

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

## **Interim report**

1.1 On 3 December 2015, the Senate referred the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 (the bill) to the Senate Environment and Communications Legislation Committee for inquiry and report by 20 June 2016.<sup>1</sup> 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 Parliament from 5 pm on Friday, 15 April 2016, until 9.30 am on Monday 18 April 2016. At 9.30 am on 18 April 2016, the Parliament met for a new session. 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*.<sup>2</sup>

### **Conduct of the inquiry**

1.3 In accordance with its usual practice, the committee advertised the inquiry on its website and wrote to relevant individuals and organisations inviting submissions. The date for receipt of submissions was 26 February 2016.

1.4 The committee received 29 submissions, which are listed at Appendix 1. The public submissions are also available on the committee's website at [www.aph.gov.au/senate\\_ec](http://www.aph.gov.au/senate_ec).

1.5 The committee agreed to hold a public hearing in early May 2016. However, as a consequence of the change to the sitting days of the Senate in the new session, the hearing could not proceed. The committee therefore agreed to provide an interim report which identified the issues raised in submissions.

### **Reports of other committees**

1.6 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.

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1 *Journals of the Senate*, 2013–15, No. 134, pp 3624–26.

2 *Journals of the Senate*, 2013–16, No. 150, p. 4131.

1.7 In its Alert Digest No. 1 of 2016, the Scrutiny of Bills Committee stated that it had no comment on the bill.<sup>3</sup>

### **Purpose of the bill**

1.8 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.

1.9 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;
- insert new paragraph 6(1)(d) which requires the ABC to foster the space within which their 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.<sup>4</sup>

1.10 The bill proposes to establish a Rural and Regional Advisory 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, are 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

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

4 Explanatory Memorandum, p. 2.

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Council is to be determined by the Remuneration Tribunal (proposed subsection 11(12)).

1.11 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)).

1.12 The bill also 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 (proposes 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 (new paragraphs 80(ea), (h), (i) (l) and (p)).<sup>5</sup>

1.13 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 embeddedness that allows journalists to facilitate discussion and well-connected and informed rural and regional communities.<sup>6</sup>

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5 Explanatory Memorandum, pp 3–4.

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

## Importance of the ABC in rural and regional Australia

1.14 A majority of submitters were supportive of the aims of the bill and pointed to the importance of the ABC to rural and regional communities. The Bass Coast Shire Council submitted that it supports the proposed bill and that 'it is important for the ABC to understand and adequately deliver what regional communities expect of the ABC when broadcasting in regional areas'.<sup>7</sup>

1.15 Submitters also commented that the importance of the ABC in regional areas has increased with the closure of the print media in many areas. The Glenelg Shire Council, for example, noted that Fairfax Media cutbacks had resulted in the cessation of the local media outlet—*Warrnambool Standard*—from covering news and events in the Glenelg Shire region. As a consequence, 'radio broadcast has become paramount in communicating with our shire's almost 20,000 residents'.<sup>8</sup>

1.16 The Media, Entertainment and Arts Alliance (MEAA) highlighted the findings of the Independent Inquiry into the Media and Media Regulation which noted that 'coverage of local community news is...modest, particularly in small communities in regional and remote areas'. The Inquiry further noted that newspapers servicing regional and rural areas have limited resources and capacity to provide in-depth coverage of local issues. The MEAA also noted The Australia Institute's report *Heartland: Why the Bush Needs its ABC* which observed that 'the ABC forms a big part of regional media in Australia'.<sup>9</sup>

1.17 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. The Glenelg Shire Council commented:

ABC Radio is an immediate and up-to-date news resource for our community. Whether it is providing a CFA alert or a local bushfire event, the latest weather or council update—it is a voice for our regional community that can be matched by no other.<sup>10</sup>

1.18 While the ABC's importance to regional and rural communities was outlined in evidence, many submitters voiced concerns about the quality of ABC regional services and ABC local radio. The committee was provided with evidence of the many changes to regional and rural broadcasting by the ABC. These included the decrease

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7 Bass Coast Shire Council, *Submission 12*, p. 1.

8 Glenelg Shire Council, *Submission 1*, p. 1. See also Deakin University, *Submission 26*, p. 2.

9 Media, Entertainment and Arts Alliance, *Submission 10*, p. 8. See also The Australia Institute, *Submission 11*, p. 8.

