

# Chapter 2

## Issues raised in evidence

### Introduction

2.1 The committee's interim report canvassed the evidence received during the 44<sup>th</sup> Parliament related to the importance of the ABC in rural and regional areas and the provisions of the bill including Board membership, local radio bulletins, reporting requirements and funding and employment in rural and regional areas.

2.2 The following discussion covers issues relating to the proposed amendment of the ABC Charter, the termination of shortwave transmission services, provision of emergency broadcasting, changes to the format of Radio National, the proposed establishment of a rural and regional advisory council and changes to Board membership. The discussion is based primarily on submissions in the current Parliament and the evidence provided at the committee's recent hearings.

### Recognition of rural and regional Australia in the ABC Charter

2.3 The majority of submitters were supportive of the proposed changes to the 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 as an example of where the needs of rural and regional Australia had been ignored.<sup>1</sup> In providing this support, submitters noted the importance of the ABC in rural and regional areas. 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.<sup>2</sup>

2.4 It was also noted that in many rural and regional areas, commercial media has contracted their services or withdrawn completely, thus increasing the importance of the ABC to local communities.<sup>3</sup> The lack of adequate coverage of local news was highlighted in the report of the Independent Inquiry into the Media and Media Regulation (Finkelstein Report) which stated that 'coverage of local community news

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1 Local Government Association of Queensland, *Submission 15*, p. 1; Local Government Association of Tasmania, *Submission 23*, p. 1.

2 Glenelg Shire Council, *Submission 1*, p. 2; Narromine Branch of The Nationals, *Submission 2*, p. 1; Wellington Shire Council, *Submission 6*, p. 3; Mr Ian McCorkindale, *Submission 17*, p. 1; Numeralla and District Activities Inc, *Submission 24*, p. 1; Mr Brian Curzon, *Submission 29*, p. 1.

3 Glenelg Shire Council, *Submission 1*, p. 1; Media, Entertainment and Arts Alliance, *Submission 10*, p. 8; The Australia Institute, *Submission 11*, p. 8; Deakin University, *Submission 26*, p. 2.

is...modest, particularly in small communities in regional and remote areas'. In relation to newspapers servicing these areas, the Report observed that 'most of them have limited resources and consequently low capacity for in-depth coverage of local issues. Much of the content is in the form of generic news with little independent analysis'.<sup>4</sup>

2.5 However, it was submitted that despite the importance of the ABC in rural and regional areas, service levels have declined. At the same time, ABC operations have become increasingly centralised in Sydney. Many submitters emphasised that the ABC exists for all Australians but considered that the ABC's decisions do not reflect this.<sup>5</sup> Mr Darryl Fallow, for example, stated:

As taxpayers, people in rural and remote areas are entitled to receive radio and television services that meet their needs. For far too long, the few ABC broadcasting services that have been available to rural and regional areas have been wound back, made less relevant or, in some cases, have been completely terminated.<sup>6</sup>

2.6 Mr Philip Brennan commented, in relation to the termination of shortwave services in the Northern Territory, 'if ever there was an exemplar, if you like, of an organisation completely ignoring its regional base, this is it'. He went on to support a change to the Charter to increase regional representation as a way to ensure regional views are heard by the ABC Board.<sup>7</sup>

2.7 The committee received evidence from the Community and Public Service Union (CPSU), the Media Entertainment and Arts Alliance (MEAA) and other submitters concerning the decline in ABC services in rural and regional Australia. The Local Government Association of Queensland (LGAQ), for example, pointed to the closure of the Gladstone ABC office and relocation of regional journalists to Rockhampton. The LGAQ commented that there is now 'no local presence in and around Gladstone, an area undergoing major change and requiring a local voice'. The LGAQ supported amendment of the ABC Charter 'to strengthen the ABC's mandate for the delivery of services to rural and regional Australia'.<sup>8</sup>

2.8 The CPSU commented on understaffing of ABC Regional radio stations and the age and lack of replacement of equipment in stations. The CPSU also stated that ABC staff indicated that 'they are a bit invisible to the ABC executive on a day-to-day level. They do not see the executive, and do not engage with the executive'.<sup>9</sup>

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4 Report of the Independent Inquiry into the Media and Media Regulation, Hon R Finkelstein, February 2012, p. 328 cited by Media Entertainment and Arts Alliance, *Submission 10*, p. 8.

5 Mr Darryl Fallow, *Submission 55*, p. 1.

6 Mr Darryl Fallow, *Submission 55*, p. 1.

7 Mr Philip Brennan, *Committee Hansard*, 9 March 2017, p. 38.

8 Local Government Association of Queensland, *Submission 15*, p. 3.

9 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 25; CPSU, *Submission 22*, p. 2.

2.9 However, the CPSU viewed the establishment of ABC Regional as a step in the right direction. Ms Sinddy Ealy, CPSU, stated:

Having a strong voice on the ABC executive means that there is somebody there who can do the bidding for ABC Regional and make sure it is getting its fair share of resources and not being invisible on the radar of some of the more Sydney based or Melbourne based folk on the executive.<sup>10</sup>

2.10 The MEAA pointed to the reorganisation of regional services over the last decade or so and stated that while the ABC provided 'supportive words' during these reorganisations, the slow deterioration in the ABC's actual presence in regional communities 'cannot be masked'.<sup>11</sup> As a consequence, remaining staff feel that:

...they are letting the communities they serve down by not having the resources, time and personnel to create the kinds of important, revealing and in-depth coverage that properly represents the diversity of regional communities.<sup>12</sup>

2.11 Associate Professor Lisa Waller, Deakin University, provided evidence on the civic purpose of the ABC. She stated that the ABC, as 'Australia's premier public service media', should 'strengthen its mandate from a social and civic purpose position, commit to rural and regional Australians by protecting and enhancing the types of content available outside urban centres and regional hubs, and prioritise communities that are otherwise underserved for local news'. Professor Waller went on to comment that Deakin University noted that:

...the amendments to the ABC's Charter are imperative in facilitating greater consideration of the local context of Australia's communities and in building the capacity of rural and regional newsrooms and journalists to deliver quality local news.<sup>13</sup>

2.12 A further matter raised was the inclusion of a 'geographic' concept in the Charter. Professor Waller commented that 'a geographically targeted approach in the ABC's Charter and funding allocations would help ensure public service content is available where it is needed most'.<sup>14</sup> In addition, Professor Waller supported a more explicit definition of 'local' for the ABC and the need for place-based news.<sup>15</sup>

2.13 Professor Waller went on to comment on the importance of the employment of local journalists to ensure that quality local news is provided to communities. She also stated that locally produced news is crucial during coverage of natural disasters

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10 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 25.

