

The Senate

Environment and Communications
Legislation Committee

Australian Broadcasting Corporation
Amendment (Rural and Regional Measures)
Bill 2017

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Chapter 1

Introduction and background

Referral

1.1 On 16 November 2017, the Senate, on the recommendation of the Selection of Bills Committee, referred the Australian Broadcasting Corporation Amendment (Rural and Regional Measures) Bill 2017 (the bill) to the Senate Environment and Communications Legislation Committee (the committee) for inquiry and report by 16 February 2018.¹

Purpose of the bill

1.2 The bill proposes to amend the *Australian Broadcasting Corporation Act 1983* (ABC Act) to facilitate the provision of broadcasting services by the Australian Broadcasting Corporation (ABC) that meet and reflect the needs of rural and regional Australia.

1.3 The intention of these proposed amendments to the ABC Act is to ensure that rural and regional communities are provided for in the functions of the Corporation, and through representation on the ABC Board.²

Inclusion of regional and geographic diversity

1.4 The bill proposes to amend the ABC Charter to ensure that the ABC broadcasts programs that contribute to a sense of regional and national identity, and inform and entertain, and reflect the geographic and cultural diversity of, the Australian community.³

1.5 This proposed amendment is intended to reflect the unique purpose of the ABC, that is, to have regard to providing broadcasting services that encompass Australia as a whole. The proposed amendment will also ensure that the ABC contributes to and promotes rural and regional Australia, and provides information and services that meet the needs of audiences in these areas.⁴

Regional Advisory Council

1.6 The bill proposes to require the ABC Board to establish a Regional Advisory Council, made up of members who have a substantial connection to, or substantial

1 *Journals of the Senate*, No. 71, 16 November 2017, p. 2249.

2 Explanatory Memorandum (EM), p. 2.

3 EM, p. 2.

4 EM, pp. 2–3.

experience in, a regional area through business, industry or community involvement. These members must not be a member of another advisory council or committee.⁵

1.7 Proposed subsection 11(3A) establishes that the Regional Advisory Council would, either on its own initiative or at the request of the ABC Board, advise the ABC Board on matters relating to the provision of broadcasting services in rural areas by the ABC.

1.8 The bill proposes to require the ABC Board to consult with the Regional Advisory Council before making any change to a broadcasting service in regional areas which will have a significant impact on regional audiences.⁶

1.9 The ABC Board would also be required to report on all consultations with the Regional Advisory Council through its Annual Report.⁷ If the ABC Board determines that members of the Regional Advisory Council should be remunerated, then such remuneration will be determined by the Remuneration Tribunal.⁸

ABC Board connection to regional Australia

1.10 The ABC Board is appointed by the Governor-General following a merit-based selection process. The bill proposes to require the Australian Government to take all reasonable steps to ensure that the ABC Board includes at least two appointed non-executive directors who have a substantial connection to, or substantial experience in, a regional area through business, industry or community involvement.⁹

1.11 This proposed amendment is intended to ensure that the perspectives, views and needs of regional areas are appropriately considered by the ABC Board.¹⁰

Annual reporting obligations

1.12 Section 80 of the ABC Act currently provides for matters which must be included in the organisation's Annual Report. The bill expands on these reporting requirements to include an obligation to provide statistics on the number of employees in regional areas and metropolitan areas separately. These statistics will include both individuals employed as journalists and those employed as support staff.¹¹

5 Subsection 11(1A), subsection 11(6A) and subsection 11(6B).

6 Subsection 11(13).

7 EM, p. 3.

8 Subsection 11(10A).

9 Subsection 12(5E).

10 EM, p. 3.

11 EM, p. 3.

1.13 The proposed reporting requirements will also include an obligation to report on the total number of hours of local and regional news bulletins broadcast during the reporting period.¹²

Conduct of the inquiry

1.14 The committee advertised the inquiry on its website and wrote to relevant organisations inviting written submissions. The date of receipt of submissions was 12 January 2018.

1.15 The committee received 12 submissions which are listed at Appendix 1 of this report. The public submissions are available on the committee's website at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications.

1.16 The committee thanks all of the individuals and organisations that contributed to the inquiry.

Reports of other committees

1.17 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.

1.18 In its Scrutiny Digest No. 13 of 2017, the Scrutiny of Bills Committee stated that it had no comment on the bill.¹³

12 EM, p. 3.

13 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest*, No. 13 of 2017, 15 November 2017, p. 3.

Previous inquiry

1.19 This bill follows the introduction of the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 by Senator Bridget McKenzie in 2015.

