissions but also to general broadcasting by the ABC. This is dealt with in more detail in the following section.

Importance of shortwave transmission services in the Northern Territory

2.42 Many submitters pointed to the importance of shortwave transmission services in the Northern Territory and expressed concern that it had been terminated. It was noted that shortwave was easily accessible, could be used in moving vehicles and did not require a base station. Shortwave transmissions also provided a link in isolated areas to the outside world and enabled people living and working in some of Australia's most remote locations access to news, entertainment and educational services. Shortwave was also used by tourists, residents of Indigenous communities

47 About the ABC, *ABC shortwave closure transitional measures*, 30 January 2017.

48 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 80.

and those in the fishing, construction and transport industries.⁴⁹ Mr Bruce Davey, a cruise boat operator, provided the following evidence:

We have had absolute silence now. I do not know what is happening in the world. I would not have a clue. My only contact that makes sense is to ring my mother or some friends up in Darwin to get any detailed information...So I am most distressed and I will implore the Senate committee to fully understand the hunters, fishermen and numerous other stakeholders that have just been thrown to the winds here.⁵⁰

2.43 Many submitters noted the importance of the transmissions for up-to-date weather and emergency warnings and information on road conditions.

2.44 The NTCA and other submitters commented on the considerable safety and mental health issues stemming from the lack of radio coverage. The NTCA stated that many in rural and remote areas are socially isolated with radio providing a valuable connection to the outside world.⁵¹ Mr Stephen Dowding added:

Mental health problems are already a considerable problem in remote areas – sitting in silence while the rest of the country has a radio dial chock full of stations, internet-capable phones in their pockets and newspapers doesn't help any of that.⁵²

2.45 The committee also received evidence which questioned the ABC's comments that shortwave transmissions were only received by about 500 users. The Northern Territory Government estimated that some 50,000 people live outside the urban areas of Darwin, Alice Springs and Katherine and potentially relied on shortwave transmission services. The Northern Territory Government also commented that the non-resident population of tourists is approximately 600,000 visits per annum to remote areas of the Northern Territory and there are a minimum of 650 commercial fishing and fishing tourist operators in Northern Territory waters every year.⁵³

2.46 Other submitters contended that shortwave was used by many tourists, including grey nomads. Mr Graeme Steer pointed to Australian Bureau of Statistics

49 Mr Philip Brennan, *Submission 42*, p. 1; Northern Territory Cattlemen's Association, *Submission 44*, p. 2; Roper Gulf Regional Council, *Submission 45*, p.1; Northern Territory Seafood Council, *Submission 51*, p. 1; Ms Kathleen Robinson, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 2; Mr Graeme Steer, Toyota Land Cruiser Club of Australia, Darwin Branch, *Committee Hansard*, 9 March 2017, p. 31; Mr David Hewitt, *Committee Hansard*, 9 March 2017, p. 33; Mr Benjamin Quillam, *Committee Hansard*, 9 March 2017, p. 43.

50 Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 27.

51 Northern Territory Cattlemen's Association, *Submission 44*, p. 2.

52 Mr Stephen Dowding, *Submission 34*, p. 1.

53 Ms Kathleen Robinson, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 2; Department of Corporate and Information Services, *Answers to questions taken on notice*, p. 1.

2006 Census which indicated that there are approximately 21,000 grey nomads Australia-wide. He commented that it would be reasonable to assume that a fair proportion used shortwave but they would not have been included in the ABC's calculation of number of users.⁵⁴

2.47 The NTCA contended that the ABC had 'seriously underestimated' the number of people adversely affected by the termination of shortwave transmissions. The NTCA went on to comment that even if numbers of users were small, 'it does not justify removal of a service that covers the whole of the land area of the NT, unlike any other radio service'.⁵⁵

2.48 Another matter raised in evidence was the ABC's argument that the shortwave service that is was only accessed by those in the Northern Territory and that Western Australia, South Australia and Queensland did not have a similar service. Ms Pinnock, ABC Friends, argued that the shortwave transmissions were not only received in the Northern Territory but also throughout the Kimberley.⁵⁶ Other submitters also commented that Northern Territory shortwave transmissions were received in places such as the Little and Great Sandy Deserts, the Great Victoria Desert and the Simpson Desert as well as other parts of Queensland and South Australia.⁵⁷ The committee also received submissions from owners of fishing and pleasure boats who indicated that they had received shortwave radio transmissions while at sea.⁵⁸

Alternative sources of weather and emergency information

2.49 In evidence to the committee, the ABC indicated that Northern Territory residents could access weather and emergency information from the Bureau of Meteorology and broadcasts by the RFDS. Ms Guthrie stated that 'in terms of emergency services, it is very clear that the Bureau of Meteorology continues to operate shortwave services in the Northern Territory' and that these are available 'for anyone who cannot receive our services by VAST, by FM or in any other way'.⁵⁹ Mrs Reynolds added that the Bureau of Meteorology provides cyclone warnings which are the primary cause of weather emergencies in the Top End.⁶⁰

54 Mr Graeme Steer, Toyota Land Cruiser Club of Australia, Darwin Branch, *Committee Hansard*, 9 March 2017, p. 31; Ms Kate McMaster, *Submission 36*, p. 1.

55 Northern Territory Cattlemen's Association, *Submission 44*, pp. 2–3.

56 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 10.

57 Mr Rod Cramer, *Submission 39*, p.1; see also Mr David Hewitt, *Submission 47*, p. 2; Mr Philip Brennan, *Committee Hansard*, 9 March 2017, p. 39.

58 Mr Bruce Davey, *Submission 56*, p. 1; Mr Roger Collins, *Submission 57*, p. 1.

59 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 84, 87.

60 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 35.

2.50 Submitters questioned the ABC's evidence and commented on the Bureau of Meteorology's marine radio service. Marine forecasts and warnings are broadcast from Charleville and Walloons in Queensland. These broadcasts are targeted in both reach and content to coastal and offshore boating and shipping. They are not well received inland and do not supply natural disaster information relevant to non-coastal areas.⁶¹ Mr Bruce Davey, cruise boat operator, noted that it is an automated service which provides information commencing at the Pilbara and traversing the whole of the Top End and is a brief, basic outlook.⁶²

2.51 It was also stated that to receive the Bureau's transmissions, specialist equipment is required. Mr Dowding commented:

Arguments that the Bureau of Meteorology provides adequate weather updates on HF is nonsense, given that the service is intended for mariners, fully automated and requires a specialised single-[s]ideband receiver.⁶³

2.52 Mr David Hewitt stated that the RFDS does not provide radio communication for the public. Furthermore, voice communication had not been provided for a number of years and the RFDS did not intend to reinstate this service.⁶⁴

2.53 Evidence received in relation to emergency broadcasting was not limited to the concerns about the termination of shortwave in the Northern Territory with submitters pointing to issues such as lack of local knowledge and unavailability of reception. The general issues related to emergency broadcasting are discussed in more detail below.

Lack of consultation

2.54 The lack of consultation before the decision was made was of particular concern to submitters.⁶⁵ Ms Robinson, Northern Territory Government, commented that Territorians expected that consultation would have taken place before the decision was made but this had not been the case.⁶⁶ The Northern Territory Government submitted:

The decision to stop shortwave transmission services is premature. The ABC has not made any attempt to consult with users of the service or understand how Territorians access and rely on shortwave.⁶⁷

61 Mr Douglas Cooke, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 2.

62 Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 27.

63 Mr Stephen Dowding, *Submission 34*, p. 2.

64 Mr David Hewitt, *Committee Hansard*, 9 March 2017, p. 35.

65 See for example, Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 29.

66 Ms Kathleen Robinson, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, pp. 3, 5.

67 Northern Territory Government, *Submission 46*, p. 1.

2.55 Similarly, the NTCA commented that termination of the service without consultation or without an adequate impact study 'demonstrates the complete disregard for what could be considered by some as the most loyal business'.⁶⁸ The Roper Gulf Regional Council commented:

It is a situation urban Australians would neither find themselves in nor tolerate, yet one their rural and regional counterparts have been forced to accept with minimal consultation as the ABC turns its back on providing an equality of service and shows its hand that it is not planning for a long-term future outside capital cities and regional hubs.⁶⁹

2.56 Ms Pinnock, ABC Friends, argued that the lack of consultation showed that 'the decision-making process used by ABC management and its board has been made in isolation, reflecting a total ignorance of the reality of communication in rural and remote Australia. It demonstrates the problem of Sydney-centric decision making'.⁷⁰ ABC Friends also submitted that making the decision prior to Christmas for implementation at the end of summer holidays was 'cynical' and not in line with the ABC's Charter to respond to the basic needs of all Australians.⁷¹

Number of complaints

2.57 During the Estimates hearing on 28 February, Ms Guthrie told the committee that only 15 people had contacted the ABC to complain about the termination of the shortwave service. On this basis, Ms Guthrie commented 'so the number of people affected seems to be very small'.⁷²

2.58 This number was questioned by a range of submitters who provided information that they had made complaints to ABC Northern Territory or the Board or to the managing director. Many submitters commented that they had not received a response to their complaints.⁷³ Mr Tom Stockwell, NTCA, commented:

Any time the subject was raised on our local ABC radio the time was more than filled with listener after listener bemoaning the decision and telling individual stories of how the short wave service is part of their lives. It is inconceivable, surely, that as a media organisation the ABC is not

68 Ms Tracey Hayes, Northern Territory Cattlemen's Association, *Committee Hansard*, 9 March 2017, p. 8; see also Northern Territory Cattlemen's Association, *Submission 44*, p. 2.