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

12 Media Entertainment and Arts Alliance, *Submission 10*, p. 6.

13 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

14 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

15 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

and other crisis situations to assist those who are directly affected.<sup>16</sup> Professor Waller further noted that without local journalists, the credibility of the information can be called into doubt thus undermining confidence in that reporting.<sup>17</sup>

2.14 Dr Alexandra Wake, Senior Lecturer, RMIT University, also provided evidence on the need to support and boost the efforts of journalists and broadcasters who work in and service the needs of regional and remote areas. Dr Wake argued that local journalists should not just feed more stories into state and national programs; rather, 'while there is always a need for stories of regional and rural areas to be told to a metropolitan audience, there are many more stories that simply must be told by local reports to local audiences'.<sup>18</sup>

2.15 Dr Wake added that there was a need to ensure adequate coverage of news and other events in rural and regional areas as commercial media contracts in many locations. Dr Wake stated:

...it has never been more important or more difficult for journalists in this country, but particularly in regional and remote areas, to hold to account people and institutions whose functions impact social and political life. We are in the midst of what has been called by Associate Professor Margaret Simons a potential civil emergency caused by a breakdown in the commercial model of journalism. Newspapers, commercial radio and television are struggling in metropolitan areas, and news organisations are cutting back in regional areas. Many reporters in regional newspapers have no-one to read their work before it is published immediately online, and decisions are increasingly being made in capital cities by people who think that everyone has access to a strong digital service.<sup>19</sup>

2.16 The committee received conflicting views on the best way to ensure that rural and regional issues are adequately accounted for by the ABC. Professor Waller, for example, commented that 'the bill is really important but I guess we are also concerned that the ABC Charter, in its current form, does not enshrine a responsibility to regional and rural communities'. Professor Waller added that if the Charter was amended so as to require the ABC to have regard for rural and regional concerns 'it would probably provide more of a guarantee to the affected communities that their interests would continue to be catered to'.<sup>20</sup>

2.17 Other submitters, while supportive of the need for the ABC to provide adequate services to regional and rural Australia, did not consider that the changes to

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16 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 1.

17 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 3.

18 Dr Alexandra Wake, *Submission 4*, p. 4.

19 Dr Alexandra Wake, RMIT University, *Committee Hansard*, 6 March 2017, p. 19.

20 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

the Charter as proposed by the bill were the most effective mechanism for achieving this aim.<sup>21</sup> The Australia Institute, for example, commented:

The Australia Institute advocates that the ABC equitably serve regional and rural communities and be adequately funded to do so. However, changing the ABC Act is not an appropriate mechanism for enforcing granular decisions on operational matters. The ABC's strategy needs to evolve faster than federal legislation can. It must remain the purview of the ABC board and the executive.<sup>22</sup>

2.18 ABC Friends National also stated that it did not agree with the concept that:

...there should be specific points made and prescribed points made for the ABC, because of the impact it would have on what we see as the importance of its independence, the importance of its management to report to the board, the importance of the board to report to the community and for bodies, such as yourselves, to hold the management and the board's feet to the fire to perform according to the charter.<sup>23</sup>

2.19 Ms Susan Pinnock, ABC Friends National, commented that the problem 'seems to be that we are just not getting the ABC to respond' to the Charter requirements.<sup>24</sup> Rather than the amendments proposed by the bill, ABC Friends submitted some less prescriptive amendments to the Charter to ensure the provision of improved services to regional and rural Australia.<sup>25</sup>

2.20 Mr Ranald Macdonald, ABC Friends National, added that 'the ABC is absolutely basic to our democratic structure, as is public broadcasting'.<sup>26</sup> Mr Macdonald concluded that 'the charter is the basis on which the ABC operates. The ABC as a public broadcaster should be free of political interference. It should have a representative, broadly diverse board and the management should be allowed to perform with a board supervising its activities'.<sup>27</sup>

### ***The ABC's response to issues raised in evidence***

2.21 In response to the evidence received, the ABC reiterated its commitment to regional Australia. Mrs Fiona Reynolds, Director of Regional, outlined the development of the ABC Regional Division. She noted that in July 2015 regional

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21 Media, Entertainment and Arts Alliance, *Submission 10*, p. 3; The Australia Institute, *Submission 11*, p. 1; CPSU, *Submission 22*, p. 1.

22 The Australia Institute, *Submission 30*, p. 1.

23 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

24 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 14.

25 ABC Friends, *Submission 3*, p. 3; see also Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

26 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 8.

27 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

radio and news-gathering capacity was combined 'to champion the voices of the one-third of Australians who live outside of the capital cities'. Mrs Reynolds added that the ABC's investment in rural and regional audiences is over \$380 million, or a third of the ABC's budget, overall.<sup>28</sup>

2.22 Mrs Reynolds went on to comment that 'the ABC remains a safeguard for localism and media diversity' and that in the past, regional operations have been quarantined from funding cuts. However, this may not continue as 'the ABC must make clear-headed and rational decisions about the services it can provide within a finite budget envelope. It does this in regard to its services to all Australians, not just those that affect regional constituencies'.<sup>29</sup>

2.23 The ABC also responded to arguments that it must take account of 'market failure' and step in where commercial media organisations withdraw, or fail to provide, services. The ABC stated:

This ignores the history of the ABC and its Charter, which requires it to serve both specialised and mass audiences. Put simply, the ABC has never been 'just' a market failure broadcaster. Australia has been well-served by a media sector that sees the ABC working alongside commercial operators, providing a diversity of choice and services that the private sector cannot and will not deliver. That dual role is well understood and well appreciated by the community.<sup>30</sup>

2.24 The ABC submitted that the bill's proposed changes to the Charter are unnecessary. For example, it stated that the current Charter includes the phrases 'national identity' and 'cultural diversity' which are 'interpreted broadly', and that it is not necessary 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>31</sup>

2.25 Mrs Reynolds commented further:

I do not think that the charter needs to talk about regional Australia because it talks about things like reflecting the national identity. The one thing that I believe that the regional division is truly championing is that distinctiveness of the content across the country. There is not a one-size-fits-all for regional Australia. That is what I am trying to say.<sup>32</sup>

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28 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 32.

29 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 2.

30 ABC, *Submission 16*, p. 4.

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

32 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 40.

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2.26 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 (sub paragraph 6(2)(a)(vi)). The ABC stated that its 'remit is to serve the people of Australia' and that it has maintained 'its investment in the regions', including by 'setting up a new Regional Division to consolidate and build upon this important work'.<sup>33</sup>

### ***Committee view***

2.27 The committee received a range of evidence pointing to a decline in ABC broadcasting services in, and for, rural and regional Australia. Submitters pointed to the decrease in the number of ABC staff in regional offices, the closure of offices and reduction in local news content.

2.28 The committee acknowledges the ABC has endeavoured to improve services to rural and regional Australia through the establishment of the Regional Division. More recently, the ABC announced that the Content Fund would be used to increase staffing in, and digital and video output from, rural and regional Australia. In addition, the committee welcomes the increase in staffing in rural and regional areas as it considers that having journalists on the ground is fundamental to providing quality local news and support for communities.