1.20 Senator McKenzie's bill proposed to amend the ABC Charter in relation to the delivery of services in rural and regional Australia. In addition, the bill sought to define the ABC's mandate for its public service function for journalism in rural and regional Australia. The bill proposed to:

- require the ABC 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;
- require the ABC to foster the space within which its journalists operate to the benefit of communities and the viability of regional journalism through the provision of the resources necessary to enable the ABC to satisfy its functions and duties in regional communities;
- require the ABC to maintain an effective presence in regional communities and to provide regular transmissions of local content across a variety of platforms;
- mandate that the ABC approach its obligations to providing services in regional Australia from a social service and community perspective rather than a commercial position; and
- require the ABC to have regard to community expectations in regional areas as to the frequency and nature of broadcasts.¹⁴

1.21 The bill also proposed to establish a rural and regional advisory council which would advise the ABC Board on rural and regional issues, and conduct a biennial survey of regional audiences regarding their satisfaction with services. The ABC Board in appointing members to the council would also have to have regard to the desirability of the members being residents in rural and regional Australia.¹⁵

1.22 The bill also proposed that there be a requirement for at least two directors of the Board to reside in regional areas.¹⁶

1.23 On 13 April 2017, the Senate Environment and Communications Legislation Committee tabled its report on the bill.¹⁷ The majority of submitters to the inquiry

14 Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015, EM, p. 2.

15 Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015, EM, p. 2.

16 Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015, EM, p. 2.

expressed support for the proposed amendments to the ABC 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 in late January 2017 as evidence that the needs of rural and regional Australia have been ignored by the ABC.¹⁸

1.24 The committee recommended that the bill be passed subject to a number of amendments including omitting the proposed residency requirements for members of the ABC Board and the rural and regional advisory council and instead inserting broader requirements such as having a 'regional interest'.¹⁹

Scope of report

1.25 The committee notes that many of the issues raised in evidence during its inquiry into Senator McKenzie's bill are also relevant to this inquiry. The committee does not intend to re-examine this evidence but acknowledges the context that it provides for both the development and examination of this bill.

1.26 The committee also notes the recommendations made in relation to Senator McKenzie's bill, and acknowledges the views presented by the committee in its report on that bill.

17 Senate Environment and Communications Legislation Committee, *Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015*, April 2017.

18 Senate Environment and Communications Legislation Committee, *Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015*, April 2017, p. 7.

19 Senate Environment and Communications Legislation Committee, *Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015*, April 2017, pp. 35–38.

Chapter 2

Issues raised in evidence

2.1 This chapter canvasses issues raised by submitters in relation to the proposed amendment to the Australian Broadcasting Corporation's (ABC) Charter in relation to the delivery of services, the establishment of a Regional Advisory Council, and the residency requirements of ABC Board members.

2.2 This chapter also includes the committee's view and recommendation.

Broad support for the ABC

2.3 The majority of submitters expressed general support for the ABC and the work it undertakes in rural and regional Australia. Support for the Australian Broadcasting Corporation Amendment (Rural and Regional Measures) Bill 2017 (the bill) was offered in the context of strengthening and improving the ABC.

2.4 For example, the National Farmers' Federation (NFF) submitted that the ABC plays an 'integral role' in the lives of rural and regional Australians and stated that it welcomed the 'regional measures contained in this bill as a means to refocusing and increasing emphasis towards regional services within [the] ABC'.¹

2.5 Similarly, Pastor Benjamin Quilliam submitted that 'the proposed bill is capable of restoring some the geographical and regional balance to the ABC'.²

2.6 Likewise, the Northern Territory Cattlemen's Association (NTCA) stated that:

The ABC has the potential to be a stronger and better-informed organisation as a consequence of the proposed Rural and Regional Measures Bill.³

Regional and geographic diversity

2.7 The proposed amendment to the ABC Charter to require the ABC to broadcast programs that contribute to a sense of regional and national identity, and inform and entertain, and reflect the geographic and cultural diversity of, the Australian community was supported by submitters.

