

Chapter 1

Introduction

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

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

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

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

Conduct of the inquiry

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

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

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

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

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

Reports of other committees

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

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

Purpose of the bill

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

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

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

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

5 Explanatory Memorandum, p. 2.

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

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

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

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

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

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

⁶ Explanatory Memorandum, pp. 3–4.

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

Developments since the introduction of the bill

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

Termination of the ABC shortwave transmission services

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

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

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

Restructure of the ABC

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

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

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

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

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

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

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

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

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

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

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

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

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

Structure of the report

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

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

Note on references

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

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

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