10 Glenelg Shire Council, *Submission 1*, p. 2.

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in the amount of local content, with much news and programming coming predominantly from capital cities.<sup>11</sup> Deakin University commented that:

The ABC's regional structural reforms and centralisation of staff to metropolitan areas bring threats to community ties and local employment, with programming cuts potentially creating news and information content gaps in rural and regional Australia, such as occurred when *Bush Telegraph* was axed in late 2014. The parlous situation of rural and regional commercial news media suggests public broadcasting of news relevant to rural/regional areas is more essential than ever and the support and resources required to produce quality local journalism ought to be bolstered. This is particularly important given the public trust placed in the ABC as the least biased and most balanced provider of news...<sup>12</sup>

1.19 Dr Harry Criticos similarly commented:

...it cannot be stressed enough that by the ABC centralising many of its regional operations, it takes away any local decision making which has wide reaching affects across regional Australia...programme-makers who live within regional areas are best placed to understand their community and decide which stories best reflect those communities, and how those stories are told, be it in the news, in documentaries, through a daily radio programme or an emergency situation. These are decisions that cannot be made effectively or efficiently from a capital city.<sup>13</sup>

1.20 The Community and Public Sector Union (CPSU) noted that ABC internal polling showed ABC regional staff think the ABC is Sydney-centric,<sup>14</sup> and refuted contrived definitions of 'localism' created by the ABC and asserts that 'the ABC's purpose has been to rationalise decisions to move away from localism as well as stave off criticisms that the ABC is not fulfilling its Charter as effectively as it should be'.<sup>15</sup> The CPSU further stated that tied funding would ensure that regional and rural services remain a key focus of the ABC until such time that the ABC can demonstrate a significant shift at the executive level.<sup>16</sup>

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11 See Ms Elaine Siemer, *Submission 19*, p. 1; CPSU, *Submission 22*, pp 2–3.

12 Deakin University, *Submission 26*, p. 2.

13 Dr Harry Criticos, *Submission 14*, pp 2–3.

14 CPSU, *Submission 22*, p. 2.

15 CPSU, *Submission 22*, p. 2.

16 CPSU, *Submission 22*, p. 2.

1.21 Those on the land commented particularly on the need to ensure that relevant agricultural news is provided by the ABC. However, it was stated that changes to agricultural news have since resulted in less local news and weather and no market information.<sup>17</sup> The Narromine Branch of The Nationals added:

Farmers and Agricultural industry need this valuable service for further planning and we should not be shoved into the background which is presently occurring.<sup>18</sup>

1.22 The importance of ABC broadcasts during and after an emergency or disaster was outlined by many submitters. Mr Ray Rigbye commented that he had concerns about the ABC's new regional division's capacity to 'effectively co-ordinate Emergency Broadcasting, one of the ABC's core functions'.<sup>19</sup> It was argued that with the decrease of some local services, regional and rural communities had to rely on information broadcasts from metropolitan or larger regional centres. Deakin University commented that research following the Queensland floods found that information received from national sources required reinterpretation with the assistance of local knowledge, which can delay the provision of critical information to communities. Deakin University concluded that 'the ABC, particularly local radio during power outages, is undoubtedly a key information source during emergencies'.<sup>20</sup>

1.23 The Wellington Council noted the compromise of emergency broadcasting capabilities in the Gippsland area:

In a region affected by mobile black spots, and with an ageing demographic, it is simply not yet plausible to expect all residents to seek their own content online. The Corporation must provide greater accessible news content in rural and regional areas, as opposed to so heavily focussing on transferring greater content online.<sup>21</sup>

1.24 Submissions received from regional and rural areas also pointed to poor radio coverage. Submitters from areas such as the Monaro and Numeralla in NSW noted that there are many do not receive ABC broadcasts and have no mobile phone reception.<sup>22</sup> The Numeralla and District Activities Inc commented:

Most improvements to current technologies i.e. internet and mobile phone communication relate to access by larger rural towns and not the geographically dispersed rural residents. The lack of access to ABC radio

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17 See Narromine Branch of The Nationals, *Submission 2*, p. 1.

18 Narromine Branch of The Nationals, *Submission 2*, p. 1.

19 Mr Ray Rigbye, *Submission 27*, p. 14.

20 Deakin University, *Submission 26*, p. 3.

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

22 See Mr Ian McCorkindale, *Submission 17*, p. 1; Numeralla and District Activities Inc, *Submission 24*, p. 1; Mr Brian Curzon, *Submission 29*, p. 1.

