

Labor Senators' dissenting report

1.1 Labor Senators reject the views and recommendation of the Committee in this report.

1.2 Labor Senators regard the Australian Broadcasting Corporation (Rural and Regional Measures) Bill 2017 to be an insult to rural and regional Australia.

1.3 This bill will achieve nothing for rural and regional Australia. It is a self-serving ruse by the Liberal-National Government to appear to be doing something for the bush whilst papering-over their woeful record of broken promises, ABC budget cuts, back room deals, bungling on the NBN and pork-barrelling of mobile blackspots.

1.4 This hollow bill serves three ends of the Liberal-National Coalition:

- (a) shift blame for the impact of budget cuts from the Government to the ABC;
- (b) hold up the Government's side of a backroom deal with One Nation to attack the ABC in exchange for Pauline Hanson's support for the repeal of the 2 out of 3 cross-media control rule; and
- (c) distract from the real communications issues facing rural and regional Australia – NBN, mobile blackspots, and the 'postcode lottery' of service availability in the bush.

1.5 Despite promising "no cuts to the ABC" on the eve of the 2013 election, the Abbott-Turnbull Government cut ABC funding by \$355 million over five years in 2014, then cut further in the 2016 budget.

1.6 It beggars belief that the Liberal-National Government slashes ABC funding, only to turn around and cry crocodile tears that the national broadcaster isn't doing enough for rural and regional Australia.

1.7 Labor Senators note that the first iteration of the measures in this bill were contained in the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 (the 2015 bill) which was introduced by Nationals Senator Bridget McKenzie on 1 December 2015 – after significant budget cuts to the ABC were announced in 2014.

1.8 The 2015 bill was a case of blame-deflection of the highest order by a Senator who supported ABC budget cuts only to point the finger and blame the ABC for the general decline in service availability in the bush, including rural and regional media coverage at large.

1.9 In a dissenting report to the report of this Committee of Inquiry into the 2015 bill, Labor Senators expressed concern that Coalition budget cuts are putting pressure on the ABC to find efficiencies in ways that may undermine important service provision.

1.10 In that report, we noted the ABC's 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. [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.

1.11 In that report, Labor Senators noted that the ABC's decision to cease shortwave radio transmission in the Northern Territory as 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' and 'digital media services' in a media landscape undergoing transformational change. We noted that 'efficiencies' were cited in the ABC's December 2016 announcement on shortwave cessation and that the ABC's Director of Regional stated in evidence 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.

1.12 Labor Senators note that the bill is politically motivated and believe it is important that rural and regional Australians understand the steps which led to its introduction into Parliament, last year.

1.13 In April 2017, the ABC Four Corners program aired an investigative story into One Nation called 'Please Explain' and ABC News subsequently published leaked recordings of conversations between Pauline Hanson on the donation of a light aircraft, among other things. In May 2017, One Nation complained of bias at the ABC and threatened to refuse to support the Federal Budget unless the ABC's funding was cut by \$600million over four years.

1.14 In August 2017, the Turnbull Government announced a deal with One Nation on the media ownership changes, inclusive of a number of unnecessary and unwarranted amendments to the ABC Act and Charter as well as an insidious 'competitive neutrality inquiry' aimed at reducing the role of the ABC to that of a market failure broadcaster. In a subsequent press conference, Pauline Hanson also made it clear that she will be speaking to the Treasurer and going after the ABC's budget in 2018.

1.15 The Liberal-National Government used the ABC as a bargaining chip in exchange for One Nation's support for the Broadcasting Legislation Amendment

(Broadcasting Reform) Bill 2017 which made final passage through the House of Representatives on 16 October 2017.

1.16 Labor Senators note the remarks of ABC Managing Director, Michelle Guthrie, in her speech at the ABC Friends Public Conference Dinner in October 2017:

The ABC's role in the media law reform debate was supposed to be as an interested bystander. We had no skin in the game. Or so we thought. We now find ourselves very much impacted by the deal-making and with a real need to ensure that the public interest – as opposed to vested interest – is protected. [and]

The ABC doesn't need more bureaucracy to serve its rural and regional audiences. It knows that the third of the population living outside the capital cities regard the national broadcaster as life-blood. It is why we have invested an extra \$15 million a year in creating 80 new content-making jobs across the country at a time when other media companies are cutting staff. More red tape that the ABC is forced to underwrite simply reduces our investment in the primary mission – providing quality, trusted content to the households of Australia.