2.29 While these are significant commitments, the committee considers that a clearer statement of expectations in relation to services for rural and regional Australia is required to ensure that they remain a priority in ABC decision making now and into the future. The committee therefore supports amendment of the Charter to include a requirement that programs are broadcast that contribute to a sense of geographic and cultural diversity.

### **Termination of shortwave transmission services in the Northern Territory**

2.30 The committee received a considerable amount of evidence following the termination of the shortwave transmission service in the Northern Territory and the international service. The decision was taken by the ABC Board in December 2016 with services terminated on 31 January 2017. Submitters pointed to the termination of the shortwave service as exemplifying the lack of understanding by the ABC of the needs of rural and regional communities. The Northern Territory Cattlemen's Association (NTCA), for example, described the decision as an 'unjust and dishonest policy of exclusion and discrimination against remote and regional Australians'.<sup>34</sup>

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

34 Northern Territory Cattlemen's Association, *Submission 44*, p. 1.

### *Decision to terminate shortwave transmissions*

2.31 The ABC provided shortwave transmissions to the Northern Territory via three transmitters: Alice Springs; Tennant Creek and Katherine. The ABC contracted the transmitters from Broadcast Australia. The cost of the shortwave service for the Northern Territory was \$1.2 million per year. The savings from the termination of this service, as well as international shortwave transmission, will be used in part to increase the ABC digital radio footprint in Hobart, Darwin and Canberra.<sup>35</sup>

2.32 Ms Michelle Guthrie, General Manager, ABC, provided the committee with information on the decision to terminate the service at the Additional Estimates hearing on 28 February 2017. Ms Guthrie commented that there were a number of duplicate services provided into the Northern Territory: shortwave, Viewer Access Satellite Television (VAST), AM, FM and terrestrial TV. She stated that VAST covers the whole of the Northern Territory landmass and there are more than 22,000 active VAST decoders in the Northern Territory. Ms Guthrie indicated that this equates to over a quarter of all Northern Territory households. In addition, NBN Sky Muster satellite services provide access to all ABC online and digital content. Terrestrial AM or FM radio services cover approximately four per cent of the Northern Territory landmass but is available to 84 per cent of the Territory population.<sup>36</sup>

2.33 The ABC noted that the significant growth in internet usage, access to streamed radio and the increasingly limited amount of content available via shortwave since 2000 has led to a sharp decline in shortwave listenership.<sup>37</sup> The ABC estimated that the number of shortwave users in the Northern Territory was small—approximately 500 users. Furthermore, Mrs Reynolds observed that shortwave services were not provided to any other state or territory.<sup>38</sup>

2.34 Mr David Pendleton, Chief Operating Officer, also commented that the difficulties arise from shortwave transmitter sites being remote and unmanned. He stated that:

...it is a difficult technology and it is a difficult environment that those transmitters have to operate in. Therefore, it is not as reliable a technology going forward in relation to the broadcast of the services. We know that

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35 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 80, 81.

36 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 80, 91; ABC, *Answer to question on notice No. 9*.

37 ABC, *Answer to question on notice No. 4*.

38 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 33.



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there has not been a great reliance on those services for quite some period of time.<sup>39</sup>

2.35 The ABC indicated that the decision to terminate shortwave transmissions was made by the Board on a recommendation from management. The recommendation from management followed 'extensive research', including research undertaken by ABC Radio and ABC International on how audiences are listening to ABC radio and technology trends.<sup>40</sup> The ABC also noted that the ABC Advisory Council did not provide advice to the Board nor did the Board request advice from the Advisory Council as the termination of shortwave radio services 'as it was an operation matter rather than a program matter, and so was outside the remit of the Advisory Council'.<sup>41</sup>

2.36 In relation to consultation undertaken before the decision was made, Ms Guthrie stated that the ABC had consulted stakeholders.<sup>42</sup> Mrs Reynolds clarified this evidence at the hearing on 6 March 2017 and indicated that the consultation had occurred in the time between the announcement of the decision and the termination of the service.<sup>43</sup>

2.37 Following the decision to terminate the service, the ABC conducted a public information campaign including advertising and broadcasts on local radio and over the shortwave.<sup>44</sup> Ms Guthrie noted that the ABC had been contacted by around 15 people from the Northern Territory commenting on the termination. Ms Guthrie concluded that 'so the number of people affected seems to be very small'.<sup>45</sup> The ABC also noted that when the service was unavailable for two weeks in August–September 2016 due to maintenance work, there had been a negligible response thus also pointing to the low use of the service.<sup>46</sup>

2.38 On 30 January 2017, the ABC announced transitional measures following the termination of shortwave services. The ABC indicated that comprehensive advice was

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39 Mr David Pendleton, Chief Operating Officer, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 83–84.

40 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 79; see also Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 34.

41 ABC, *Answer to question on notice No. 8*.

42 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 83.

43 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 34.

44 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 33.

45 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 82.

46 Mr Michael Millet, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 90.

available on how best to access emergency information, ABC News and entertainment. In addition, VAST satellite system units will be donated to all Royal Flying Doctor Service (RFDS) bases and 4WD Radio Club bases in the affected region. The ABC stated that this will allow the rebroadcast of emergency and warning messages.<sup>47</sup>

2.39 Ms Guthrie concluded:

...our priority has to be the efficient management of our total ABC budget. The way in which we analysed the level of duplication that was offered in the Northern Territory made it very clear that the continued provision of the short-wave service for a long contract, or a contract renewal, was not in the best interests of the efficient operation of the ABC budget.<sup>48</sup>

### *Response to the termination of shortwave transmissions*

2.40 The evidence received in response to the termination of shortwave transmissions services focussed on a range of issues:

- the lack of understanding by the ABC of the nature of shortwave transmissions and its coverage in the Northern Territory;
- the lack of consultation by the ABC before the decision was made to terminate the service;
- the information provided by the ABC in relation to alternative sources of weather and emergency advice; and
- the limitations and costs of alternative technologies.

2.41 The evidence received regarding emergency broadcasting not only related to shortwave transmissions but also to general broadcasting by the ABC. This is dealt with in more detail in the following section.

### *Importance of shortwave transmission services in the Northern Territory*

2.42 Many submitters pointed to the importance of shortwave transmission services in the Northern Territory and expressed concern that it had been terminated. It was noted that shortwave was easily accessible, could be used in moving vehicles and did not require a base station. Shortwave transmissions also provided a link in isolated areas to the outside world and enabled people living and working in some of Australia's most remote locations access to news, entertainment and educational services. Shortwave was also used by tourists, residents of Indigenous communities

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47 About the ABC, *ABC shortwave closure transitional measures*, 30 January 2017.