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for news, information, emergency warnings and entertainment does not seem to be addressed.<sup>23</sup>

1.25 Similarly, the Hon Gary Nairn commented:

I agree with the proposals in the Bill to ensure rural and regional Australia has improved influence on the ABC's activities including adequate staff in the regions but none of those issues are relevant while substantial areas remain without adequate local ABC radio reception. This needs to be the first priority.<sup>24</sup>

1.26 Mr Rigbye observed that 'it would appear the ABC has created a massively complex managerial structure to oversee a Division which will produce less for the local audience'<sup>25</sup> and that 'in the context of a \$1 billion budget, regional stations must be given more funding so they can make the best possible use of that investment and to ensure regional listeners receive the same high quality content as their urban counterparts'.<sup>26</sup>

1.27 Mr Rigbye also noted 'the new Regional Division's neglect in addressing the loss of staff, declining output, increased reliance on networked programs and subsequent failure to meet the needs of the regional and rural audience'.<sup>27</sup>

1.28 In its submission, the ABC reiterated its 'strong and unwavering commitment to rural and regional Australia'.<sup>28</sup> It highlighted that its investment in services to regional audiences is in excess of \$385 million and includes content produced both for and from regional areas, and transmission and infrastructure costs.<sup>29</sup> It stated that each year, 'the ABC invests approximately one-third of its annual budget' to ensure that regional and rural audiences have access to content and services.<sup>30</sup>

1.29 The ABC further stated that:

The Corporation maintains the largest regional broadcasting footprint in Australia. It stands alone in maintaining the scale and effectiveness of its regional and rural operations, despite suffering in recent times from reduced revenue. The ABC's position of trust and authority and its multi-platform skills enable it to act as a virtual town square—linking remote communities

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23 Numeralla and District Activities Inc, *Submission 24*, p. 1.

24 The Hon Gary Nairn, *Submission 20*, p. 1.

25 Mr Ray Rigbye, *Submission 27*, p. 14.

26 Mr Ray Rigbye, *Submission 27*, p. 14.

27 Mr Ray Rigbye, *Submission 27*, p. 1.

28 ABC, *Submission 16*, p. 1.

29 ABC, *Submission 16*, pp. 1–2.

30 ABC, *Submission 16*, p. 15.

to the broader population and vice-versa—and providing vital sources of information and interactivity.<sup>31</sup>

1.30 The committee notes that this does not fully explain why the ABC has consolidated to Sydney for the past ten years.

### **Response to the provisions of the bill**

1.31 This section provides an overview of responses to the provisions of the bill. The issues raised in submissions will be further examined as the inquiry progresses.

#### ***Proposed changes to the ABC Charter***

1.32 The bill seeks to make explicit in the ABC Charter the place of regional and rural Australia. The aim was supported by a range of submitters. For example, the Local Government Association of Queensland (LGAQ) stated that it 'supports calls to amend the ABC Charter contained in section 6 of the *Australian Broadcasting Corporation Act 1983* to strengthen the ABC's mandate for the delivery of services to rural and regional Australia'.<sup>32</sup> Similarly, the Local Government Association of Tasmania (LGAT) commented that it was:

...supportive of the changes it [the Bill] proposes to the ABC Charter in relation to the delivery of services to rural and regional Australia. It is also pleasing to see that the Bill will mandate the ABC's public service function for journalism in rural and regional Australia.<sup>33</sup>

1.33 However, other submitters while supportive of the need for the ABC to provide adequate services to regional and rural Australia did not consider that a change to the Charter was the most effective mechanism for achieving this aim. The Australia Institute submitted that 'while increasing regional content is a worthwhile goal, and one with popular support, a change to the Charter is not the best way to achieve this goal'.<sup>34</sup> The MEAA also stated that it believed that:

...the notion underpinning proposed changes to the Charter, while sound, would likely impede the corporation's editorial independence by compromising its efforts in ensuring other aspects of the Charter are carried out.<sup>35</sup>

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31 ABC, *Submission 16*, Attachment 2, p. 4.

