



Australian Government

**Australian Government response to the House of
Representatives Standing Committee on
Communications and the Arts report:**

**Inquiry into broadcasting, online content and live
production to rural and regional Australia**

March 2018

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Contents

Overview.....	1
Australian Government response	2
Access to the Arts	2
Recommendation 1:	2
Recommendation 2:	3
Recommendation 3:	4
Recommendation 4:	5
Recommendation 5:	6
Recommendation 6:	7
Recommendation 7:	8
Recommendation 8:	9
Recommendation 9:	10
Broadcasting services	11
Recommendation 10:	11
Recommendation 11:	12
Recommendation 12:	13
Recommendation 13:	14
Recommendation 14:	15
Recommendation 15:	16
Recommendation 16:	17

Overview

The Australian Government notes the report by the House of Representatives Standing Committee on Communications and the Arts (the Committee) Inquiry into broadcasting, online content and live production to rural and regional Australia.

On 1 December 2015, the Committee resolved to conduct an inquiry into the importance of public and commercial broadcasting, online content and live production to rural and regional Australia, including the arts, news and other services. The Report contains a total of 16 recommendations.

The inquiry was initiated using the Committee's power to inquire into the annual reports of government agencies, which included the:

- Australian Broadcasting Corporation Annual Report 2015
- Special Broadcasting Service Corporation Annual Report 2015
- Australia Council for the Arts Annual Report 2014–15
- Australian Communications and Media Authority Annual Report 2014–15.

Australian Government response

The Australian Government's response to the *Inquiry into broadcasting, online content and live production to rural and regional Australia* is set out in detail below.

Access to the Arts

Recommendation 1:

2.123 The committee recommends that the Australian Government, through the Australia Council for the Arts and its other funding programs, continue to provide funding to Australia's major performing arts companies, including, but not limited to, Opera Australia, The Australian Ballet and Bell Shakespeare, to assist these groups to continue to deliver quality productions and regional engagement activities to communities in rural and regional Australia.

The Government **supports** this recommendation.

The Government is committed to funding Major Performing Arts companies to deliver quality productions and engage audiences across regional and remote Australia. Major Performing Arts companies do this through a range of activities, including performances, school activities and workshops.

Through the Australia Council, this support includes core program funding to Major Performing Arts companies under the National Framework for Governments' Support of the MPA Sector. This Framework is in partnership with state governments.

Recommendation 2:

2.125 The committee strongly recommends that the Australian Government maintain adequate levels of funding for the Australia Council for the Arts' Playing Australia program.

The Government **supports** this recommendation.

The Government provides \$7 million per annum to the Playing Australia program.

Recommendation 3:

2.127 The committee recommends that the Australia Council for the Arts, through its Playing Australia program, retain and extend the National Touring Status arrangements, to additional companies, which in accordance with evidence taken results in greater certainty and planning efficiencies.

The Government **notes** this recommendation.

The Government regularly reviews all of its programs and notes the view of the committee that National Touring Status arrangements result in greater certainty and planning efficiencies. The Government through the Australia Council has committed to provide \$4.3 million for National Touring Status grants over 2018–2020.

Recommendation 4:

2.131 The committee recommends that the Australian Government, when assessing the effectiveness of its funding for the industry, take into account the dynamic and changing nature of the arts.

The Government **supports** this recommendation.

The Government's arts funding programs are designed to be flexible and are regularly evaluated to identify changing environments and new opportunities for the creation of innovative work. For example, the Australia Council's streamlined core grants program has been designed to evolve with the sector and respond effectively to the new ways art is being made and presented to audiences, including through greater opportunity for hybrid, experimental and multi-art form work.

Recommendation 5:

2.133 The committee recommends that the Australia Council for the Arts, through its Playing Australia program, explore ways to encourage and formalise mentoring arrangements between performing arts companies or related peak body groups, and the presenter groups and individuals in rural and regional communities involved in the delivery and support of live performances in these communities.

The Government **notes** this recommendation.

The Government encourages the development of stronger partnerships between arts organisations and other groups and individuals involved in the delivery and support of live performances in rural and regional communities. This includes initiatives that support collaborations and mentoring arrangements.

Recommendation 6:

2.134 The committee recommends that in evaluating the effectiveness of funding for the major performing arts companies, the Australian Government, should highlight and encourage the important educative role that these companies play. The committee notes for instance, the interaction with schools by The Australian Ballet and Bell Shakespeare, which has reached tens of thousands of students and teachers. These groups bring excellence to the one third of Australians who live in rural and regional communities.

The Government **supports** this recommendation.

The Government recognises the important intersection between education and the arts. The Australia Council undertakes ongoing evaluation and review of the effectiveness of funding for Major Performing Arts companies, which includes requirements for regular reporting from and engagement with these companies on school activities and other education related activities delivered in regional areas. Some significant investment has been provided by the Government, such as \$1.28 million over four years to support Bell Shakespeare's education program, announced on 26 May 2015.