2.8 The NTCA submitted that 'the roles played by rural, regional and remote Australians...[are] currently under-represented and misunderstood, and, at times,

1 National Farmers' Federation, *Submission 11*, pp. 1–2. See also Cotton Australia, *Submission 10*, p. 3.

2 Pastor Benjamin Quilliam, *Submission 4*, p. 4.

3 Northern Territory Cattlemen's Association, *Submission 1*, pp. 1–2.

misrepresented in the Australian media landscape'. As such, the NTCA described the bill's proposal to amend the Charter as 'positive' and stated that it would 'enhance the feeling of diversity, and promote greater understanding and acceptance of rural and regional life within the national psyche'.⁴

2.9 Free TV Australia described this proposed amendment as adding 'some much-needed detail to the ABC's charter' which would 'help the national broadcaster operate within the intention of its Act'. Free TV Australia submitted that the proposed amendment would 'focus the ABC on providing unique services to regional and rural areas'.⁵

2.10 However, the ABC questioned the need for this amendment 'given the ABC's continued focus on serving regional audiences and the level of trust it receives in turn'. It submitted that any intervention in the Charter in response to specific interests should be 'approached with extreme caution'.⁶

Committee view

2.11 The committee is of the view that a clear statement of expectations in relation to services for rural and regional Australia is required to ensure that they remain a clear priority for the ABC. The committee supports amending the Charter to include a requirement that programs which contribute to a sense of regional and national identity, and inform and entertain, and reflect the geographic and cultural diversity of, the Australian community, are broadcast.

Board membership

2.12 The proposal to change the requirements of the composition of the ABC Board to include two non-executive Directors who are substantially involved with rural and regional Australia was described as 'appropriate and justifiable, and in keeping with the bill's theme of augmenting the ABC's purview to better provide for rural and regional Australia'.⁷

2.13 Free TV Australia submitted that this proposal would:

...enable the ABC to make better informed investment decisions in regional areas and ensure that they have full knowledge of the suite of services already provided by the commercial sector. In turn this will help focus the expenditure of taxpayers' money in markets consistent with the ABC's Charter.⁸

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

5 Free TV Australia, *Submission 2*, pp. 1–2.

6 Australian Broadcasting Corporation, *Submission 9*, p. 8.

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

8 Free TV Australia, *Submission 2*, p. 2.

2.14 Mr James Christian in expressing his support for the bill, stated that 'fundamentally, this bill acknowledges the importance of the ABC's corporate governance, and that in order to have an ABC that reflects all of Australia, the ABC must represent all of Australia'.⁹ Mr Christian submitted that:

Amending the ABC's Charter such that two non-executive directors must be appointed on the basis of their involvement with rural and regional Australia should help restore the balance back to the bush. The city-centric journalism and service development focus is not fair to those not in the city; the geographic identities that make up Australia are being lost.¹⁰

2.15 The NTCA expressed support for the proposed changes to the membership of the Board and stated that:

Northern Territory pastoralists, and indeed Australia as a whole, will benefit from an improved ABC with a geographically diverse and regionally representative Board, which has a deeper understanding of the perspectives, views and needs of rural and regional Australia.

2.16 However, the NTCA also suggested that one of the two proposed Directors should be required to be from 'remote Australia' as the definition of 'regional' would statistically leave the majority of the country unrepresented on the Board.¹¹ It submitted:

The Northern Territory Cattlemen's Association supports the Bill because of its potential to enhance the ABC for the benefit of the NTCA membership, but submits that one of the two Directors should be from remote Australia.¹²

2.17 This suggestion was echoed by Mr Christian who submitted that:

...given the vast area of the country that is considered "remote" as opposed to "regional" or "rural", I propose the Bill include a reference to "remote" Australia to ensure the representation of remote Australians in both content and service delivery. Adapting the ABC's Charter to ensure the acknowledgement of the existence of all Australians is fundamental to the ABC's success as a truly national broadcaster.¹³

2.18 This was similarly supported by Pastor Quilliam who suggested that the bill's definition of 'regional' is broad and encompasses significant urban areas as well as remote areas. Pastor Quilliam made a number of suggestions regarding how areas

9 Mr James Christian, *Submission 5*, p. 1.

10 Mr James Christian, *Submission 5*, p. 1.

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

12 Northern Territory Cattlemen's Association, *Submission 1*, p. 2.

13 Mr James Christian, *Submission 5*, p. 3.

could be defined to ensure that a proportion of Board members would be required to reside in 'remote' areas rather than simply 'rural' or 'regional' areas.¹⁴

2.19 Dr Harry Criticos also suggested that one of the directors who resides in a regional area could be a person with media background to ensure that that the 'council is made more aware of the issues and community concerns of regional media and broadcasting'.¹⁵

2.20 However, some submitters argued that there was no need to enshrine in legislation the number of Board members with rural backgrounds. Mr Zanker submitted that 'successive governments have appointed persons from rural backgrounds to the board as a matter of policy'.¹⁶

2.21 The ABC submitted that under the current legislation, the appointment of Board members is 'independent and merit-based'. It expressed concern that 'the use of arbitrary quotas as proposed in this legislation may actually act against the best interests of the Corporation and its audiences'. The ABC submitted that:

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 prescribed quotas were to hinder the ability of Government to choose people best qualified to help steer the Corporation through this challenging landscape.¹⁷

Committee view

2.22 The committee notes the evidence from submitters in relation to the definition of 'regional' communities and the request by submitters for representation of 'remote' communities on the Board. The committee is confident that the Government will take into account the need to ensure that the ABC Board reflects the diversity of interests in the Australian community, including the interests of remote areas, when making appointments.