32 Local Government Association of Queensland, *Submission 15*, p. 1

33 Local Government Association of Tasmania, *Submission 23*, p. 1.

34 The Australia Institute, *Submission 11*, p. 1.

35 Media, Entertainment and Arts Alliance, *Submission 10*, p. 3.



1.34 The CPSU stated that it 'strongly agrees that the ABC should be doing more to fulfil its Charter obligations to represent and reflect Australians, including better representing regional and rural Australia'. However, it also stated that:

It is the view of CPSU members that the current ABC Charter is fit for purpose and that the problems raised by Senator McKenzie concern the way in which the ABC Executive implements the Charter, not the Charter itself.<sup>36</sup>

1.35 Similarly, Friends of the ABC recommended the rewording the Charter with a few simple changes to ensure the provision of improved services to regional and rural Australia.<sup>37</sup>

1.36 The ABC submitted that the bill's proposed changes to the ABC Charter are unnecessary. For example, it stated that the current Charter includes the phrases of 'national identity' and 'cultural diversity' which are 'interpreted broadly', and that there is no need 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.<sup>38</sup>

1.37 The ABC also submitted that the Act and the Charter 'make it clear that the ABC is to be independent, with responsibility for the allocation of funding to rest with the ABC board'. The ABC raised concern that proposed paragraph 6(1)(d) and proposed subparagraph 6(2)(a)(iii) are inconsistent with the independence of current funding decision-making processes. Further, the ABC submitted that proposed paragraph 6(1)(d) is also unnecessary as best-practice journalism is required under both section 27, and paragraph 8(1)(c).<sup>39</sup>

1.38 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. The ABC stated that its 'remit is to serve the people of Australia' and that it has maintained 'its investment in the regions' including 'setting up a new Regional Division to consolidate and build upon this important work'.<sup>40</sup>

1.39 The Committee notes that there is no formal rural and regional representation on the Board of the ABC, and that concerns with the quality and content of services and programming expressed by submitters provides insight as to the public's view of the fulfilment of Charter aims, despite the ABC's assertions.

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36 CPSU, *Submission 22*, p. 1.

37 Friends of the ABC, *Submission 3*, p. 3.

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

39 ABC, *Submission 16*, pp. 6–7.

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

### ***Proposed changes to the Board of the ABC***

1.40 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'.<sup>41</sup>

1.41 The Friends of the ABC submitted that the ABC Board must be 'diverse and independent of governmental influence'. However, the Friends of the ABC 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.<sup>42</sup>

1.42 The MEAA stated that the appointment of two Board 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.<sup>43</sup>

1.43 The ABC raised a number of concerns in relation to proposed changes to the composition of the Board. For example, 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 submitted that the Government is currently able to make a decision to appoint candidates from rural and regional areas. The ABC is of the view that city-based board members are also well placed to represent the interests of rural and regional citizens. The ABC is concerned that:

...the use of arbitrary quotas may actually act against the best interests of the Corporation and its audiences. 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 qualified to help steer the Corporation through this challenging landscape.<sup>44</sup>

### ***Rural and Regional Advisory Council***

1.44 The establishment of a Rural and Regional Advisory Council was supported by Dr Wake who commented that it 'could enable a significant improvement of

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41 Dr Alexandra Wake, *Submission 4*, p. 3.

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

43 Media, Entertainment and Arts Alliance, *Submission 10*, p. 4.

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

services to areas outside Sydney and Melbourne if appropriate appointments are made from people with a diversity of views and experiences'.<sup>45</sup> Deakin University also supported the involvement of regional people in decision-making about regions and stated:

The appointment of individuals who reside in rural/regional Australia to the Rural and Regional Advisory Council is necessary to ensure voices from the bush are adequately represented in this time of mass media consolidation. 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.<sup>46</sup>

1.45 The South Australian Government suggested that one member of the Council be required from rural or regional South Australia, in recognition of the communities in South Australia which are reliant on the ABC for local broadcast services.<sup>47</sup>

1.46 However, the MEAA questioned the need for a further advisory body and commented that it did not believe 'that requiring the ABC to establish and have regard to a Rural and Regional Advisory Body is compatible with section 11 of the *Australian Broadcasting Corporation Act 1983* in so far as this may interfere with the Board's independence'.<sup>48</sup> Similarly, Friends of the ABC commented:

We do NOT agree with the recently advocated concept of two ABCs—regional and metropolitan—as it would be unwieldy, costly and also require more investment in management. Further, we do not agree with specific mandated targets, reports, number of regional programs to ensure rural and provincial quotas...<sup>49</sup>

1.47 The committee notes that all commercial broadcasters are bound by local content quotas and additional regulation.

1.48 The ABC noted that the current Australian Broadcasting Corporation Advisory Council, established under the ABC Act, provides advice to the Board on matters relating to the Corporation's services, including those delivered to regional Australians. Members are already subject to a competitive selection process and:

...members are drawn from across the country, ensuring that they represent the Corporation's broad audience. Current members are drawn from locations that include Figtree, NSW; Youngtown, Tasmania; Westbrook, NSW; Parilla, SA; and Darwin, NT. The Advisory Council meets with representatives of the ABC Board and the Executive regularly and provides

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

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

47 South Australian Government, *Submission 5*, p. 1.

48 Media, Entertainment and Arts Alliance, *Submission 10*, p. 4.

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

the Board with both feedback on audience expectations and appreciation of ABC services across the country.<sup>50</sup>

1.49 The ABC also raised concern that the proposal:

...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)).<sup>51</sup>

1.50 The ABC submitted that the establishment of an additional advisory body would create additional administrative and support costs whilst replicating the advice currently provided to the Board through the ABC Advisory Council.<sup>52</sup>

### ***Local radio bulletins***

1.51 The negative impact of the decrease in the number of local radio bulletins was noted. In addition, it was noted that many regions are affected by mobile blackspots, and with an ageing demographic, it was seen as not feasible for all residents to seek their own content online.<sup>53</sup>

1.52 The ABC expressed concern that mandating the number of local radio bulletins would place additional budget pressures on the Corporation. The ABC noted that there would be a:

...significant impost in increasing the scope of radio news operations in each of the 48 regional markets in which it has a staff presence. The ABC contends that this is simply not sustainable at a time when it is already dealing with a reduced budget.<sup>54</sup>

1.53 The ABC also expressed concern that the proposed provision 'directly cuts across the independence of the board to determine funding priorities' and that 'legislators have traditionally shied away from imposing programming requirements within the ABC Act, recognising that ABC management, working to priorities set by the Board, are best placed to make those decisions'.<sup>55</sup>

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

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

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

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

54 ABC, *Submission 16*, p. 11.

55 ABC, *Submission 16*, p. 11.

1.54 The committee notes that no aspect of the bill seeks to impede the managerial or editorial independence of the ABC.

1.55 Further, the proposal, which requires the broadcast of at least five bulletins consisting solely or primarily of regional or local news is inconsistent with the findings of the *ABC Spoke* project. This project identified that 'people do not want local news and information in isolation, instead preferring it to be included in a "feed" with national and international stories, and that people's definition of "local" content varies widely'.<sup>56</sup>

1.56 The committee notes the statement of the CPSU that 'the ABC has itself been pushing new and unconvincing definitions of localism and how local content is best derived'.<sup>57</sup>

### ***Emergency broadcasting***

1.57 As noted above, ABC broadcasts are seen as a vital resource during emergencies and disasters. Concern with the lack of local broadcasts during these times was highlighted by the Wellington Shire Council which pointed to the Jack River fires in February 2014. It noted that prior to the fire, the dedicated local ABC service was terminated. As a consequence, emergency information was broadcast from Melbourne and the local community struggled to source vital information.<sup>58</sup>

1.58 The inclusion of an obligation on the ABC to roster effectively in emergency broadcasting situations was welcomed as regional and rural areas rely on the ABC providing information in times of an emergency.<sup>59</sup> The ACT Government commented that this proposal was 'of value'.<sup>60</sup>

1.59 The ABC responded that 'in times of emergency and stress, the ABC provides a vital connection between residents and authorities' and went on to stated:

The creation of the ABC's Regional Division in November 2014 is in keeping with the audience's expectations and the Corporation's commitment to servicing regional audiences. In announcing the creation of the new division, ABC Managing Director, Mark Scott, said the impetus was an awareness that, at a time of immense change within the media sector, the role of the ABC in providing an important link to communities in distant parts of Australia had become paramount.<sup>61</sup>

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56 ABC, *Submission 16*, p. 11.

57 CPSU, *Submission 22*, p. 2.

58 Wellington Shire Council, *Submission 6*, pp 3–4.

59 Central Goldfields Shire Council, *Submission 8*, p. 1.

60 ACT Government, *Submission 25*, p. 2.

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

1.60 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. Further, the ABC has staff dedicated to monitoring the environment and working alongside emergency agencies to refine and develop communication systems. The ABC went on to state that the Corporation is the only radio broadcaster in rural and regional Australia undertaking this task and dedicating staff to it. 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.<sup>62</sup>

1.61 The committee notes the submission of the Wellington Shire Council which indicated that the capacity to broadcast emergencies has been diminished through the centralisation of emergency broadcasting to Melbourne, conducted by those with a lack of local knowledge and understanding—for example, leading to the incorrect pronunciation of towns.<sup>63</sup>