Recommendation 7:

2.136 The committee recommends that the Department of Communications and the Arts evaluate and report on the effectiveness of the new Catalyst Australian Arts and Culture Fund. An assessment should be included in the Department's annual report and separate publication made available on the Department's website, from time to time, to heighten awareness of the fund.

The Government **notes** this recommendation.

The Catalyst – Australian Arts and Culture Fund (Catalyst) was established in November 2015. Catalyst supported a broad range of arts projects, especially those by small to medium arts organisations. In response to feedback from the arts sector, the Minister announced the transfer of the majority of Catalyst funding to the Australia Council on 18 March 2017.

The Department regularly reviews all of its programs. Key measures of the effectiveness of Catalyst are available on the Department's website, which includes reporting the number of successful applications in regional and remote areas, small to medium organisations funded and state by state breakdowns. The Department's Annual Report includes an evaluation of progress against key performance indicators.

Recommendation 8:

2.140 The committee recommends that the Australian Government consider, as parts of its grants programs strategies to promote and support digital developments for arts delivery and engagement, providing funding and support for innovation in this area by:

- existing major companies, for example, The Australian Ballet's ambitious 'raising the roof' project in which it is scoping building its own studio at its Melbourne headquarters, and
- emerging groups with innovative models, for example, Australian National Theatre Live, which is a new enterprise aiming to record, produce and screen quality Australian theatre performances to cinemas and locations across Australia.

The Government **supports** this recommendation.

The Government recognises the important role innovation plays in the arts, and as part of this encourages programs and initiatives that support digital developments for the delivery of, and engagement with, the arts.

For example:

- the election commitment of an additional \$10 million for the protection, preservation and celebration of Aboriginal and Torres Strait languages, provides additional support with a focus on:
 - working in partnership with Aboriginal and Torres Strait Islander communities to identify and facilitate digital opportunities;
 - support for innovative digital solutions to capture and teach language; and
 - encouraging collaborative approaches to building the digital skills and capabilities of communities.
- the Regional Arts Fund support projects that include the use of digital media to encourage development in regional communities and expand audience reach, and
- the Australia Council supports innovative digitally-based work and means of engagement across its programs, including innovative arts projects that explore new digital forms through a range of areas of arts practice and through the Emerging and Experimental Arts Panel.

Recommendation 9:

2.142 The committee commends the Australia Council for the Arts for removing the restriction on providing grants for competitions and eisteddfods, and notes that competitions are an important element in the professional life of artists.

The committee recommends that in its application of the Catalyst fund, the Department of Communications and the Arts similarly ensure that the criteria allows for grants funding for arts competitions and eisteddfods.

The Government **notes** this recommendation.

Whilst in operation, Catalyst did not provide cash prizes for competitions and eisteddfods. However, it did allow for funding to projects associated with competitions and eisteddfods. These encompassed projects were designed to expand audience reach or support artist residencies.

Broadcasting services

Recommendation 10:

3.111 The committee recommends that the Minister for Communications and the Arts and the Australian Communications Media Authority work together to reduce broadcast licence fees for free-to-air and community broadcasters.

The committee recognises the important role that commercial and community broadcasters play in delivering news and other content to rural and regional audiences, and that the evidence shows that most people still get their news from television. The committee heard concerns from commercial and community broadcasters about the need for reform of the current high licensing fees.

The Government **supports** this recommendation.

On 6 May 2017, the Government announced a comprehensive package of reforms to improve the sustainability of Australia's free-to-air broadcasting sector, which included abolishing broadcasting licence fees and datacasting charges, and applying a fee for the spectrum that broadcasters use at a level more reflective of its value. The two bills implementing these key initiatives have now passed the Parliament and received Royal Assent on 16 October 2017, removing the requirement to pay licence fees and datacasting charges.

There was no pre-existing requirement for community television and radio broadcasting licensees to pay licence fees.

Recommendation 11:

3.113 The committee recommends that, in undertaking any reforms to media ownership relating to the 'reach rule' and the 'two-out-of-three cross-media control rule', the Australian Government consider the implications of the legislation on broadcasting and news services in rural and regional Australia. A statement on what actions have been taken to mitigate any negative impacts on rural and regional communities should be articulated by the Minister for Communications and the Arts in the presentation of the legislation.

The Government **supports** this recommendation.

The Government supports this recommendation. The *Broadcasting Legislation Amendment (Broadcasting Reform) Act 2017* (the Act) passed the Parliament and received Royal Assent on 16 October 2017. The Act removed two outdated media control and ownership rules – the '2 out of 3 cross-media control rule' and the '75 per cent audience reach rule'. Australian media companies now have the flexibility to optimise their business structures and compete more effectively in what is an increasingly global media environment.

The Act also introduced new local programming obligations for regional commercial television broadcasting licensees where a change in control, known as a 'trigger event', results in a licence forming part of a group of commercial television broadcasting licences whose combined licence area populations exceed 75 per cent of the Australian population. Local content is counted on a points 'per minute' basis.