48 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 80.

and those in the fishing, construction and transport industries.<sup>49</sup> Mr Bruce Davey, a cruise boat operator, provided the following evidence:

We have had absolute silence now. I do not know what is happening in the world. I would not have a clue. My only contact that makes sense is to ring my mother or some friends up in Darwin to get any detailed information...So I am most distressed and I will implore the Senate committee to fully understand the hunters, fishermen and numerous other stakeholders that have just been thrown to the winds here.<sup>50</sup>

2.43 Many submitters noted the importance of the transmissions for up-to-date weather and emergency warnings and information on road conditions.

2.44 The NTCA and other submitters commented on the considerable safety and mental health issues stemming from the lack of radio coverage. The NTCA stated that many in rural and remote areas are socially isolated with radio providing a valuable connection to the outside world.<sup>51</sup> Mr Stephen Dowding added:

Mental health problems are already a considerable problem in remote areas – sitting in silence while the rest of the country has a radio dial chock full of stations, internet-capable phones in their pockets and newspapers doesn't help any of that.<sup>52</sup>

2.45 The committee also received evidence which questioned the ABC's comments that shortwave transmissions were only received by about 500 users. The Northern Territory Government estimated that some 50,000 people live outside the urban areas of Darwin, Alice Springs and Katherine and potentially relied on shortwave transmission services. The Northern Territory Government also commented that the non-resident population of tourists is approximately 600,000 visits per annum to remote areas of the Northern Territory and there are a minimum of 650 commercial fishing and fishing tourist operators in Northern Territory waters every year.<sup>53</sup>

2.46 Other submitters contended that shortwave was used by many tourists, including grey nomads. Mr Graeme Steer pointed to Australian Bureau of Statistics

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49 Mr Philip Brennan, *Submission 42*, p. 1; Northern Territory Cattlemen's Association, *Submission 44*, p. 2; Roper Gulf Regional Council, *Submission 45*, p.1; Northern Territory Seafood Council, *Submission 51*, p. 1; Ms Kathleen Robinson, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 2; Mr Graeme Steer, Toyota Land Cruiser Club of Australia, Darwin Branch, *Committee Hansard*, 9 March 2017, p. 31; Mr David Hewitt, *Committee Hansard*, 9 March 2017, p. 33; Mr Benjamin Quillam, *Committee Hansard*, 9 March 2017, p. 43.

50 Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 27.

51 Northern Territory Cattlemen's Association, *Submission 44*, p. 2.

52 Mr Stephen Dowding, *Submission 34*, p. 1.

53 Ms Kathleen Robinson, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 2; Department of Corporate and Information Services, *Answers to questions taken on notice*, p. 1.

2006 Census which indicated that there are approximately 21,000 grey nomads Australia-wide. He commented that it would be reasonable to assume that a fair proportion used shortwave but they would not have been included in the ABC's calculation of number of users.<sup>54</sup>

2.47 The NTCA contended that the ABC had 'seriously underestimated' the number of people adversely affected by the termination of shortwave transmissions. The NTCA went on to comment that even if numbers of users were small, 'it does not justify removal of a service that covers the whole of the land area of the NT, unlike any other radio service'.<sup>55</sup>

2.48 Another matter raised in evidence was the ABC's argument that the shortwave service that is was only accessed by those in the Northern Territory and that Western Australia, South Australia and Queensland did not have a similar service. Ms Pinnock, ABC Friends, argued that the shortwave transmissions were not only received in the Northern Territory but also throughout the Kimberley.<sup>56</sup> Other submitters also commented that Northern Territory shortwave transmissions were received in places such as the Little and Great Sandy Deserts, the Great Victoria Desert and the Simpson Desert as well as other parts of Queensland and South Australia.<sup>57</sup> The committee also received submissions from owners of fishing and pleasure boats who indicated that they had received shortwave radio transmissions while at sea.<sup>58</sup>

#### *Alternative sources of weather and emergency information*

2.49 In evidence to the committee, the ABC indicated that Northern Territory residents could access weather and emergency information from the Bureau of Meteorology and broadcasts by the RFDS. Ms Guthrie stated that 'in terms of emergency services, it is very clear that the Bureau of Meteorology continues to operate shortwave services in the Northern Territory' and that these are available 'for anyone who cannot receive our services by VAST, by FM or in any other way'.<sup>59</sup> Mrs Reynolds added that the Bureau of Meteorology provides cyclone warnings which are the primary cause of weather emergencies in the Top End.<sup>60</sup>

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54 Mr Graeme Steer, Toyota Land Cruiser Club of Australia, Darwin Branch, *Committee Hansard*, 9 March 2017, p. 31; Ms Kate McMaster, *Submission 36*, p. 1.

55 Northern Territory Cattlemen's Association, *Submission 44*, pp. 2–3.

56 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 10.

57 Mr Rod Cramer, *Submission 39*, p.1; see also Mr David Hewitt, *Submission 47*, p. 2; Mr Philip Brennan, *Committee Hansard*, 9 March 2017, p. 39.

58 Mr Bruce Davey, *Submission 56*, p. 1; Mr Roger Collins, *Submission 57*, p. 1.

59 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, pp. 84, 87.

60 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 35.

2.50 Submitters questioned the ABC's evidence and commented on the Bureau of Meteorology's marine radio service. Marine forecasts and warnings are broadcast from Charleville and Walloons in Queensland. These broadcasts are targeted in both reach and content to coastal and offshore boating and shipping. They are not well received inland and do not supply natural disaster information relevant to non-coastal areas.<sup>61</sup> Mr Bruce Davey, cruise boat operator, noted that it is an automated service which provides information commencing at the Pilbara and traversing the whole of the Top End and is a brief, basic outlook.<sup>62</sup>

2.51 It was also stated that to receive the Bureau's transmissions, specialist equipment is required. Mr Dowding commented:

Arguments that the Bureau of Meteorology provides adequate weather updates on HF is nonsense, given that the service is intended for mariners, fully automated and requires a specialised single-[s]ideband receiver.<sup>63</sup>

2.52 Mr David Hewitt stated that the RFDS does not provide radio communication for the public. Furthermore, voice communication had not been provided for a number of years and the RFDS did not intend to reinstate this service.<sup>64</sup>

2.53 Evidence received in relation to emergency broadcasting was not limited to the concerns about the termination of shortwave in the Northern Territory with submitters pointing to issues such as lack of local knowledge and unavailability of reception. The general issues related to emergency broadcasting are discussed in more detail below.

#### *Lack of consultation*

2.54 The lack of consultation before the decision was made was of particular concern to submitters.<sup>65</sup> Ms Robinson, Northern Territory Government, commented that Territorians expected that consultation would have taken place before the decision was made but this had not been the case.<sup>66</sup> The Northern Territory Government submitted:

The decision to stop shortwave transmission services is premature. The ABC has not made any attempt to consult with users of the service or understand how Territorians access and rely on shortwave.<sup>67</sup>

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61 Mr Douglas Cooke, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 2.