### ***Biennial survey and reporting***

1.62 The Wellington Shire Council commended the proposal of a biennial survey but suggested that comparative surveys with other local regional broadcasters, both commercial and public, be undertaken as 'a holistic understanding of local market share would provide more substantial and unbiased data to guide community satisfaction and undertake service improvements'.<sup>64</sup> Deakin University and Dr Wake submitted that the biennial survey of regional audiences to assess their satisfaction with ABC services should be conducted by an independent organisation to eliminate potential to push a management or political agenda.<sup>65</sup> Deakin University commented that 'it is paramount in determining whether the information needs of these communities are successfully being met...and how they differ to those of Australia's urban populations'. It concluded:

...the survey provides an opportunity for the ABC to also determine the types of content rural and regional communities' desire and in what format, so as to ensure the best use of limited resources in the future. Qualitative research through focus groups and interviews would be useful to complement the survey data and offer greater insight into communities' local information needs.<sup>66</sup>

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

63 Wellington Shire Council, *Submission 6*, pp 3–4.

64 Wellington Shire Council, *Submission 6*, p. 1.

65 Dr Alexandra Wake, *Submission 4*, p. 3; Deakin University, *Submission 26*, p. 4.

66 Deakin University, *Submission 26*, p. 4.

1.63 The ABC submitted that, in accordance with its broad obligations to serve all Australians, both the ABC and the Board are already well informed about the needs and wants of regional Australians. For example, the ABC conducts an annual Newspoll of ABC audiences across the country. The ABC commented that 'this audience survey consistently indicates that more than 80 per cent of Australians across the nation enjoy and appreciate the services provided by the ABC'. It went on to comment:

During the creation of ABC Regional in 2015, the ABC spent some three months seeking and collecting feedback from audience members, politicians and local community leaders and ABC staff across the nation about its regional services and how they could be improved.<sup>67</sup>

1.64 It was also noted that with ABC staff living and working in 48 regional and rural locations, regular feedback from communities is provided to the ABC.<sup>68</sup>

1.65 The ABC also submitted that additional annual reporting requirements on staffing are unnecessary as the Corporation is already required to report on staffing requirements, and significant changes in transmission.<sup>69</sup> The ABC concluded that the introduction of new annual reporting requirements is costly and unnecessary.<sup>70</sup>

1.66 It does appear that the ABC already collects staffing data, and is able to present it during Senate Estimates if asked.

1.67 The committee notes that the ABC is not currently required to insert such data in its annual report, which would enable a more transparent method for staffing trends to be examined over a period of time.

### ***Funding and employment in rural and regional areas***

1.68 Submitters raised concerns regarding adequate funding for rural and regional services. The ABC noted the impact of reduced funding over a five year period from 2014, and stated that such changes affect the ability of the ABC to respond to areas of need.<sup>71</sup>

1.69 The LGAQ indicated that Queensland local governments are growing increasingly concerned about the ABC's ability to maintain its services to regional Australia with reduced funding.<sup>72</sup> Similarly, the MEAA submitted that the objectives of the bill cannot be supported without the guarantee of additional protected funding.

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

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

69 ABC, *Submission 16*, p. 14.

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

71 ABC, *Submission 16*, p. 15.

72 Local Government Association of Queensland, *Submission 15*, p. 1

...its objectives cannot be supported without the guarantee of additional protected funding, including the restoration of the \$254 million in cuts announced in November 2014. Regional and rural broadcasting should not have to take precedence or compete with the rest of the ABC's operations.<sup>73</sup>

1.70 The ACT Government submitted that it supports the policy objectives of the bill. However it also noted:

...that the amendments may require the ABC to make changes to staffing and operations, and these changes are likely to have resourcing implications that must be acknowledged and taken account of in funding the ABC's fulfilment of its function.<sup>74</sup>

1.71 The MEAA submitted that the 'ABC's regional service delivery cannot be divorced from the organisation's funding'.<sup>75</sup>

### **Committee view**

1.72 In this interim report, the committee has outlined submitters' views and the ABC's response to the bill. The committee has yet to examine these in depth through public hearings and thus has not been able to draw any specific conclusions. The issues raised will be further explored during the conduct of the inquiry.

**Senator Linda Reynolds CSC**  
**Chair**

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73 Media, Entertainment and Arts Alliance, *Submission 10*, p. 4.

74 ACT Government, *Submission 25*, p. 2.

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