69 Roper Gulf Regional Council, *Submission 45*, p. 1.

70 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, pp. 10-11.

71 ABC Friends, *Submission 32*, p. 1.

72 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 82.

73 Mr Graeme Steer, Toyota Land Cruiser Club of Australia, Darwin Branch, *Committee Hansard*, 9 March 2017, p. 31; Mr David Hewitt, *Committee Hansard*, 9 March 2017, p. 34; Mr Philip Brennan, *Committee Hansard*, 9 March 2017, p. 38; Mr Chris Schilling, *Committee Hansard*, 9 March 2017, p. 41.

monitoring the subject and knows that their glib figure about the few hardy souls who use the ABC complaints system is not defensible data.⁷⁴

2.59 The committee notes that there is also a petition on the website Change.org.

Alternative technologies

2.60 The ABC stated that shortwave was old technology and indicated that there were a number of other means to receive its broadcasts. As noted above, the ABC pointed to VAST, FM, AM and Sky Muster. Mrs Reynolds also commented that 'quite a lot' of rural and regional listeners are accessing programs through mobile phones:

...that is now where they are actually accessing our lot of our programs from because they can get all those on the stream. All those ones are available on the radio app—on the ABC radio player app.⁷⁵

2.61 Submitters voiced concern about the ABC's dismissal of shortwave as an 'old' technology that can be effectively replaced by newer technologies.⁷⁶ Mr Stephen Dowding explained that shortwave or high frequency (HF) radio works in a similar way to an AM/FM radio where the listener tunes in a frequency and listens to the broadcast. However, HF radio waves, unlike AM or FM, bounce off the ionosphere and shower down. As result, HF radio waves can cover huge distances. In addition, shortwave receivers are cheap, run on batteries and are available for use in vehicles.⁷⁷

2.62 Mr Cramer added that shortwaves have been accessed by technology which has changed over time, from the pedal operated receiver of the past to small digital receivers of today. He argued that the significant point is not that it is 'old' technology, rather that it is 'a very reliable "platform" that punches through all sort of weather phenomena, and hence has been utilised for so long, and will be for a long time in the future'.⁷⁸

2.63 The reliability and popularity of shortwave was noted by other submitters. For example, Ms Kate McMaster, commented that customers at her outback caravan park in Central Australia, mostly grey nomads numbering in the thousands, listened to portable shortwave radios.⁷⁹

2.64 The comments from the ABC that that there are newer technologies for rural and remote communities to access ABC services were viewed with scepticism and seen as evidence that the ABC did not understand the realities of life in rural and

74 Mr Tom Stockwell, NTCA, *Committee Hansard*, 9 March 2017, p. 9.

75 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 42.

76 Mrs Lesley Reilly OAM, *Submission 49*, p. 1.

77 Mr Stephen Dowding, *Submission 34*, p. 2.

78 Mr Rod Cramer, *Submission 39*, p. 2.

79 Ms Kate McMaster, *Submission 36*, p. 1.

regional Australia and the limitations of the technologies it saw as viable alternatives to shortwave.⁸⁰ For example, Professor Waller commented that shortwave services have long been the only reliable source of critical information for many isolated communities. Access to emergency alerts through websites and social media via satellite connections overlooks the limitations and the impracticalities of digital communication technologies in remote locations. Professor Waller concluded:

The ABC's increasing focus on digital platforms and reliance on online content means people with limited connectivity are now not only disadvantaged for content choice but also potentially endangered if they are unable to receive emergency warnings.⁸¹

2.65 Mr Stockwell, NTCA, went further and commented that:

To me it seems the whole attitude is not saving them a lot of money but is just further evidence that people are getting tied up with the niceties of technological change and getting sucked into their virtual world, and the people at the end of old technology are expendable.⁸²

2.66 The committee received many comments relating to the ABC's evidence that VAST was the alternative to shortwave. Submitters noted that while VAST can provide the entire suite of ABC services, this technology is confined to a base station with power and a secure satellite dish; it thus cannot be used by travellers or by those at sea. VAST reception may also be affected by topography and weather conditions. For example, reception may be poor if the receiver is in a valley which is blocking access to the north-west or during monsoonal rain and heavy cloud cover. It was also noted that VAST systems are expensive.⁸³ The NTCA concluded:

Much of the ABC's defence of its decision is based on the existence of Viewer Access Satellite Television (VAST). However, this rings hollow. VAST is not a comprehensive substitute for shortwave radio because it is immobile and only covers a fraction of where people work and make their living.⁸⁴

2.67 Similarly, the Northern Territory Government stated that:

80 See for example, Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 10; Mr David Hewitt, *Submission 47*, p. 3.

81 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 1.

82 Mr Tom Stockwell, NTCA, *Committee Hansard*, 9 March 2017, p. 14.

83 Mr Stephen Dowding, *Submission 34*, p. 3; Mr Philip Brennan, *Submission 42*, p. 1; Northern Territory Government, *Submission 46*, p. 2; Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 23; Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 28; Mr Chris Schilling, *Committee Hansard*, 9 March 2017, p. 41.

84 Northern Territory Cattlemen's Association, *Submission 44*, p. 2.

To claim VAST satellite and mobile phone technology will fill the gap created is simply not true. These services are not mobile and in fact mobile antennas are only now being trialled.⁸⁵

2.68 The Northern Territory Government submitted that at least 23,700 Northern Territory residents have no access to ABC services other than through VAST.⁸⁶

2.69 Submitters also pointed to concerns with the other technologies which the ABC stated were available in place of shortwave transmissions. In relation to AM and FM transmission, some submitters contended that coverage is limited: AM can be received within 80 to 90 kms of the transmitter and FM within about 20 kms. As a consequence, an estimated 85 to 90 per cent of the Northern Territory landmass is not covered by AM or FM broadcasts meaning that 16 per cent of the resident population does not have access. AM coverage is also susceptible to electronic and weather interference.⁸⁷

2.70 In relation to the ABC's comments that other states relied on AM and FM transmissions rather than shortwave, submitters noted that the AM transmissions in the Northern Territory were weak. The Northern Territory Government also commented on the limited coverage of FM and AM and stated that FM is 'line of sight' while AM coverage is greatly dependant on the transmitter power.⁸⁸

2.71 In relation to mobile phone access, the Northern Territory Government noted that a reasonable amount of Queensland and substantially more of Western Australia has mobile service coverage compared to the Northern Territory. In the Territory, mobile phones reception is extremely limited in areas outside major centres. Pastoralists and outstations are generally not able to access mobile services. There are seven communities with mobile services that do not have an ABC service available other than VAST. This represents approximately 3800 residents.⁸⁹

2.72 Submitters did not see satellite phones as useful as they cannot receive radio signals and what data they can receive is extremely expensive and too slow for internet radio streaming.⁹⁰

2.73 Mr Dowding stated:

85 Northern Territory Government, *Submission 46*, p. 2.

86 Department of Corporate and Information Services *Answers to questions taken on notice*, p. 1.

87 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 17; ABC Friends, *Submission 32, Attachment 1*, p. 1; see also Mr Alan Hughes, *Submission 43*, p. 2; Four Wheel Drive Northern Territory, *Submission 53*, p. 1; Mrs Vena Oliver, *Committee Hansard*, 9 March 2017, p. 15.

88 Department of Corporate and Information Services *Answers to questions taken on notice*, p. 1.

89 Department of Corporate and Information Services *Answers to questions taken on notice*, p. 1.

90 Mr Stephen Dowding, *Submission 34*, p. 1.

It is profoundly arrogant on the part of the ABC to defund the NT Showers, the only up to date media accessible on the ground across a million square kilometres of Australia, out of desire to increase services to capital cities which are already well served by ABC television and radio, newspapers, internet and commercial networks.⁹¹

2.74 The Northern Territory Government concluded:

It is disappointing ABC management is more interested in improving digital services for larger population centres, than to ensure basic service provision in the bush.⁹²

Committee view

2.75 The committee considers that the termination of shortwave transmission services in the Northern Territory points to the ABC's lack of understanding of the importance of this form of transmission. Although the number of users of shortwave may be small, these users are often located in the remotest parts of Australia with no other means of receiving news and crucial emergency information. In particular, the committee is disturbed by the ABC's lack of consultation with important stakeholders before the decision to terminate the service was taken.

2.76 The committee was not convinced by the ABC's argument that other technologies are currently available and appropriate for those living in the majority of Australia's landmass. The committee received ample evidence as to the unreliability of VAST in certain circumstances and its unsuitability to those travelling or without a power source. It may be that in the future satellite services will fully replace other forms of transmission, but currently this is not the case.