62 Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 27.

63 Mr Stephen Dowding, *Submission 34*, p. 2.

64 Mr David Hewitt, *Committee Hansard*, 9 March 2017, p. 35.

65 See for example, Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 29.

66 Ms Kathleen Robinson, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, pp. 3, 5.

67 Northern Territory Government, *Submission 46*, p. 1.

2.55 Similarly, the NTCA commented that termination of the service without consultation or without an adequate impact study 'demonstrates the complete disregard for what could be considered by some as the most loyal business'.<sup>68</sup> The Roper Gulf Regional Council commented:

It is a situation urban Australians would neither find themselves in nor tolerate, yet one their rural and regional counterparts have been forced to accept with minimal consultation as the ABC turns its back on providing an equality of service and shows its hand that it is not planning for a long-term future outside capital cities and regional hubs.<sup>69</sup>

2.56 Ms Pinnock, ABC Friends, argued that the lack of consultation showed that 'the decision-making process used by ABC management and its board has been made in isolation, reflecting a total ignorance of the reality of communication in rural and remote Australia. It demonstrates the problem of Sydney-centric decision making'.<sup>70</sup> ABC Friends also submitted that making the decision prior to Christmas for implementation at the end of summer holidays was 'cynical' and not in line with the ABC's Charter to respond to the basic needs of all Australians.<sup>71</sup>

#### *Number of complaints*

2.57 During the Estimates hearing on 28 February, Ms Guthrie told the committee that only 15 people had contacted the ABC to complain about the termination of the shortwave service. On this basis, Ms Guthrie commented 'so the number of people affected seems to be very small'.<sup>72</sup>

2.58 This number was questioned by a range of submitters who provided information that they had made complaints to ABC Northern Territory or the Board or to the managing director. Many submitters commented that they had not received a response to their complaints.<sup>73</sup> Mr Tom Stockwell, NTCA, commented:

Any time the subject was raised on our local ABC radio the time was more than filled with listener after listener bemoaning the decision and telling individual stories of how the short wave service is part of their lives. It is inconceivable, surely, that as a media organisation the ABC is not

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68 Ms Tracey Hayes, Northern Territory Cattlemen's Association, *Committee Hansard*, 9 March 2017, p. 8; see also Northern Territory Cattlemen's Association, *Submission 44*, p. 2.

69 Roper Gulf Regional Council, *Submission 45*, p. 1.

70 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, pp. 10-11.

71 ABC Friends, *Submission 32*, p. 1.

72 Ms Michelle Guthrie, General Manager, ABC, *Proof Additional Estimate Committee Hansard*, 28 February 2017, p. 82.

73 Mr Graeme Steer, Toyota Land Cruiser Club of Australia, Darwin Branch, *Committee Hansard*, 9 March 2017, p. 31; Mr David Hewitt, *Committee Hansard*, 9 March 2017, p. 34; Mr Philip Brennan, *Committee Hansard*, 9 March 2017, p. 38; Mr Chris Schilling, *Committee Hansard*, 9 March 2017, p. 41.

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monitoring the subject and knows that their glib figure about the few hardy souls who use the ABC complaints system is not defensible data.<sup>74</sup>

2.59 The committee notes that there is also a petition on the website Change.org.

#### *Alternative technologies*

2.60 The ABC stated that shortwave was old technology and indicated that there were a number of other means to receive its broadcasts. As noted above, the ABC pointed to VAST, FM, AM and Sky Muster. Mrs Reynolds also commented that 'quite a lot' of rural and regional listeners are accessing programs through mobile phones:

...that is now where they are actually accessing our lot of our programs from because they can get all those on the stream. All those ones are available on the radio app—on the ABC radio player app.<sup>75</sup>

2.61 Submitters voiced concern about the ABC's dismissal of shortwave as an 'old' technology that can be effectively replaced by newer technologies.<sup>76</sup> Mr Stephen Dowding explained that shortwave or high frequency (HF) radio works in a similar way to an AM/FM radio where the listener tunes in a frequency and listens to the broadcast. However, HF radio waves, unlike AM or FM, bounce off the ionosphere and shower down. As result, HF radio waves can cover huge distances. In addition, shortwave receivers are cheap, run on batteries and are available for use in vehicles.<sup>77</sup>

2.62 Mr Cramer added that shortwaves have been accessed by technology which has changed over time, from the pedal operated receiver of the past to small digital receivers of today. He argued that the significant point is not that it is 'old' technology, rather that it is 'a very reliable "platform" that punches through all sort of weather phenomena, and hence has been utilised for so long, and will be for a long time in the future'.<sup>78</sup>

2.63 The reliability and popularity of shortwave was noted by other submitters. For example, Ms Kate McMaster, commented that customers at her outback caravan park in Central Australia, mostly grey nomads numbering in the thousands, listened to portable shortwave radios.<sup>79</sup>

2.64 The comments from the ABC that that there are newer technologies for rural and remote communities to access ABC services were viewed with scepticism and seen as evidence that the ABC did not understand the realities of life in rural and

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74 Mr Tom Stockwell, NTCA, *Committee Hansard*, 9 March 2017, p. 9.

75 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 42.

76 Mrs Lesley Reilly OAM, *Submission 49*, p. 1.

77 Mr Stephen Dowding, *Submission 34*, p. 2.

78 Mr Rod Cramer, *Submission 39*, p. 2.

79 Ms Kate McMaster, *Submission 36*, p. 1.

regional Australia and the limitations of the technologies it saw as viable alternatives to shortwave.<sup>80</sup> For example, Professor Waller commented that shortwave services have long been the only reliable source of critical information for many isolated communities. Access to emergency alerts through websites and social media via satellite connections overlooks the limitations and the impracticalities of digital communication technologies in remote locations. Professor Waller concluded:

The ABC's increasing focus on digital platforms and reliance on online content means people with limited connectivity are now not only disadvantaged for content choice but also potentially endangered if they are unable to receive emergency warnings.<sup>81</sup>

2.65 Mr Stockwell, NTCA, went further and commented that:

To me it seems the whole attitude is not saving them a lot of money but is just further evidence that people are getting tied up with the niceties of technological change and getting sucked into their virtual world, and the people at the end of old technology are expendable.<sup>82</sup>

2.66 The committee received many comments relating to the ABC's evidence that VAST was the alternative to shortwave. Submitters noted that while VAST can provide the entire suite of ABC services, this technology is confined to a base station with power and a secure satellite dish; it thus cannot be used by travellers or by those at sea. VAST reception may also be affected by topography and weather conditions. For example, reception may be poor if the receiver is in a valley which is blocking access to the north-west or during monsoonal rain and heavy cloud cover. It was also noted that VAST systems are expensive.<sup>83</sup> The NTCA concluded:

Much of the ABC's defence of its decision is based on the existence of Viewer Access Satellite Television (VAST). However, this rings hollow. VAST is not a comprehensive substitute for shortwave radio because it is immobile and only covers a fraction of where people work and make their living.<sup>84</sup>

2.67 Similarly, the Northern Territory Government stated that:

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80 See for example, Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 10; Mr David Hewitt, *Submission 47*, p. 3.