1.17 Labor Senators note that the bill is unwarranted, misguided, duplicative and costly.

1.18 Labor Senators oppose the proposed ABC Charter amendments because the current Charter already creates obligations for the ABC to serve rural and regional Australians, which the ABC delivers on effectively. The current phrases "national identity" and "cultural diversity" must be and are interpreted broadly and the addition of the words "regional" and "geographic" may serve to narrow the existing interpretation of the ABC Charter.

1.19 Labor Senators note the ABC has a strong commitment and record of achievement with respect to rural and regional programming and initiatives, including The Country Hour, Landline, Back Roads and Heywire. The creation of the ABC's Regional Division in 2015 as well as the March 2017 announcement of a Content Fund, including a \$15 million per year investment in regional jobs were realised without the inclusion of the words "regional" or "geographic" in the Charter.

1.20 To the extent that there could be improvements in the coverage, amount or frequency of local news in rural and regional Australia, neither the problem nor the solution is related to the ABC Act. Other factors, including ABC funding and broader trends in the media sector at large, including the commercial media, are at play.

1.21 Labor Senators oppose the proposed establishment of a Regional Advisory Council because the ABC Board already has an Advisory Council which provides advice to the Board on all matters, including rural and regional matters, and the current Advisory Council includes a number of members who reside outside of capital cities. In addition, the ABC conducts an annual Newspann of ABC audiences. It is duplicative and wasteful to establish a Regional Advisory Council, particularly as the ABC's resources are already stretched in service provision.

1.22 Labor Senators oppose the proposed amendments to the ABC Act relating to Board appointments because the ABC is a corporation operating in a complex and rapidly-changing media environment and stewardship of that business requires board members with business and media skills. It would be concerning if a 'substantial regional connection' quota were to hinder Government in selecting people best qualified to steer the Corporation through the challenging media landscape. While regional connections may be a desirable attribute, they do not qualify a person to provide advice to the national broadcaster, nor do they guarantee the appointment of a person who will advocate effectively for regional Australia.

1.23 Labor Senators note that the ABC Annual Report already includes a Staff Profile detailing "Regional", "Corporate Management" and "Finance and Operations" employee figures and extensive lists of service transmissions and frequencies by location. Labor Senators also note the publicly stated aim of the ABC Managing Director, Michelle Guthrie, is to increase the ratio of content roles over operational roles. Labor Senators will continue to hold the ABC to account and provide transparency through existing processes and reporting requirements, including Senate Estimates.

1.24 Labor Senators regard the ABC as one of Australia's most important and trusted public institutions. The ABC plays a vital role in the diversity of news in our media landscape and provides an opportunity for Australian content to be shown and heard in local news, public announcements and emergency messages to regional and remote communities.

1.25 While 85 per cent of Australians trust the ABC above all other media networks, again the Turnbull Government is lining up to attack the ABC with changes to the ABC Act and Charter as well as a damaging 'competitive neutrality' inquiry.

1.26 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.

1.27 Labor's positive approach is in stark contrast to that of the Liberal-National Coalition.

1.28 If the Turnbull Government really cared about the ABC, and its regional and remote viewers and listeners, it wouldn't just point the finger: it would fund it properly.

1.29 Under the current ABC Act, the ABC has maintained a strong commitment to rural and regional Australia in the face of harsh budget cuts at the hands of the Liberal-National Government.

1.30 The bill before the Committee does nothing but waste taxpayer funds on duplicative, pointless measures. It is window dressing to make the Turnbull Government and One Nation look like they are doing something for rural and regional Australians – but it won't trick people in the bush.

Senator Anne Urquhart
Senator for Tasmania

Senator Anthony Chisholm
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