Emergency broadcasting services

2.77 The committee's interim report highlighted the importance of the ABC during emergencies and disasters; communities turn to the ABC to provide accurate and timely information as events unfold and there is a prevailing community view that the ABC is the national emergency broadcaster.⁹³

2.78 The ABC also plays a role in building community resilience following emergencies and disasters. Professor Waller commented:

In times of emergency, as communities, media has a really important role to play in bringing us together, and that is about more than information; that is about the community-building capacity of local ABC in particular...That is

91 Mr Stephen Dowding, *Submission 34*, p. 2.

92 Northern Territory Government, *Submission 46*, p. 2.

93 Wellington Shire Council, *Submission 6*, p. 2; Mr Douglas Cooke, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 3; see also Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 25.

a very important role that the ABC plays, not just during disasters but at all times, and we are very keen to see that upheld.⁹⁴

2.79 However, submitters argued that the ABC's role during emergencies has been compromised through the decrease in some local services, including the termination of shortwave transmission in the Northern Territory. Where available, some communities are now relying on broadcasts from metropolitan or larger regional centres. As a consequence, sometimes vital information is not received or audiences have difficulty in understanding information as towns and place names are pronounced incorrectly.⁹⁵

2.80 Another matter highlighted in the evidence was the impact of blackspots for both mobile and radio transmissions. It was argued that radio blackspots compromise emergency broadcasting capabilities. The committee received evidence about blackspots from Gippsland in Victoria and the Monaro and Numeralla areas in New South Wales and areas in the Northern Territory which had received shortwave broadcasts.⁹⁶

2.81 It was also noted that there is poor mobile coverage in some rural and regional areas, thereby increasing the importance of radio broadcasts of emergency information.⁹⁷ The Snowy Monaro Regional Council, for example, commented that there is neither mobile phone coverage nor ABC radio reception over most of the area.⁹⁸ The Monaro is a very large region with Professor Waller commenting that 'it really brings home to you how important this issue is to big areas of the country. We are not talking about tiny little communities or small areas.'⁹⁹

2.82 Given the importance of emergency broadcasting, some witnesses supported an amendment to the Charter to recognise the ABC's role as emergency service provider.¹⁰⁰ Ms Sinddy Ealy, CPSU, commented that if emergency broadcasting was seen as a role of the ABC and therefore included in the Charter, it would be necessary to ensure that funding is available to deliver that service.¹⁰¹

94 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

95 Wellington Shire Council, *Submission 6*, pp 3–4; Mr Ray Rigbye, *Submission 27*, p. 14.

96 Wellington Shire Council, *Submission 6*, p. 3.

97 See Mr Ian McCorkindale, *Submission 17*, p. 1; The Hon Gary Nairn, *Submission 20*, p. 1; Numeralla and District Activities Inc, *Submission 24*, p. 1; Mr Brian Curzon, *Submission 29*, p.1.

98 Snowy Monaro Regional Council, *Submission 33*, p. 1.

99 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 5.

100 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 5; see also Dr Alexandra Wake, *Committee Hansard*, 6 March 2017, p. 23.

101 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 31.

2.83 While noting that there is a memorandum of understanding (MOU) for emergency broadcasting, ABC Friends commented that this activity could well be included in the Charter.¹⁰²

The ABC's response to issues raised in evidence

2.84 The ABC's submission provided comment on its role in times of emergency and stress and stated that the ABC 'provides a vital connection between residents and authorities'.¹⁰³ In addition, in its submission to the House of Representatives Standing Committee on Communications and the Arts inquiry into broadcasting, online content and live production to rural and regional Australia, the ABC noted that it trains employees in emergency broadcasting. ABC staff also monitor the environment and work alongside emergency agencies to refine and develop communication systems. It is the only radio broadcaster in rural and regional Australia undertaking this task. The ABC concluded that emergency broadcasting is 'an essential part of the Corporation's commitment to servicing rural and regional Australians' and has a long history of assisting emergency agencies by broadcasting education material.¹⁰⁴

2.85 In an answer to a question on notice, the ABC added:

The ABC is committed to providing accurate and timely information to its audiences across appropriate platforms, including ABC Local Radio and ABC News 24 television during emergency events. The ABC is an emergency broadcaster in all Australian states and territories, but does not regard itself as the exclusive broadcaster of emergency information.¹⁰⁵

2.86 Mrs Reynolds noted that the ABC has a number of MOUs across the country with different emergency services. In relation to the evidence given about the ABC's role as an emergency broadcaster at the committee's estimates hearing on 28 February 2017, Mrs Reynolds commented:

I think there is some confusion arising out of estimates last week about whether we are an emergency service broadcaster. Again I sit back, look at that and say: 'We do emergency broadcasting. You know we do it all the time.' We are currently covering Cyclone Blanche...and we covered Cyclone Yvette in Darwin last year. We have covered emergencies right across the country.¹⁰⁶

102 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 8.

103 ABC, *Submission 16*, p. 23.

104 ABC, *Submission 16*, Attachment 2, p. A1–7.

105 ABC, *Answer to question on notice*, No. 21.

106 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, pp. 40–41.

2.87 In relation to concerns about blackspots, Mrs Reynolds commented that there are vast parts of the country that do not receive transmissions because of the difficult topography. Mrs Reynolds went on to comment:

We cannot provide an AM-FM service to every Australian. We are faced with some tough decisions about how we are going to fund all of the services that audiences are demanding; this is where the decision came in. I totally understand. As I said, I am not a Northern Territorian and I am not a cattleman, so I do not pretend to know exactly how they live their lives. I just know that we have pockets that we cannot broadcast to.¹⁰⁷

2.88 The ABC also responded to the suggestion that an obligation to be the emergency broadcaster should be contained in the Charter. Mrs Reynolds did not support this approach and stated that emergency broadcasting is carried out by the ABC as part of its core obligation to communities:

I do not think it needs to be written into the charter. The charter could be absolutely every single possible thing that we do. But I think it is there as a vital service, as an obligation and as a personal commitment from the teams who are working on the ground. We are not the only ones who provide that. Commercial operators now provide around the country emergency broadcasting.¹⁰⁸

2.89 Mrs Reynolds went on to emphasise that staff of the Regional Division were committed to providing services to their communities, including during emergencies.¹⁰⁹

Committee comment

2.90 The evidence received by the committee clearly indicates that there are significant community expectations that the ABC will provide information and warnings during emergency situations. Indeed, many submitters consider that the ABC it is the national emergency broadcaster and view this service as being a core function of the ABC.

2.91 Submitters considered that in many rural and regional areas the ABC is not undertaking this role appropriately. The committee received evidence that emergency information is sometimes not adequate with submitters particularly concerned that emergency information is being broadcast from major centres with an emphasis on cross-state emergency broadcasts. This has resulted in intermittent references to local events, mispronunciation of names, lack of timely alerts and lack of relevant information critical to communities.

107 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 40.

108 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 41.

109 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 41.

2.92 The committee considers that, given the importance of the ABC as an emergency broadcaster and community expectations, this role should be consolidated and formalised.

Changes to Radio National

2.93 The committee received evidence concerning changes to Radio National music programming. Save RN Music Campaign stated that Radio National has converted to a spoken format.¹¹⁰ Ms Ruth Hazelton, Save RN Music Campaign, commented that there is now no music on Radio National and added:

Even if they could take from other channels to give some people a voice to break up the talk, it does not matter how good talk is—it is relentless and it is repetitive. If you are a regional listener, you would be going batty if that was the only radio you could access.¹¹¹

2.94 In addition, it was argued that the changes have adversely affected Australian musicians and communities: musicians have lost a means of having their music heard and communities have lost access to a wide range of music genre. Save RN Music Campaign concluded:

...rural and regional Radio National listeners will no longer have access to curated (music journalism and informative) musical content which serves to provide entertainment, educational and diverse cultural content to regional and rural audiences.¹¹²

2.95 Save RN Music Campaign stated that the ABC cited poor listener rates as a reason for the cuts. However, it challenged this assertion and noted that the ABC does not regularly perform adequate surveys of rural and regional areas and stated that Save RN Music Campaign had found that Radio National is a primary radio service in rural and regional Australia.¹¹³

2.96 In response to concerns about the changes, the ABC stated that Radio National had primarily been a spoken network for many decades, but has also included a small number of music programs in its schedule.¹¹⁴

2.97 The ABC added that after these cuts, genres such as folk, blues and world will be covered in other broadcasts including country on digital, jazz on digital, *Unearthed*

110 Save RN Music Campaign, *Submission 41*, p. 1.

111 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 14.

112 Save RN Music Campaign, *Submission 41*, p. 2.

113 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 12.; Save RN Music Campaign, *Submission 41*, p. 2.

114 ABC, *Answer to questions on notice*, No 9.

on digital, Triple J, Classic FM and Double J. Other programs are scattered across local radio networks, such as *Saturday Night Country*.¹¹⁵

2.98 Save RN Music Campaign commented that as a result of lobbying, ABC management has 'hinted' that it might restore some of the cut content, but that will be via digital formats.¹¹⁶ Access to digital formats, however, requires reliable internet which is limited in some areas of rural and regional Australia. Ms Hazelton commented:

They have not cited cost-cutting as a major reason, but we have reason to believe that that is the case, or part of it. And I think that part of it is just a complete disengagement from what these changes mean to rural and regional Australians in terms of digital. It is all about digital, digital, digital. There is no infrastructure and there will be no infrastructure for at least another 10 years—around that. I think it is this jumping the gun that has been a cause of the decision, and also just a disrespect for the arts...¹¹⁷

2.99 Save RN Music Campaign supported changes to the Charter as a means of ensuring that the view of rural and regional areas are taken into account.