81 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 1.

82 Mr Tom Stockwell, NTCA, *Committee Hansard*, 9 March 2017, p. 14.

83 Mr Stephen Dowding, *Submission 34*, p. 3; Mr Philip Brennan, *Submission 42*, p. 1; Northern Territory Government, *Submission 46*, p. 2; Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 23; Mr Bruce Davey, *Committee Hansard*, 9 March 2017, p. 28; Mr Chris Schilling, *Committee Hansard*, 9 March 2017, p. 41.

84 Northern Territory Cattlemen's Association, *Submission 44*, p. 2.



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To claim VAST satellite and mobile phone technology will fill the gap created is simply not true. These services are not mobile and in fact mobile antennas are only now being trialled.<sup>85</sup>

2.68 The Northern Territory Government submitted that at least 23,700 Northern Territory residents have no access to ABC services other than through VAST.<sup>86</sup>

2.69 Submitters also pointed to concerns with the other technologies which the ABC stated were available in place of shortwave transmissions. In relation to AM and FM transmission, some submitters contended that coverage is limited: AM can be received within 80 to 90 kms of the transmitter and FM within about 20 kms. As a consequence, an estimated 85 to 90 per cent of the Northern Territory landmass is not covered by AM or FM broadcasts meaning that 16 per cent of the resident population does not have access. AM coverage is also susceptible to electronic and weather interference.<sup>87</sup>

2.70 In relation to the ABC's comments that other states relied on AM and FM transmissions rather than shortwave, submitters noted that the AM transmissions in the Northern Territory were weak. The Northern Territory Government also commented on the limited coverage of FM and AM and stated that FM is 'line of sight' while AM coverage is greatly dependant on the transmitter power.<sup>88</sup>

2.71 In relation to mobile phone access, the Northern Territory Government noted that a reasonable amount of Queensland and substantially more of Western Australia has mobile service coverage compared to the Northern Territory. In the Territory, mobile phones reception is extremely limited in areas outside major centres. Pastoralists and outstations are generally not able to access mobile services. There are seven communities with mobile services that do not have an ABC service available other than VAST. This represents approximately 3800 residents.<sup>89</sup>

2.72 Submitters did not see satellite phones as useful as they cannot receive radio signals and what data they can receive is extremely expensive and too slow for internet radio streaming.<sup>90</sup>

2.73 Mr Dowding stated:

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85 Northern Territory Government, *Submission 46*, p. 2.

86 Department of Corporate and Information Services *Answers to questions taken on notice*, p. 1.

87 Ms Susan Pinnock, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 17; ABC Friends, *Submission 32, Attachment 1*, p. 1; see also Mr Alan Hughes, *Submission 43*, p. 2; Four Wheel Drive Northern Territory, *Submission 53*, p. 1; Mrs Vena Oliver, *Committee Hansard*, 9 March 2017, p. 15.

88 Department of Corporate and Information Services *Answers to questions taken on notice*, p. 1.

89 Department of Corporate and Information Services *Answers to questions taken on notice*, p. 1.

90 Mr Stephen Dowding, *Submission 34*, p. 1.

It is profoundly arrogant on the part of the ABC to defund the NT Showers, the only up to date media accessible on the ground across a million square kilometres of Australia, out of desire to increase services to capital cities which are already well served by ABC television and radio, newspapers, internet and commercial networks.<sup>91</sup>

2.74 The Northern Territory Government concluded:

It is disappointing ABC management is more interested in improving digital services for larger population centres, than to ensure basic service provision in the bush.<sup>92</sup>

### ***Committee view***

2.75 The committee considers that the termination of shortwave transmission services in the Northern Territory points to the ABC's lack of understanding of the importance of this form of transmission. Although the number of users of shortwave may be small, these users are often located in the remotest parts of Australia with no other means of receiving news and crucial emergency information. In particular, the committee is disturbed by the ABC's lack of consultation with important stakeholders before the decision to terminate the service was taken.

2.76 The committee was not convinced by the ABC's argument that other technologies are currently available and appropriate for those living in the majority of Australia's landmass. The committee received ample evidence as to the unreliability of VAST in certain circumstances and its unsuitability to those travelling or without a power source. It may be that in the future satellite services will fully replace other forms of transmission, but currently this is not the case.

### **Emergency broadcasting services**

2.77 The committee's interim report highlighted the importance of the ABC during emergencies and disasters; communities turn to the ABC to provide accurate and timely information as events unfold and there is a prevailing community view that the ABC is the national emergency broadcaster.<sup>93</sup>

2.78 The ABC also plays a role in building community resilience following emergencies and disasters. Professor Waller commented:

In times of emergency, as communities, media has a really important role to play in bringing us together, and that is about more than information; that is about the community-building capacity of local ABC in particular...That is

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91 Mr Stephen Dowding, *Submission 34*, p. 2.

92 Northern Territory Government, *Submission 46*, p. 2.

93 Wellington Shire Council, *Submission 6*, p. 2; Mr Douglas Cooke, Department of Corporate and Information Services, *Committee Hansard*, 9 March 2017, p. 3; see also Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 25.

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a very important role that the ABC plays, not just during disasters but at all times, and we are very keen to see that upheld.<sup>94</sup>

2.79 However, submitters argued that the ABC's role during emergencies has been compromised through the decrease in some local services, including the termination of shortwave transmission in the Northern Territory. Where available, some communities are now relying on broadcasts from metropolitan or larger regional centres. As a consequence, sometimes vital information is not received or audiences have difficulty in understanding information as towns and place names are pronounced incorrectly.<sup>95</sup>

2.80 Another matter highlighted in the evidence was the impact of blackspots for both mobile and radio transmissions. It was argued that radio blackspots compromise emergency broadcasting capabilities. The committee received evidence about blackspots from Gippsland in Victoria and the Monaro and Numeralla areas in New South Wales and areas in the Northern Territory which had received shortwave broadcasts.<sup>96</sup>

2.81 It was also noted that there is poor mobile coverage in some rural and regional areas, thereby increasing the importance of radio broadcasts of emergency information.<sup>97</sup> The Snowy Monaro Regional Council, for example, commented that there is neither mobile phone coverage nor ABC radio reception over most of the area.<sup>98</sup> The Monaro is a very large region with Professor Waller commenting that 'it really brings home to you how important this issue is to big areas of the country. We are not talking about tiny little communities or small areas.'<sup>99</sup>

2.82 Given the importance of emergency broadcasting, some witnesses supported an amendment to the Charter to recognise the ABC's role as emergency service provider.<sup>100</sup> Ms Sinddy Ealy, CPSU, commented that if emergency broadcasting was seen as a role of the ABC and therefore included in the Charter, it would be necessary to ensure that funding is available to deliver that service.<sup>101</sup>

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94 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 2.