In the 'aggregated markets' of northern New South Wales, southern New South Wales, regional Victoria and regional Queensland, and in Tasmania, the new obligations increase the amount of local content required to be broadcast from 720 points of material of local significance per six-week period to an additional 30 points following a trigger event with 900 points of material of local significance per six-week period.

Local content obligations will be imposed for the first time following a trigger event in non-aggregated markets, for example Darwin, Mildura, Griffith, Broken Hill and regional population centres in South Australia and Western Australia. Affected licensees will be required to broadcast 600 points of material of local significance over each six week period.

Recommendation 12:

3.119 The committee recommends that the Department of Communications and the Arts and the Australian Communications and Media Authority review the existing broadcast licencing system to consider the adequacy of the concept of 'local' and the provision of incentives for broadcasters who deliver more targeted local content to rural and regional audiences. Broadcasters who deliver more targeted local content could be rewarded through the points system for determining licence fees.

The Government **supports** this recommendation.

The local content measures included in the Act provide a clear incentive for local content to be filmed in the local area. Licensees can claim one point per one minute of local content that relates to the licence area, two points per minute of local area news, and three points per minute of local news that is filmed within the local area. The amendments also place record keeping and reporting requirements on licensees. In order to evaluate the extent to which the proposed amendments achieve their objectives, the Australian Communications and Media Authority (ACMA) will review the operation of the new local programming provisions within two years following the commencement of the additional obligations.

While the Australian Broadcasting Corporation (ABC) are not be subject to these changes to local content obligations, the ABC Charter currently requires the Corporation to reflect the diversity of the Australian community. This provides a legislative requirement for the ABC to reflect Australia's diversity, including local content that reflects its regional diversity.

The Australian Broadcasting Corporation Amendment (Rural and Regional Measures) Bill 2017 (Rural and Regional Measures Bill) was introduced into the Senate on 18 October 2017. This Bill will amend the *Australian Broadcasting Corporation Act 1983* (ABC Act) to provide a more rural and regional focus, including additional annual reporting obligations on the ABC to publish statistics on the total number of hours of local or regional news bulletins broadcast during the reporting period.

Recommendation 13:

3.127 The committee recommends that the Government introduce legislation to amend the *Australian Broadcasting Corporation Act 1983* to ensure that:

- the ABC Board is more representative of the Australian community, and has at least two rural or regional based members, and
- the ABC Advisory Council has at least two rural or regional based members.

The Government **supports** this recommendation.

The Rural and Regional Measures Bill was introduced into the Senate on 18 October 2017 and, if passed, will require at least two members of the ABC Board to have a substantial connection to, or experience in a regional community through business, industry or community involvement. In addition, the Bill will require the ABC Board to establish a Regional Advisory Council that will reflect the views of regional Australia and will oblige the Board to consult with the Council on broadcasting matters affecting regional Australia.

Recommendation 14:

3.136 The committee recommends that the Australian Broadcasting Corporation (ABC) Code of Practice be revised to include a requirement that any correction or clarification must be made on the relevant program in which an error has been made, in addition to being published on the ABC website.

The Government **notes** this recommendation.

The development of the ABC's Code of Practice is a matter for the ABC Board. The ABC Board is required, under paragraph 8(1)(e) of the ABC Act, to develop a code of practice relating to its television and radio programming, and to notify this code to the ACMA. There are no plans to amend the Act with regards to this arrangement.

Part IV Principles and Standards in the ABC's Code of Practice includes a section which outlines the ABC's correction and clarification policy (refer to section 3.1). Detailed advice on corrective actions are also covered in the ABC's Editorial Guidance Note titled *Corrections and Clarifications* (refer to <http://about.abc.net.au/wp-content/uploads/2015/12/CorrectionsandClarificationsGN.pdf>).

Recommendation 15:

3.138 The committee recommends that the Minister for Communications and the Arts and the Australian Communications and Media Authority (ACMA) develop a framework to enhance the accuracy and accountability of the Australian Broadcasting Corporation (ABC).

The Government **notes** this recommendation.

The Government notes that the ACMA already plays a significant role in ensuring that the ABC is held accountable for breaches of its code of conduct and there are no plans to extend its regulatory role in relation to the national broadcasters.

In addition, the Australian Broadcasting Corporation Amendment (Fair and Balanced) Bill 2017 was introduced into the Senate on 18 October 2017. This Bill, if passed, will add the words 'fair' and 'balanced' to the ABC Act alongside 'accurate and impartial'.

Recommendation 16:

3.140 The committee recommends that the Special Broadcasting Service Corporation (SBS) and the Australian Broadcasting Corporation remain separate entities.

The Government **supports** this recommendation.

The Government has no plans merge the national broadcasters. Nevertheless, the Government expects the ABC and Special Broadcasting Service Corporation to provide value for money for the taxpayer and work together where they can achieve efficiencies.