2.100 In response to these concerns, Mrs Reynolds pointed to the breadth of music that is available in many different ways and in many different places.¹¹⁸ Mrs Reynolds concluded:

...the decision was made that with all of the other music services which I have outlined previously coming on board that [Radio National] would become a dedicated spoken network and not need those radio programs.¹¹⁹

Rural and regional advisory council

2.101 The establishment of a rural and regional advisory council was supported by a number of submitters as a means to improve the ABC's perspective on rural and regional issues.¹²⁰ For example, Deakin University commented that the advisory council 'would help ensure voices from the bush are adequately represented in this time of mass media consolidation'. In addition, Deakin University commented that the knowledge offered by such a council could constructively inform the ABC Board's decisions relating to rural and regional broadcasting.¹²¹ This point was expanded upon in the Deakin University submission:

115 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 42.

116 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 11.

117 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 15.

118 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 42.

119 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 43.

120 Dr Alexandra Wake, *Submission 4*, p. 2; Cr Paul Battista, *Submission 18*, p. 1; Northern Territory Cattlemen's Association, *Submission 44*, p. 4.

121 Deakin University, *Answer to question taken on notice No. 2*.

The insight and guidance offered by a Council with diverse membership is necessary to consider when making decisions that shape the availability and quality of local news and content in Australia's rural and regional futures.¹²²

2.102 Dr Wake commented that the appointment of an advisory council 'could enable a significant improvement of services to areas outside Sydney and Melbourne if appropriate appointments are made from people with a diversity of views and experiences'.¹²³

2.103 ABC Friends noted that the ABC already has an advisory council—the Australian Broadcasting Corporation Advisory Council. In evidence, Mr Macdonald, ABC Friends National, questioned the effectiveness of the current advisory council and its ability to represent all of Australia.¹²⁴ Mr Macdonald went on to comment that either the current advisory council could be improved or there could be two councils. Mr Macdonald stated:

...[the current advisory council] is ineffectual and it is not representative and I do not think it achieves more than—it is referred to in a couple of paragraphs in the annual report. But it seems to me that you can have two councils, if you like, or you can have a broader advisory council.¹²⁵

2.104 The CPSU initially took a cautious approach to the establishment of a rural and regional advisory council. At the committee's hearing on 6 March 2017, Ms Sinddy Ealy, CPSU, commented that 'I certainly do not think that it would hurt to have a regional advisory council'. Ms Ealy went on to state that, in relation to the termination of shortwave transmissions services in the Northern Territory, 'I do not think we would have seen a deliberate decision not to consult about the termination of shortwave' if a rural and regional advisory council had been consulted.¹²⁶

2.105 The ABC noted that the current Australian Broadcasting Corporation Advisory Council provides advice to the Board on matters relating to the Corporation's services, including those delivered to regional Australians. The ABC stated:

The function of the Advisory Council is either on its own initiative or at the request of the Board, to advise the Board on matters relating to the Corporation's broadcasting programs. Recommendations provided by the Advisory Council are appropriately considered by the Board and at their discretion, the ABC Board may integrate these recommendations into their

122 Deakin University, *Submission 26*, p. 5.

123 Dr Alexandra Wake, *Submission 4*, p. 2.

124 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

125 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 13.

126 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 28.

decisions. This process places no additional impost on the Boards decision-making process.¹²⁷

2.106 It was noted that members are already subject to a competitive selection process and are drawn from across the country, ensuring that they represent the Corporation's broad audience.¹²⁸

2.107 Mrs Reynolds, ABC Regional Division, added that she did not believe that there was a need for a rural and regional advisory council as 'I think that [the Regional Division] is really connected to people on the ground'.¹²⁹

2.108 The ABC also expressed concern that the proposal may affect its independence. The ABC submitted that:

...requiring the ABC Board to consult with an advisory body effectively removes from the ABC Board its ability to choose the matters on which it will consult when discharging its responsibilities under the ABC Act, thus diminishing its independence. The proposed change also detracts from the ABC Board's discretion, under subsection 11(9), to determine the manner in which advisory bodies are to perform their functions, and their meeting procedures. Moreover, the ABC Advisory Council is already free to advise the ABC Board about broadcasting matters on its own initiative (subsection 11(3)).¹³⁰

2.109 The ABC submitted that the establishment of a further advisory body would create additional administrative and support costs whilst replicating the advice currently provided to the Board through the ABC Advisory Council.¹³¹

2.110 In response to the matters raised by the ABC relating to the possible effect on the independence of the ABC, Professor Waller stated:

I cannot see how it would affect their capacity to be independent. I am aware that today they are very unhappy with unnecessary layers of bureaucracy and they are looking to get rid of those within the organisation. But surely, having an advisory panel that you can consult would be of benefit to the ABC. Rather than mandating them to do anything, it would mean that they actually had people that were in the know that they could go and talk to, check in with and who could provide them with some really strong and valuable feedback and ideas. I would think that that was a really valuable exchange rather than something onerous.¹³²

127 ABC, *Answer to question on notice*, No. 29.

128 ABC, *Submission 16*, p. 9.

129 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 39.

130 ABC, *Submission 16*, p. 8.

131 ABC, *Submission 16*, p. 9; see also ABC, *Answer to question on notice*, No. 29.

132 Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 5.

2.111 Deakin University provided further information in an answer to a question on notice following the hearing in Melbourne. While noting concerns about additional administrative burdens, Deakin University commented that a rural and regional advisory council 'would also assist in democratic decision-making and help address what appears to be a lack of understanding when it comes to the information needs of rural and regional Australians'. In relation to independence of the ABC Board, it was stated:

There is no reason why consideration of wider viewpoints and experiences would diminish the independence of the ABC Board. As we understand it, the proposed amendment seeks to offer a means through which the Board can be better informed of rural/regional issues, but the Board would still maintain responsibility for decision-making. We note that such additional Advisory Councils to represent any region of Australia can be established under section 11(2) of the ABC Act. The ABC's independence is not jeopardised by its existing Advisory Council, so it is unlikely that another Council to provide comment specifically on rural and regional matters would endanger the Board's independence. It is also equally important that the majority of members of the Council have clear, first-hand experiences of living in a rural/regional setting.¹³³

Committee view

2.112 The committee notes that there were mixed views about the need for the establishment of a rural and regional advisory council. Those who supported the establishment of the advisory council indicated that it would be a source of valuable advice for the ABC Board in its decision making relating to rural and regional broadcasting.

2.113 The committee notes the matters raised by the ABC in relation to the appointment of a rural and regional advisory council. However, the committee does not consider that the addition of this advisory council would adversely affect the independence of the ABC. Rather, the committee believes that a rural and regional advisory council would provide the Board with additional stakeholder views on relevant matters and ensure that appropriate regard is given to ABC services in rural and regional Australia. For example, the committee notes that no advice was sought from the ABC Advisory Council in relation to the termination of shortwave transmission services in the Northern Territory. The committee believes that, had consultation been undertaken with a rural and regional advisory council, a more considered approach to this matter may have been taken by the ABC Board.

2.114 However, the committee notes that the bill proposes that the Board must have regard to the desirability of including in the membership of the advisory council representation of individuals who are residents of rural and regional Australia. The committee considers that a broader requirement is appropriate.

133 Deakin University, *Answers to questions taken on notice*, p. 3.

Proposed changes to membership of the Board of the ABC

2.115 Some submitters supported the proposed change to the composition of the Board with Dr Alexandra Wake commenting that 'the requirement for the Board to have at least two directors who reside in regional areas could potentially help maintain high standards of service to rural and regional Australia'.¹³⁴ The NTCA was also supportive of rural and regional representation on the Board. Ms Hayes commented:

...the NTCA would support a greater level of representation to the ABC on behalf of rural and regional communities. It is important to differentiate between what is rural and what is regional, but it is essential that we are considered rural in these parts and that there is a level of representation at ABC board level by somebody that lives and understands the requirements of people operating businesses, raising families and contributing to the Australian community from those regions.¹³⁵

2.116 ABC Friends submitted that the ABC Board must be 'diverse and independent of governmental influence'. ABC Friends went on to comment that a better outcome would not be necessarily achieved by requiring a specific number of rural-based board members. It concluded that:

Of absolute importance—which the recently changed board nomination procedures were meant to ensure—is that the best group of people, with differing backgrounds from around Australia, are nominated for the Board. And, that those appointed, who are charged with independent leadership, must be free of political ties so they can act without fear or favour in the interests of Australians generally.¹³⁶

2.117 The ABC raised a number of concerns in relation to proposed changes to the composition of the Board. The ABC noted that selection to the ABC Board is a merit-based selection process, with the ultimate decision being made by the Government on the advice of the Minister. The ABC also submitted that the Government is currently able to make a decision to appoint candidates from rural and regional areas. However, it was noted that to prescribe the number of members on the Board from a certain sector 'may actually act against the best interests of the Corporation and its audiences'. The ABC went on to state:

The ABC is a corporation operating in a complex and rapidly-changing media environment. Stewardship of that business requires board members with business and media skills. The ABC would be concerned if geographic quotas were to hinder the ability of Government to choose people best

134 Dr Alexandra Wake, *Submission 4*, p. 3; see also Mr Darryl Fallow, *Submission 55*, p. 3; Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 25.