95 Wellington Shire Council, *Submission 6*, pp 3–4; Mr Ray Rigbye, *Submission 27*, p. 14.

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

97 See Mr Ian McCorkindale, *Submission 17*, p. 1; The Hon Gary Nairn, *Submission 20*, p. 1; Numeralla and District Activities Inc, *Submission 24*, p. 1; Mr Brian Curzon, *Submission 29*, p.1.

98 Snowy Monaro Regional Council, *Submission 33*, p. 1.

99 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 5.

100 Associate Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 5; see also Dr Alexandra Wake, *Committee Hansard*, 6 March 2017, p. 23.

101 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 31.

2.83 While noting that there is a memorandum of understanding (MOU) for emergency broadcasting, ABC Friends commented that this activity could well be included in the Charter.<sup>102</sup>

*The ABC's response to issues raised in evidence*

2.84 The ABC's submission provided comment on its role in times of emergency and stress and stated that the ABC 'provides a vital connection between residents and authorities'.<sup>103</sup> 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. ABC staff also monitor the environment and work alongside emergency agencies to refine and develop communication systems. It is the only radio broadcaster in rural and regional Australia undertaking this task. 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>104</sup>

2.85 In an answer to a question on notice, the ABC added:

The ABC is committed to providing accurate and timely information to its audiences across appropriate platforms, including ABC Local Radio and ABC News 24 television during emergency events. The ABC is an emergency broadcaster in all Australian states and territories, but does not regard itself as the exclusive broadcaster of emergency information.<sup>105</sup>

2.86 Mrs Reynolds noted that the ABC has a number of MOUs across the country with different emergency services. In relation to the evidence given about the ABC's role as an emergency broadcaster at the committee's estimates hearing on 28 February 2017, Mrs Reynolds commented:

I think there is some confusion arising out of estimates last week about whether we are an emergency service broadcaster. Again I sit back, look at that and say: 'We do emergency broadcasting. You know we do it all the time.' We are currently covering Cyclone Blanche...and we covered Cyclone Yvette in Darwin last year. We have covered emergencies right across the country.<sup>106</sup>

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102 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 8.

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

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

105 ABC, *Answer to question on notice*, No. 21.

106 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, pp. 40–41.

2.87 In relation to concerns about blackspots, Mrs Reynolds commented that there are vast parts of the country that do not receive transmissions because of the difficult topography. Mrs Reynolds went on to comment:

We cannot provide an AM-FM service to every Australian. We are faced with some tough decisions about how we are going to fund all of the services that audiences are demanding; this is where the decision came in. I totally understand. As I said, I am not a Northern Territorian and I am not a cattleman, so I do not pretend to know exactly how they live their lives. I just know that we have pockets that we cannot broadcast to.<sup>107</sup>

2.88 The ABC also responded to the suggestion that an obligation to be the emergency broadcaster should be contained in the Charter. Mrs Reynolds did not support this approach and stated that emergency broadcasting is carried out by the ABC as part of its core obligation to communities:

I do not think it needs to be written into the charter. The charter could be absolutely every single possible thing that we do. But I think it is there as a vital service, as an obligation and as a personal commitment from the teams who are working on the ground. We are not the only ones who provide that. Commercial operators now provide around the country emergency broadcasting.<sup>108</sup>

2.89 Mrs Reynolds went on to emphasise that staff of the Regional Division were committed to providing services to their communities, including during emergencies.<sup>109</sup>

### ***Committee comment***

2.90 The evidence received by the committee clearly indicates that there are significant community expectations that the ABC will provide information and warnings during emergency situations. Indeed, many submitters consider that the ABC it is the national emergency broadcaster and view this service as being a core function of the ABC.

2.91 Submitters considered that in many rural and regional areas the ABC is not undertaking this role appropriately. The committee received evidence that emergency information is sometimes not adequate with submitters particularly concerned that emergency information is being broadcast from major centres with an emphasis on cross-state emergency broadcasts. This has resulted in intermittent references to local events, mispronunciation of names, lack of timely alerts and lack of relevant information critical to communities.

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107 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 40.

108 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 41.

109 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 41.

2.92 The committee considers that, given the importance of the ABC as an emergency broadcaster and community expectations, this role should be consolidated and formalised.

### **Changes to Radio National**

2.93 The committee received evidence concerning changes to Radio National music programming. Save RN Music Campaign stated that Radio National has converted to a spoken format.<sup>110</sup> Ms Ruth Hazelton, Save RN Music Campaign, commented that there is now no music on Radio National and added:

Even if they could take from other channels to give some people a voice to break up the talk, it does not matter how good talk is—it is relentless and it is repetitive. If you are a regional listener, you would be going batty if that was the only radio you could access.<sup>111</sup>

2.94 In addition, it was argued that the changes have adversely affected Australian musicians and communities: musicians have lost a means of having their music heard and communities have lost access to a wide range of music genre. Save RN Music Campaign concluded:

...rural and regional Radio National listeners will no longer have access to curated (music journalism and informative) musical content which serves to provide entertainment, educational and diverse cultural content to regional and rural audiences.<sup>112</sup>

2.95 Save RN Music Campaign stated that the ABC cited poor listener rates as a reason for the cuts. However, it challenged this assertion and noted that the ABC does not regularly perform adequate surveys of rural and regional areas and stated that Save RN Music Campaign had found that Radio National is a primary radio service in rural and regional Australia.<sup>113</sup>

2.96 In response to concerns about the changes, the ABC stated that Radio National had primarily been a spoken network for many decades, but has also included a small number of music programs in its schedule.<sup>114</sup>

2.97 The ABC added that after these cuts, genres such as folk, blues and world will be covered in other broadcasts including country on digital, jazz on digital, *Unearthed*

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110 Save RN Music Campaign, *Submission 41*, p. 1.

111 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 14.

112 Save RN Music Campaign, *Submission 41*, p. 2.

113 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 12.; Save RN Music Campaign, *Submission 41*, p. 2.