2.23 The committee acknowledges that the Australian Government is able to appoint Board members from rural backgrounds, and has done so in the past as a matter of policy. Nonetheless, the committee is of the view that making this a statutory requirement provides rural and regional communities with the appropriate certainty that their needs and views are represented by the ABC Board.

2.24 The committee also notes that the requirement for the Minister (in relation to non-executive directors) or the Prime Minister (in the case of the ABC Chair) to table a statement in each House of Parliament outlining the person's substantial connection

14 Pastor Benjamin Quilliam, *Submission 4*, pp. 2–3.

15 Dr Harry Criticos, *Submission 3*, p. 1.

16 Mr Mark Zanker, *Submission 6*, p. 1.

17 Australian Broadcasting Corporation, *Submission 9*, p. 11.

to, or substantial experience in, a regional community. The committee notes that the Minister for Communications, Senator the Hon Mitch Fifield, stated that this will allow the Government to 'establish a baseline for the regional skills set of the ABC Board'.¹⁸

Regional Advisory Council and reporting requirements

2.25 The proposal to require the ABC Board to establish a Regional Advisory Council to advise the Board, and the establishment of new annual reporting requirements for the ABC were supported by submitters. For example, Mr Christian described the establishment of a Regional Advisory Council as 'a worthy cause'. Mr Christian stated:

The Regional Advisory Council's intended mandate, and the Bill's annual reporting obligation changes appear to make the provision of factual, objective data imperative to the ABC's successful transition into an accurate and wholly representative organisation.¹⁹

2.26 The NFF submitted that the establishment of a Regional Advisory Council would have a 'positive effect'.²⁰

2.27 Pastor Quilliam, in expressing his support for the establishment of the Regional Advisory Council, also submitted that the remuneration for the Regional Advisory Council should be mandatory rather than a decision for the ABC Board. Pastor Quilliam submitted that this would:

...cause the Board to take more notice of the advice given by the Regional Advisory Council...and assist in ensuring the new Council is not just a "puppet" council filled with people who don't have the time or resources to take a proper look at the ABC's regional business.²¹

2.28 Free TV Australia stated that the new reporting requirements would 'add an important level of transparency in decision making of matters impacting regional Australians'.²²

2.29 However, the ABC submitted that the establishment of a Regional Advisory Council would:

...simply replicate the functions and advice provided by the current ABC Advisory Council, while also adding to the costs of the council and its secretariat support.²³

18 Senator the Hon Mitch Fifield, *Senate Hansard*, 18 October 2017, p. 7902.

19 Mr James Christian, *Submission 5*, p. 2.

20 National Farmers' Federation, *Submission 11*, p. 2.

21 Pastor Benjamin Quilliam, *Submission 4*, p. 5.

22 Free TV Australia, *Submission 2*, p. 2.

23 Australian Broadcasting Corporation, *Submission 9*, p. 9.

2.30 The ABC further expressed its opposition to the consultation requirements included in the bill as it argued that the amendment 'effectively removes from the ABC Board its ability to choose the matters on which it will consult when discharging its responsibilities, therefore diminishing its discretionary powers'.²⁴

2.31 The ABC also expressed concern in relation to the additional reporting requirements proposed by the bill. It submitted that

The proposed amendments, which would see employee numbers reported as a simple regional versus metropolitan comparison, are arbitrary and based on a fundamental misunderstanding of how the ABC is structured to provide value for taxpayers. A direct comparison without the inclusion of relevant context would also fail to present an accurate picture of how many ABC employees are dedicated to producing content and delivering services for regional audiences.²⁵

Committee view

2.32 The committee notes the concerns raised by the ABC, but is of the view that the Regional Advisory Council will provide the ABC with a more formal mechanism to ensure that decisions made by the ABC Board occur after proper consultation with affected audiences.

2.33 The committee notes the comments of the Minister for Communications, Senator the Hon Mitch Fifield, that the proposed reporting requirements are 'important for transparency' and that 'it is appropriate that the Parliament, and the Australian people, are able to see the deployment of staff and the production of local content'.²⁶ The committee considers the proposal to be an appropriate and important accountability measure.