135 Ms Tracey Hayes, Northern Territory Cattlemen's Association, *Committee Hansard*, 9 March 2017, pp. 9–10

136 Friends of the ABC, *Submission 3*, p. 2.

qualified to help steer the Corporation through this challenging landscape.¹³⁷

2.118 Mrs Reynolds noted that regional members have been appointed to the Board with the newest Board member from regional Queensland.¹³⁸

Committee view

2.119 The committee acknowledges that the Government has the capacity to appoint Board members from regional Australia and has done so in the past. Notwithstanding the concerns raised by the ABC, the committee considers that the Board should have at least two non-executive directors who have a substantial connection to, or experience in, a rural or regional community through business, industry and community involvement. The committee considers that the appointment of at least two such Board members will ensure that the Board is appropriately advised on matters relating to rural and regional services.

2.120 In addition, the committee considers that when appointing non-executive directors to these positions, the Minister should table a statement of reasons in the Parliament detailing how the appointees satisfy the criteria.

137 ABC, *Submission 16*, p. 10.

138 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 39.

Chapter 3

Committee view

3.1 The ABC holds a unique place in Australian society: it provides news, current affairs, music and programming across radio, television and online platforms. The ABC has the largest broadcasting footprint in rural and regional Australia and, in some areas, is the only source of news for local communities. When there is an emergency or natural disaster, many Australians have an expectation that the ABC will provide them with the most accurate and timely information on what is happening on the ground.

3.2 The committee acknowledges the concerns about access to ABC news and information services raised by those living in rural and regional Australia. In particular, the committee recognises concerns about the provision of local content as other media organisations withdraw from regional areas. The committee considers that the recent termination of the ABC shortwave transmission service in the Northern Territory is another valid concern.

3.3 The ABC has recently announced changes which will lead to increased resources for regional and rural Australia. The changes were announced on 7 March 2017 by Ms Michelle Guthrie, Managing Director of the ABC, and centre on a restructure of the Corporation. The newly established Content Fund will support the development of new, creative content and fund up to 80 new content roles in regional areas within 18 months.¹

3.4 The committee acknowledges that the Content Fund will provide an important avenue for the delivery of improved services in rural and regional Australia. Nonetheless, the committee is mindful that, so often in the past, ABC management has committed to preserving and enhancing rural and regional services but has failed to do so. The committee notes that over the last decade, ABC regional services have been characterised by the closure of regional offices and staff reductions in those remaining, a lack of resources available for providing local content, decreases in important content such as agricultural news and an increase in broadcasts and content from major centres.

3.5 At the same time, the ABC has moved towards providing more digital content without sufficient regard to how appropriate this format is for many living in rural and remote Australia. The committee acknowledges that the way in which the media sector is delivering news, music and entertainment is changing rapidly. The ABC has

1 'About the ABC: The new ABC Content Fund', <http://about.abc.net.au/the-new-abc-content-fund/>; 'About the ABC: \$50 million audience investment in ABC transformation', *Press Release*, 7 March 2017, <http://about.abc.net.au/press-releases/50-million-audience-investment-in-abc-transformation/>

been addressing the expectations of its audience by investing in new technologies. Many Australians now have access to the ABC through multiple platforms such as digital radio and phone apps. These provide high quality, instant access to all of the ABC's online services. With the media landscape continuing to change rapidly, the ABC must maintain investment to address the challenges that this brings. The committee supports the ABC in this endeavour.

3.6 However, there are many places in Australia where, currently, newer technologies are not a reliable way to access ABC services. The committee received evidence from submitters living in rural and regional Australia about the limitations of digital technology particularly due to insufficient internet and mobile phone coverage. Many pointed to the unreliability of satellite technology during rain and heavy smoke. Some technologies require a fixed base station and power source. In addition, there are areas where neither radio nor mobile phone access is available. This is highly concerning in emergency situations.

3.7 The committee believes that consideration of the limitations of digital technologies in rural and regional Australia should be part of the ABC's aim to improve the provision of local services, particularly in relation its plan to provide 'better tools and increased video and digital output' as part of its new regional investment strategy. The termination of shortwave transmission services in the Northern Territory is a case in point. The committee considers that this was an ill-advised decision which appears to have been based on a lack of research on audience reach and lack of understanding of the importance of shortwave services in some of the remotest parts of Australia.

3.8 While acknowledging the importance of the ABC's independence and the need for operational flexibility in a rapidly changing media environment, the committee considers that further mechanisms are required to ensure that communities in rural and regional Australia are not disadvantaged in their access to ABC services. The committee therefore supports the measures proposed in the bill to the extent that they will ensure that appropriate priority is given to services to rural and regional Australia.

3.9 The committee considers that it is highly desirable that the Charter be amended to reflect the importance of the ABC in rural and regional Australia. In particular, the committee supports the change to the Charter contained in proposed subparagraph 6(1)(a)(i) so that programs broadcast by the ABC not only contribute to a sense of national identity or cultural diversity, but also reflect the regional identity and geographic diversity of the Australian community.

3.10 However, the committee does not support requiring the ABC to approach its obligations to provide services in regional Australia from a social service and community perspective, as opposed to a purely commercial position, when making programming and management decisions (proposed subparagraph 6(2)(a)(vi)). The committee recommends that this provision be omitted from the bill.

3.11 The establishment of a rural and regional advisory council is supported by the committee. The committee considers that a rural and regional advisory council will provide the Board with additional advice related to matters of importance to rural and regional communities. However, the committee considers that proposed subsection 11(6A) relating to the membership of the advisory council should be amended. The bill proposes that the Board must have regard to the desirability of including in the membership of the advisory council representation of individuals who 'reside in' rural or regional Australia. The committee recommends that a broader requirement be inserted, for example, a 'regional interest' through business, industry or community involvement.

Recommendation 1

3.12 The committee recommends that proposed subsection 11(6A) be amended to omit the proposed residency requirement and insert a broader requirement.

3.13 Similarly, the committee considers that a requirement that at least two non-executive members of the Board have the background and experience necessary to support effectively the interests of rural and regional Australia as proposed in new subsection 12(5AC) is beneficial. However, in line with the committee's recommended amendment to proposed subsection 11(6A), the committee considers that, rather than the requirement that these two directors reside in a regional area, a broader requirement (for example, having a 'regional interest') is more appropriate. This will allow the Minister flexibility in recommending the appointment of non-executive directors but at the same time will ensure that the Board is appropriately advised in relation to rural and regional services.

3.14 In addition, the committee considers that the bill should be amended to include a requirement that when non-executive directors are appointed to these positions, the Minister must table a statement of reasons in the Parliament detailing how the appointees satisfy that requirement.

Recommendation 2

3.15 The committee recommends that proposed subsection 12(5AC) be amended to omit the proposed residency requirement of at least two non-executive directors of the ABC Board and insert a broader requirement.

Recommendation 3

3.16 The committee recommends that the bill be amended to insert a requirement that, when a non-executive director is appointed to satisfy the requirement of proposed subsection 12(5AC), the Minister must table a statement of reasons in the Parliament detailing how the director satisfies the broader requirement referred to in Recommendation 2.

3.17 Further, the committee does not support the requirement that the Board consult regional employee stakeholders before implementing any policy affecting regional areas as contained in proposed paragraph 8(2A)(a). The committee notes that

the ABC already consults with the CPSU and therefore recommends that this provision be omitted from the bill.

3.18 The proposed inclusion of the requirement that the ABC broadcast at least five radio bulletins per day that consist solely or primarily of regional or local news (subsection 27(2)) is not supported by the committee. The committee recognises the importance of local radio for rural and regional communities. However, the committee considers that, given the recent announcements by the ABC of its plans to reinvest in regional services, other measures in the bill provide the necessary guidance to the ABC. The committee recommends that this provision be omitted from the bill.

3.19 The committee does not support two further proposed provisions. First, the committee considers that proposed section 34 (regarding the ABC as an employee in regional areas) is no longer required as the ABC has recently announced its commitment to increasing rural and regional service provision. Secondly, the committee does not support proposed paragraph 80(ea) relating to the requirement for the ABC to report on any consultations undertaken by the Board with regional employee stakeholders and the rural and regional advisory council regarding the implementation of any policies affecting regional areas. The committee recommends that these provisions be omitted from the bill.

Recommendation 4

3.20 The committee recommends that proposed subparagraph 6(2)(a)(vi), paragraph 8(2A)(a), subsection 27(2), section 34 and paragraph 80(ea) be omitted from the bill.

3.21 In addition, the committee notes the important role the ABC plays in providing emergency broadcasts. Although other broadcasters also provide emergency information, many in the community see the ABC as the national emergency broadcaster. The committee considers that the ABC Board should review this role with a view to formalising this function.

Recommendation 5

3.22 The committee recommends that the ABC Board review its role as an emergency service broadcaster, in light of community expectations, with a view to formalising this vital function.

Recommendation 6

3.23 The committee recommends that the bill be passed subject to recommendations 1 to 4 of this report.

**Senator Linda Reynolds CSC
Chair**

**Senator Bridget McKenzie
Senator for Victoria**

Labor Senators' Dissenting Report

1.1 Labor Senators believe that the Australian Broadcasting Corporation (ABC) is one of Australia's most important public institutions. We believe the ABC plays a crucial role in adding to the diversity of news in our media landscape and providing an opportunity for Australian content to be shown and heard. The ABC also plays a vital role in our regional, rural and remote communities providing local news, public announcements and emergency messages.

1.2 Labor Senators affirm and advocate the independence of the ABC and understand the importance of safeguarding our national broadcaster from political interference. In Government, Labor implemented measures to protect the institutional independence of our public broadcasters and their governing boards.

1.3 Labor Senators value Australia's tradition of strong public sector broadcasting. In Government, Labor provided funding that helped establish a dedicated digital children's channel and supported efficiency measures in the ABC that helped fund ABC News 24 and ABC online. Labor's 2016 election commitment was to invest \$60 million over three years in the ABC to produce local drama—a funding boost that would have provided an opportunity for Australian stories to feature prominently in the ABC's schedule in a market that is increasingly being dominated by international content. These commitments demonstrate that Labor puts people, and the services they rely on, first.

1.4 Labor's positive approach is in stark contrast to that of the Liberal-National Coalition who, in breach of an election promise, slashed more than \$250 million from the public broadcaster in the disastrous 2014 Budget and then cut further in the 2016 Budget. We note the ABC submission, made prior to the 2016 budget, which states:

In 2014, the Government imposed funding cuts on the Corporation over a five-year period. In addition to further cuts announced during the course of 2014, the overall reduction is \$355 million over five years.¹

And:

The ABC is on track to deliver its required funding cuts via support service efficiencies and other non-audience-facing measures. The opportunity cost, however, of the funding cuts is the ability of the ABC to be more agile in addressing areas of need. It is a pool of diminishing returns—as the Corporation continues to service its budget reduction; it is ever more difficult to use internal efficiencies to invest elsewhere.²

1.5 Labor Senators note that, in this context, the Government commissioned the ABC and SBS Efficiency Study 'to identify potential savings from the many "back of

1 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 14.

2 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 15.

house" functions of the public broadcasters' operations. This included administration, use of equipment, property and technologies'.³ The study report identified the discontinuation of shortwave radio services as an area of potential savings,⁴ among a range of findings which also included 'the suggestion that the broadcasters investigate the feasibility of: options to charge audience members for content beyond the free period; charging for high definition and/or archival content; [and] monetising content through advertising' with respect to online catch-up services.⁵

1.6 Labor Senators are concerned that Coalition budget cuts are putting pressure on the ABC to find efficiencies in ways that may undermine important service provision. It is our view that the ABC's decision to cease shortwave radio transmission in the Northern Territory (NT) is an example of the national broadcaster having to make trade-offs as it is being stretched to deliver on its mandate to, among other things, provide both 'comprehensive broadcasting services'⁶ and 'digital media services'⁷ in a media landscape undergoing transformational change. Efficiencies were cited in the ABC's December 2016 announcement on shortwave cessation as follows:

Michael Mason, ABC's Director of Radio said, "While shortwave technology has served audiences well for many decades, it is now nearly a century old and serves a very limited audience. The ABC is seeking efficiencies and will instead service this audience through modern technology".⁸

1.7 Further, we note evidence from the ABC's Director of Regional who stated to the Committee:

[T]he ABC must make clear-headed and rational decisions about the services it can provide within a finite budget envelope...[T]he ABC's recent decision regarding the Northern Territory short wave services...is a case in point.⁹

1.8 Labor Senators note the uneven service availability across Australia, and are concerned that the push to find efficiencies is seeing the national broadcaster assert that the existence of VAST (Viewer Access Satellite Television) in remote NT

3 The Hon Malcolm Turnbull, 'ABC and SBS Efficiency Study—release of report', *Media release*, 1 December 2014.

4 Department of Communications, *ABC and SBS Efficiency Study: Draft Report*, April 2014, p. 91.

5 Department of Communications, *ABC and SBS Efficiency Study: Draft Report*, April 2014, p. 60.

6 *Australian Broadcasting Corporation Act 1983*, s 6(1)(a).

7 *Australian Broadcasting Corporation Act 1983*, s 6(1)(ba).

8 Australian Broadcasting Corporation, 'ABC Exits Shortwave Radio Transmission', *Press Release*, 6 December 2016.

9 Mrs Fiona Reynolds, Director of Regional, Australian Broadcasting Corporation, *Committee Hansard*, 6 March 2017, p. 33.

satisfies the requirement to provide 'comprehensive' broadcasting services, despite it not being a substitute for radio transmission in terms of the accessibility and portability of a shortwave radio receiver compared to a satellite receiver. Similarly, with respect to the cancellation of a number of music programs on Radio National, the Corporation is asserting that audio music programs delivered over digital television provide alternative access to ABC music programming for audiences in rural and regional areas, despite the need for a digital television receiver and the concomitant impact on portability.

1.9 It is instructive to note evidence to the inquiry canvassing what is known as the 'digital divide' in Australia:

We know that Radio National, via its powerful AM and FM transmitters, reaches most of Australia's rural community with a strong, portable, accessible signal. It is a great platform for RN music...

ABC management told us...that regional and rural listeners could access similar programming on DAB+ digital radio or digital streaming stations on the internet or digital TV audio streaming. This basically shows that they do not understand how their rural listeners access the ABC content. The decision is premature.

Digital DAB radio is a really nice signal, but it can only be heard in five capital cities and, shortly, Darwin and Canberra. There are no specific plans for the time line by the CRA [Commercial Radio Australia], in conjunction with the ABC, to roll out DAB+ to rural communities...DAB+ radio does not exist in the bush.

Digital streaming radio stations via the internet is part of the future, but it is just a delivery system, with the usual benefits and problems of any delivery system...Our 23,000 supporters regularly tell us of their reception loss, loss of streaming, dropping to 3G, slow or no internet and poor mobile reception. Finally, not everybody can afford a smartphone with a fat data contract, but they usually have a radio in their car, kitchen or bedroom. In fact, industry figures say that 96 per cent of households have at least four radios.

Digital TV requires a TV set, a big fat aerial if you live in the country, and it is plugged into the wall. It is not portable. As well, the content is mostly poor cousin to you iPod, with little or no curating and no artist or song details. It is not radio...The radio industry-wide survey in August last year indicated that only 2.1 per cent of people listen via digital TV audio. It is no substitute for Radio National on the AM/FM bands across Australia.¹⁰

1.10 Labor Senators note that the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 (the bill) was introduced by Nationals Senator Bridget McKenzie on 1 December 2015, after the announcement of the Coalition Government's significant budget cuts to the ABC. The bill is for an Act

10 Mr Geoffrey Horsnell, Campaign Committee and Specialist Radio Consultant, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p 12.

to amend the Charter and board composition in the *Australian Broadcasting Corporation Act 1983* (the ABC Act), and for related purposes.

1.11 Labor Senators note that the Committee supports the bill only on the proviso that substantial amendments are made.

1.12 Labor Senators understand that the bill picks up on broad and valid concerns about rural and regional media coverage in Australia, including ABC media coverage. We understand and share in widespread concern about the decline of rural and regional media coverage in Australia. We note the frustration of regional media broadcasters at the Government's failure to make progress on media reform¹¹ despite the fact the Coalition has the support of Labor to repeal the outdated 75 per cent reach rule and to strengthen local content obligations. We further note the MEAA submission which states:

Traditional rural and regional media voices—across print, broadcast television and radio have been in decline for some time and this trend shows no sign of abating. The unfolding crisis in rural and regional media coverage is far greater than the ABC's role and contribution. Diversity and local content are rapidly diminishing across the board as funds dry up in both commercial and public media organisations.¹²

1.13 Referring specifically to the ABC, the MEAA notes:

The reorganisation of regional services has occurred on several occasions in the last decade or so. These reorganisations are always attended by supportive words and some new deeds; they cannot, however, mask the slow deterioration in the ABC's actual presence in regional communities.¹³

1.14 Labor Senators acknowledge that the Senate Inquiry into the bill provided a useful opportunity for the Committee to explore concerns about rural and regional media in Australia, as well as for adducing evidence about the impact of recent ABC decisions to cease shortwave radio transmissions and cut most music programming from Radio National, which occurred during the course of the Inquiry.

1.15 Labor has made representations to Government on its concerns about programming cuts to Radio National and the cessation of shortwave radio. On these matters, Labor Senators understand there is merit in the Committee's observation that the ABC has moved towards providing more digital content without sufficient regard to how appropriate this format is for many living in rural and remote Australia, and that digital technology is limited in rural and regional Australia due to insufficient internet and mobile phone coverage. Satellite technology is unreliable during rain and heavy smoke, and some technologies require a fixed base station and power supply. In

11 RadioInfo, 'Mitch still not switched on Media Reform', 3 April 2017.

12 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, pp. 4–5.

13 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, p. 14.

some areas there is no mobile reception or radio reception, which is highly concerning in emergency situations.