Other issues

2.34 A number of submitters commented on the decision by the ABC to cease shortwave radio services and argued that this is evidence that the ABC does not understand the needs of rural and regional Australians.²⁷ Submitters also argued that the ABC must be adequately funded in order to serve rural and regional communities.²⁸

24 Australian Broadcasting Corporation, *Submission 9*, p. 10.

25 Australian Broadcasting Corporation, *Submission 9*, p. 11.

26 Senator the Hon Mitch Fifield, *Senate Hansard*, 18 October 2017, p. 7902.

27 See Mr Darryl Fallow, *Submission 7*; Mr James Christian, *Submission 5*; Pastor Benjamin Quilliam, *Submission 4*, Northern Territory Cattlemen's Association, *Submission 1*.

28 See Mr Darryl Fallow, *Submission 7*, p. 3; Mr Mark Zanker, *Submission 6*, p. 1.

2.35 These issues were extensively canvassed during the inquiry into the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015, nevertheless the committee notes the ongoing concerns of submitters.

Committee view and recommendations

2.36 The committee acknowledges the important role that the ABC plays in the lives of rural and regional Australians, indeed in the lives of all Australians. Over many decades its services have informed and entertained communities in areas where other media options are limited.

2.37 This bill contains a range of important and appropriate measures to support and cement that role, and ensure the ABC continues to focus on and meet the diverse needs of rural and regional Australia.

Recommendation 1

2.38 The committee recommends that the Australian Broadcasting Corporation Amendment (Rural and Regional Measures) Bill 2017 be passed.

**Senator Jonathon Duniam
Chair**

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
Senator for Queensland

Australian Greens' dissenting report

1.1 This bill seeks to amend the *Australian Broadcasting Corporation Act 1983* to increase the extent to which the ABC services the needs of rural and regional Australia.

1.2 It is a solution in search of a problem.

1.3 There appears to be taken as read that the ABC is failing to service the needs of rural and regional Australians, as no reasonable or persuasive evidence is provided to substantiate that such a failure exists or has existed.

1.4 Instead it is simply assumed that the ABC is deficient in its service and that the solution to this deficiency is more red tape and bureaucracy for an organisation that is frequently criticized for its current levels of red tape and bureaucracy.

1.5 Many of the submissions to this inquiry were made by those seeking less to strengthen the provision of services by the ABC and more to isolate them into rural and regional silos, leaving commercial competitors greater capacity to service more profitable markets.

1.6 The Australian Greens take seriously the need for the ABC to be representative of its audience, both at an executive and managerial level as well as with its on-air talent. It is in the service of the public interest for the national broadcaster to display a commitment to diversity in line with its charter obligations.

1.7 If there is a need for the ABC to do more to meet the particular needs of rural and regional audiences, then perhaps there is a need for the ABC to be funded to provide more.

1.8 Arguments that the content service of the ABC should be zero-sum, where more content is provided to rural and regional audiences at the cost of content to inner-city and urban audiences, represent a false dichotomy of choices. If we need the ABC to do more we should be willing to fund it adequately, so that it can do more.

1.9 It is a political decision to allocate resources to the ABC and if we are to make the political decision that we the public require more from the ABC it is entirely appropriate that the ABC respond by saying, to honour that requirement, it also requires more from the public.

1.10 The ABC is unique in the Australian media landscape and its role is of utmost importance. It remains a highly-trusted source of news and current affairs and it has maintained a commitment to journalism beyond the confines of city centres.

1.11 Rural and regional audiences deserve a high-quality product from their national broadcaster as much as any other audience does. The ABC should be supported in providing it to all, regardless of their location. Depriving it of the

resources to do so, including by requiring it to commit additional resources to overcoming bureaucratic red tape and administrative procedures that are of questionable value, bears an opportunity cost that weakens the effectiveness of the ABC to do the job we need it to do.

1.12 It is because of our support for the ABC, its audience and its function in the Australian media landscape that the Australian Greens recommend the Bill not proceed.

Senator Janet Rice
Senator for Victoria

Senator Sarah Hanson-Young
Senator for South Australia

Appendix 1

Submissions

Submissions

- 1 Northern Territory Cattlemen's Association
- 2 Free TV Australia
- 3 Dr Harry Criticos
- 4 Pastor Benjamin Quilliam
- 5 Mr James Christian
- 6 Mr Mark Zanker
- 7 Mr Darryl Fallow
- 8 Mr Brian Curzon
- 8.1 Supplementary 1 to Submission 8
- 8.2 Supplementary 2 to Submission 8
- 9 Australian Broadcasting Corporation
- 10 Cotton Australia
- 11 National Farmers' Federation
- 12 ABC Friends