1.16 While Labor Senators are sympathetic to the concerns picked up on in the bill, and found the inquiry process to be a useful evidence-gathering opportunity, we have reservations about the bill itself on three key fronts:

1.17 Firstly, Labor Senators do not support amending the ABC Act unless there is compelling evidence of a problem or deficiency with the ABC Act. Based on evidence to the inquiry, Labor Senators are not satisfied that the ABC Act is the problem. Under the current Act, the ABC has maintained a strong commitment to rural and regional Australia in the face of harsh budget cuts.

1.18 Secondly, Labor Senators are not satisfied that amending the ABC Act as drafted by Senator McKenzie and/or as amended by the Committee would solve the problems as identified, furthermore the proposals in the bill risk interfering with ABC independence and may be costly and/or duplicative.

1.19 Thirdly, Labor Senators note the bill does nothing to address the key issues relating to ABC budget pressures or general differences in service availability in rural and regional areas.

1.20 It is the view of Labor Senators that the current ABC Act is fit for purpose and that the real problem is that recent Coalition funding cuts to the ABC mean the ABC is being spread too thinly, being asked to do too much with too little and being forced into making 'efficiencies' that undermine its ability to serve both the spirit and the letter of the ABC Charter. We acknowledge the submissions of MEAA and CPSU:

..."In an era where the fragmenting media landscape means newspapers are downsizing or closing in regional areas, it is more important than ever that the ABC is funded to remain a news-forward, responsive and in-depth provider of quality news for regional Australians"...The ABC's regional service delivery cannot be divorced from the organisation's funding.¹⁴

And:

In the context of regional and rural Australia, the CPSU assert that the ongoing decline in the ABC's real funding, coupled with the Coalition's unsustainable cuts to the ABC budget in 2014 present a more immediate and imminent threat to the programs and services that regional and rural Australians enjoy and rely on.¹⁵

14 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, pp. 13–14.

15 Community and Public Sector Union (CPSU), *Submission 22*, pp. 1–2.

Proposed ABC Charter amendments

1.21 Labor Senators regard the current ABC Charter to be fit for purpose and understand it is important maintain a clear distinction between concerns with the way in which the ABC Executive implements the Charter, and concerns about the Charter itself.¹⁶ We accept the ABC's submission that 'the current Charter create[s] obligations for the ABC to serve regional and rural Australians,'¹⁷ provides a firm and clear mandate for the Corporation to deliver a high level of broadcast service in the regions and that 'the ABC effectively delivers on that mandate'.¹⁸ We consider current provisions in section 6 of the Act to be sufficient and accept the ABC's submission that the current phrases "national identity" and "cultural diversity" must be and are interpreted broadly.¹⁹

1.22 Labor Senators acknowledge the strong commitment and achievements of the ABC with respect to rural and regional Australia, which is understood by the ABC to be the one-third of Australians who live outside the capital cities. We note that the range of ABC regional initiatives, including ABC programming such as *The Country Hour*, *Landline* and *Back Roads*, the creation of the ABC's Regional Division in 2015 and the March 2017 announcement of a Content Fund including a \$15 million per year investment in regional jobs and extra digital and video output,²⁰ were realised without the inclusion of the words "regional" or "geographic" in the Charter.

1.23 In view of the range of ABC endeavours in rural and regional, Labor Senators find it difficult to accept the proposition that there are shortcomings with the ABC Charter with respect to regional and rural Australia. To the extent that coverage, amount or frequency of local news could be improved, we note that the problem is not related to the ABC Act, but to other factors.

1.24 Labor Senators do not consider that the proposed Charter amendments clarify or improve existing provisions and are wary that, they may serve to narrow the existing interpretation. Further, such amendments may impede the Corporation's editorial independence by compromising its efforts in ensuring other aspects of the Charter are carried out.²¹

16 Community and Public Sector Union (CPSU), *Submission 22*, p. 1.

17 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 1.

18 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 3.

19 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 6.

20 ABC, '\$50 million audience investment in ABC transformation', *Press Release*, 7 March 2017.

21 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, p. 3.

Proposed ABC Rural and Regional Advisory Council

1.25 Labor Senators regard the proposal for a further, rural and regional-specific, ABC Advisory Council does not seem to be the best use of resources, given the ABC is already stretched in service provision and given it would overlap with the existing ABC Advisory Council. We note that the current ABC Advisory Council includes members who reside outside of capital city locations,²² that it is open to the existing Council to advise on rural and regional matters and that the Corporation already conducts an annual Newspann of ABC audiences.²³

1.26 Labor Senators consider that the level of public consultation undertaken by the ABC was lacking around ABC decisions to cease shortwave radio transmission in the Northern Territory, and to cut music programming from Radio National. We note that Labor Senators and Members alike have been proactive in supplying this feedback to the ABC, while Labor Senators have called the ABC to account to provide transparency for these decisions through Senate Estimates processes.

1.27 Labor Senators note that the insertion of a requirement for the ABC Board to consult with the proposed Rural and Regional Advisory Council before implementing any policy affecting regional areas does not amount to a requirement to consult with such council before making an actual policy decision affecting regional areas. While the proposed amendment is careful to preserve ABC independence, on the other hand we are not convinced of its efficacy in addressing concerns identified in the inquiry.

Proposed ABC Board appointments amendment

1.28 Labor Senators note that the Committee does not support the requirement that two non-executive members of the Board reside in a regional area and recommend a more relaxed requirement around having a 'regional interest', along with the requirement that the Minister must table a statement of reasons in the Parliament detailing how the appointees satisfy that requirement.

1.29 Labor Senators accept that '[t]he ABC is a corporation operating in a complex and rapidly-changing media environment', that '[s]tewardship of that business requires board members with business and media skills' and that it would be concerning 'if geographic quotas were to hinder the ability of Government to choose people best qualified to help steer the Corporation through this challenging landscape'.²⁴ We otherwise accept the view expressed by the MEAA that 'the appointment of two Board

22 According to the ABC Annual Report, the 12 members of the Advisory Council reside in Albert Park VIC, South Melbourne VIC, Braddon ACT, Inglewood WA, Parilla SA, Youngtown TAS, Coburg North VIC, Nhulunbuy NT, Sherwood QLD, Westbrook via Singleton NSW, Bentleigh VIC and Figtree NSW (pp. 136–137)

23 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 9.

24 Australian Broadcasting Corporation (ABC), *Submission 16*, p. 10.

members whose principal residence is in regional and/or rural Australia does not in itself qualify a person to provide advice to the national broadcaster'.²⁵

Proposed content and staffing amendments

1.30 Labor Senators note that the Committee does not support these proposals and recommends they be omitted from the bill.

1.31 Labor Senators understand the appeal of regular regional or local news bulletins, and employment of a proportion of staff in regional areas, but does not regard setting such requirements for an independent national broadcaster in to legislation to be optimal for an independent national broadcaster. Further, we note the recent March 2017 announcement by the ABC of its plans to reinvest in regional services as having superseded this element of the bill.

1.32 Labor Senators note that the MEAA supports these objectives, subject to their compatibility with the ABC's independence and on the fundamental qualification that the bill's objectives cannot be supported without the guarantee of additional protected funding as rural and regional broadcasting should not have to take precedence or compete with the rest of the ABC's operations. The MEAA notes here that funding is critical:

[T]he Government and the ABC must acknowledge that the delivery of relevant local news and stories in regional areas requires employees living where the stories happen. Honouring a requirement that the Corporation broadcast at least 5 radio bulletins that consist solely or primarily of regional or local news between 5am and 8pm, at regular intervals, will be doomed if dedicated additional resources are not made available.²⁶

Further:

If a suitable funding increase to regional editorial (and related) employees, MEAA would support the requirement that the Corporation facilitate the employment of a proportion of staff in regional areas.²⁷

Proposed Annual reporting amendments

1.33 Labor Senators understand the desirability of enhancing transparency and accountability arrangements, particularly around employee locations, ratios of journalists to support staff and particulars of hours of local rural and regional news broadcasts, for example.²⁸ We encourage the ABC to provide such transparency through existing processes and reporting requirements.

25 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, p. 4.

26 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, p. 5.

27 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, p. 5.

28 Media Entertainment and Arts Alliance (MEAA), *Submission 10*, p. 6.

Shortwave radio and RN music

1.34 Labor Senators agree with the view of the Committee that:

[C]onsideration of the limitations of digital technologies in rural and regional Australia should be part of the ABC's aim to improve the provision of local services...The termination of shortwave transmission services in the Northern Territory is a case in point. The committee considers that this was an ill-advised decision which appears to have been based on a lack of research on audience reach and lack of understanding of the importance of shortwave services in some of the remotest parts of Australia.²⁹

1.35 Labor Senators are not satisfied that the ABC's decisions on shortwave radio and Radio National music cuts were undertaken in accordance with best practice. We are disappointed that the ABC didn't consult appropriately, and thus did not provide transparency or obtain relevant evidence for considering alternative options as part of the decision-making process.

1.36 Similarly, Labor Senators are not satisfied the Government has done all it can to investigate the impact of cessation of shortwave transmission, or explored options for reinstating shortwave transmissions in the NT and Pacific, despite representations from Labor.³⁰

Emergency broadcasting

1.37 Labor Senators concur with the Committee that the ABC plays an important role in providing emergency broadcasts and that, although other broadcasters also provide emergency information, many in the community see the ABC as the national emergency broadcaster.

Recommendations:

Rather than recommending that the bill be passed, whether or not subject to amendment as recommended by the Committee:

1.38 Labor Senators recommend that the ABC Board review its role as an emergency service broadcaster, in light of community expectations, with a view to formalising this vital function.

1.39 Labor Senators recommend that the ABC Board and ABC Management review their interpretation of what it means to provide 'comprehensive broadcasting services' in view of evidence to this inquiry that various satellite

29 Senate Environment and Communications Legislation Committee, Report of Inquiry into ABC (Rural and Regional Advocacy) Bill 2015, para 3.7.

30 The Hon Bill Shorten MP, Leader of the Opposition, Letter to the Hon Malcolm Turnbull, 26 January 2017.

and digital technologies do not provide an adequate substitute for radio transmissions in various rural, regional and remote areas of Australia.

1.40 Labor Senators recommend that the ABC Advisory Committee consider the discharge of its role in relation to advising the ABC Board in view of the evidence to this inquiry and proposals contained in the bill.

1.41 Labor Senators reiterate Labor representations calling on Government to work with Labor, ABC Management and local stakeholders as a matter of urgency to ensure the provision of shortwave radio service in the NT.

**Senator Anne Urquhart
Senator for Tasmania**

**Senator Anthony Chisholm
Senator for Queensland**

Additional comments from Senator Bridget McKenzie

1.1 The ABC Amendment (Rural and Regional Advocacy) Bill 2015 was drafted to overcome consistent and significant reduction of ABC service delivery to rural and regional Australia by the public broadcaster over a long period of time.

1.2 Submissions to the inquiry made clear that the ABC is much needed, used and respected in regional areas. The bill aims to assist the ABC to meet community expectations for provision of services to regional areas, through strengthened governance, transparency and accountability.

1.3 The Bill was drafted in 2015, and the amendments set out in the majority report are sensible given recent developments such as:

- additional funding from government specifically purposed for provision of rural and regional service; and
- recent changes within the ABC that have seen the creation of a regional division, as well as proposed reinvestment in regional content and personnel.

1.4 However, the ABC board's recent decision to cease shortwave radio services in the Northern Territory highlights the need for further change to the ABC charter and its board composition to ensure the public funded broadcaster reports on matters relating to ABC service provision to regional Australia, and particularly the requirement for the ABC board to consult a rural advisory council prior to any decision that affects ABC service content or transmission to regional areas.

1.5 As the author and mover of the bill, I look forward to debating the amended bill in the Senate at the earliest opportunity.

Senator Bridget McKenzie
Senator for Victoria

Appendix 1

Submissions and additional information

Submissions

Received during the 44th Parliament

- 1 Glenelg Shire Council
- 2 Narromine Branch of the Nationals
- 3 ABC Friends
- 4 Dr Alexandra Wake
- 5 Government of South Australia
- 6 Wellington Shire Council
- 7 Anglican Diocese of Bendigo
- 8 Central Goldfields Shire Council
- 9 Loddon Shire
- 10 Media Entertainment & Arts Alliance
- 11 The Australia Institute
- 12 Bass Coast Shire Council
- 13 Vision Australia
- 14 Dr Harry Criticos
- 15 Local Government Association of Queensland Ltd
- 16 Australian Broadcasting Corporation
- 17 Mr Ian McCorkindale
- 18 Mr Paul Battista
- 19 Ms Elaine Siemer
- 20 Mr Gary Nairn
- 21 Mrs Colleen Stacey, Mr Trevor Stacey
- 22 CPSU
- 23 Local Government Association of Tasmania
- 24 Numeralla & District Activities Inc.
- 25 ACT Government
- 26 Deakin University
- 27 Mr Ray Rigbye
- 28 Mr Robert McLeish
- 29 Mr Brian Curzon

Received during the 45th Parliament

- 30 The Australia Institute
- 31 Mr Phil Pinyon
- 32 ABC Friends
- 33 Snowy Monaro Regional Council
- 34 Mr Stephen Dowding

35	Ms Michelle Dowden
36	Ms Kate McMaster
37	Ms Vena Oliver
38	Mr Jamie Gallacher
39	Mr Rod Cramer
40	Mr and Mrs Ian and Kay McBean
41	Save RN Music Campaign
42	Mr Philip Brennan
43	Mr Alan Hughes
44	Northern Territory Cattlemen's Association
45	Roper Gulf Regional Council
46	Northern Territory Government
47	Mr David Hewitt
48	Mr Kym Yeoward
49	Mrs Lesley Reilly OAM
50	Mr Graeme Steer
51	Northern Territory Seafood Council
52	Mr Benjamin Quilliam
53	Four Wheel Drive Northern Territory
54	Local Government Association of the Northern Territory
55	Mr Darryl Fallow
56	Mr Bruce Davey
57	Mr Roger Collins
58	Toyota Land Cruiser Club Darwin Branch
59	Mr Richard Wiltshire
60	Mr Bill Passey
61	Mr Jay Mohr-Bell
62	Mr James Christian
63	Mr Spud Murphy
64	Mr Roderic Steel
65	Mr Mark Zanker
66	Name Withheld
67	Ms Marion Firms

Form letter

Form letter: received from 31 individuals

Tabled documents

ABC Friends – Additional addendum to Friends' submission on proposed charter changes' and Save RN Music Campaign (public hearing, Melbourne, 6 March 2017)

Save RN Music Campaign – Comments in response to ABC's actions of cutting 95% of the music programs on RN, and the ABC's proposed Amendment (Rural and Regional Advocacy) Bill 2015 (public hearing, Melbourne, 6 March 2017)

Save RN Music Campaign – Save our Music Fact Sheet, February 2017 (public hearing, Melbourne, 6 March 2017)

Save RN Music Campaign – Australian Contemporary Music Industry: A multi-billion dollar contributor to Australia's economy & culture, Statistical Snapshot, March 2016 (public hearing, Melbourne, 6 March 2017)

Mr David Hewitt – Opening statement (public hearing, Darwin, 9 March 2017)

Mr David Hewitt – Media article: 'New ABC radio set to go on air', *Centralian Advocate*, 22 February 1986 (public hearing, Darwin, 9 March 2017)

Mr David Hewitt – Letter to Mr James Spigelman, Chairman, ABC Board, dated 24 January 2017 (public hearing, Darwin, 9 March 2017)

Mr David Hewitt – Photographs: Shortwave transmission infrastructure – Roe Creek, Alice Springs (public hearing Darwin, 9 March 2017)

Mr Philip Brennan – Media article: P. de Selding, 'Australia's NBN satellite consumer broadband service suffering outages and customer response issues', *SpaceNews*, 30 November 2016 (public hearing, Darwin, 9 March 2017)

Mr Philip Brennan – Map: FM, AM, Broadband and 3G/4G coverage in the Northern Territory (public hearing, Darwin, 9 March 2017)

Mr Benjamin Quilliam – Opening statement (public hearing, Darwin, 9 March)

Additional information

ABC Friends – Additional information (public hearing, Melbourne, 6 March 2017)

Mr Darryl Fallow – Additional information relating to Change.org online petition and analysis of comments

Answers to questions on notice

Deakin University – Answers to questions taken on notice (public hearing, Melbourne, 6 March 2017)

Mr Benjamin Quilliam – Answers to questions taken on notice – (public hearing, Darwin, 9 March 2017)

NT Government – Answers to questions taken on notice, (public hearing, Darwin, 9 March 2017)

HF Radio Club – Answers to questions taken on notice, (public hearing, Darwin, 9 March 2017)

Appendix 2

Public hearings

Monday, 6 March 2017 – Melbourne

Deakin University

Dr Lisa Waller, Associate Professor of Communications, School of Communications and Creative Arts

ABC Friends

Ms Susan Pinnock, Committee Member
Mr Ranald Macdonald, Committee Member

Save RN Music Campaign

Ms Ruth Hazleton, Campaign Coordinator
Mr Geoffrey Horsnell, Campaign Committee and Specialist Radio Consultant *via teleconference*

Dr Alexandra Wake – Private capacity

Community and Public Sector Union

Ms Sindy Ealy, ABC Section Secretary

Australian Broadcasting Corporation

Ms Fiona Reynolds, Director of Regional

Thursday, 9 March 2017 – Darwin

Northern Territory Government

Ms Kathleen Robinson, Chief Executive, Department of Corporate & Information Services
Mr Douglas Cooke, Senior Director Digital Policy, Department of Corporate & Information Services

Northern Territory Cattlemen's Association

Ms Tracey Hayes, Chief Executive Officer
Mr Tom Stockwell, President *via teleconference*

Mrs Vena Oliver – Private capacity via teleconference

Mr Gary Williams – Private capacity via teleconference

Local Government Association of the Northern Territory

Mr Tony Tapsell, Chief Executive Officer

Mr Bruce Davey – Private capacity *via teleconference*

Mr Graeme Steer – Private capacity *via teleconference*

Mr Mal Stewart – Private Capacity

Mr David Hewitt – Private capacity

Mr Chris Schilling *via teleconference*

Mr Philip Brennan – Private capacity

Mr Benjamin Quilliam – Private capacity