114 ABC, *Answer to questions on notice*, No 9.

on digital, Triple J, Classic FM and Double J. Other programs are scattered across local radio networks, such as *Saturday Night Country*.<sup>115</sup>

2.98 Save RN Music Campaign commented that as a result of lobbying, ABC management has 'hinted' that it might restore some of the cut content, but that will be via digital formats.<sup>116</sup> Access to digital formats, however, requires reliable internet which is limited in some areas of rural and regional Australia. Ms Hazelton commented:

They have not cited cost-cutting as a major reason, but we have reason to believe that that is the case, or part of it. And I think that part of it is just a complete disengagement from what these changes mean to rural and regional Australians in terms of digital. It is all about digital, digital, digital. There is no infrastructure and there will be no infrastructure for at least another 10 years—around that. I think it is this jumping the gun that has been a cause of the decision, and also just a disrespect for the arts...<sup>117</sup>

2.99 Save RN Music Campaign supported changes to the Charter as a means of ensuring that the view of rural and regional areas are taken into account.

2.100 In response to these concerns, Mrs Reynolds pointed to the breadth of music that is available in many different ways and in many different places.<sup>118</sup> Mrs Reynolds concluded:

...the decision was made that with all of the other music services which I have outlined previously coming on board that [Radio National] would become a dedicated spoken network and not need those radio programs.<sup>119</sup>

### **Rural and regional advisory council**

2.101 The establishment of a rural and regional advisory council was supported by a number of submitters as a means to improve the ABC's perspective on rural and regional issues.<sup>120</sup> For example, Deakin University commented that the advisory council 'would help ensure voices from the bush are adequately represented in this time of mass media consolidation'. In addition, Deakin University commented that the knowledge offered by such a council could constructively inform the ABC Board's decisions relating to rural and regional broadcasting.<sup>121</sup> This point was expanded upon in the Deakin University submission:

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115 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 42.

116 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 11.

117 Ms Ruth Hazelton, Save RN Music Campaign, *Committee Hansard*, 6 March 2017, p. 15.

118 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 42.

119 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 43.

120 Dr Alexandra Wake, *Submission 4*, p. 2; Cr Paul Battista, *Submission 18*, p. 1; Northern Territory Cattlemen's Association, *Submission 44*, p. 4.

121 Deakin University, *Answer to question taken on notice No. 2*.

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>122</sup>

2.102 Dr Wake commented that the appointment of an advisory council 'could enable a significant improvement of services to areas outside Sydney and Melbourne if appropriate appointments are made from people with a diversity of views and experiences'.<sup>123</sup>

2.103 ABC Friends noted that the ABC already has an advisory council—the Australian Broadcasting Corporation Advisory Council. In evidence, Mr Macdonald, ABC Friends National, questioned the effectiveness of the current advisory council and its ability to represent all of Australia.<sup>124</sup> Mr Macdonald went on to comment that either the current advisory council could be improved or there could be two councils. Mr Macdonald stated:

...[the current advisory council] is ineffectual and it is not representative and I do not think it achieves more than—it is referred to in a couple of paragraphs in the annual report. But it seems to me that you can have two councils, if you like, or you can have a broader advisory council.<sup>125</sup>

2.104 The CPSU initially took a cautious approach to the establishment of a rural and regional advisory council. At the committee's hearing on 6 March 2017, Ms Sinddy Ealy, CPSU, commented that 'I certainly do not think that it would hurt to have a regional advisory council'. Ms Ealy went on to state that, in relation to the termination of shortwave transmissions services in the Northern Territory, 'I do not think we would have seen a deliberate decision not to consult about the termination of shortwave' if a rural and regional advisory council had been consulted.<sup>126</sup>

2.105 The ABC noted that the current Australian Broadcasting Corporation Advisory Council provides advice to the Board on matters relating to the Corporation's services, including those delivered to regional Australians. The ABC stated:

The function of the Advisory Council is either on its own initiative or at the request of the Board, to advise the Board on matters relating to the Corporation's broadcasting programs. Recommendations provided by the Advisory Council are appropriately considered by the Board and at their discretion, the ABC Board may integrate these recommendations into their

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

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

124 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 9.

125 Mr Ranald Macdonald, ABC Friends National, *Committee Hansard*, 6 March 2017, p. 13.

126 Ms Sinddy Ealy, CPSU, *Committee Hansard*, 6 March 2017, p. 28.



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decisions. This process places no additional impost on the Boards decision-making process.<sup>127</sup>

2.106 It was noted that members are already subject to a competitive selection process and are drawn from across the country, ensuring that they represent the Corporation's broad audience.<sup>128</sup>

2.107 Mrs Reynolds, ABC Regional Division, added that she did not believe that there was a need for a rural and regional advisory council as 'I think that [the Regional Division] is really connected to people on the ground'.<sup>129</sup>

2.108 The ABC also expressed concern that the proposal may affect its independence. The ABC submitted that:

...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>130</sup>

2.109 The ABC submitted that the establishment of a further advisory body would create additional administrative and support costs whilst replicating the advice currently provided to the Board through the ABC Advisory Council.<sup>131</sup>

2.110 In response to the matters raised by the ABC relating to the possible effect on the independence of the ABC, Professor Waller stated:

I cannot see how it would affect their capacity to be independent. I am aware that today they are very unhappy with unnecessary layers of bureaucracy and they are looking to get rid of those within the organisation. But surely, having an advisory panel that you can consult would be of benefit to the ABC. Rather than mandating them to do anything, it would mean that they actually had people that were in the know that they could go and talk to, check in with and who could provide them with some really strong and valuable feedback and ideas. I would think that that was a really valuable exchange rather than something onerous.<sup>132</sup>

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127 ABC, *Answer to question on notice*, No. 29.

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

129 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 39.

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

131 ABC, *Submission 16*, p. 9; see also ABC, *Answer to question on notice*, No. 29.

132 Professor Lisa Waller, Deakin University, *Committee Hansard*, 6 March 2017, p. 5.

2.111 Deakin University provided further information in an answer to a question on notice following the hearing in Melbourne. While noting concerns about additional administrative burdens, Deakin University commented that a rural and regional advisory council 'would also assist in democratic decision-making and help address what appears to be a lack of understanding when it comes to the information needs of rural and regional Australians'. In relation to independence of the ABC Board, it was stated:

There is no reason why consideration of wider viewpoints and experiences would diminish the independence of the ABC Board. As we understand it, the proposed amendment seeks to offer a means through which the Board can be better informed of rural/regional issues, but the Board would still maintain responsibility for decision-making. We note that such additional Advisory Councils to represent any region of Australia can be established under section 11(2) of the ABC Act. The ABC's independence is not jeopardised by its existing Advisory Council, so it is unlikely that another Council to provide comment specifically on rural and regional matters would endanger the Board's independence. It is also equally important that the majority of members of the Council have clear, first-hand experiences of living in a rural/regional setting.<sup>133</sup>

### ***Committee view***

2.112 The committee notes that there were mixed views about the need for the establishment of a rural and regional advisory council. Those who supported the establishment of the advisory council indicated that it would be a source of valuable advice for the ABC Board in its decision making relating to rural and regional broadcasting.

2.113 The committee notes the matters raised by the ABC in relation to the appointment of a rural and regional advisory council. However, the committee does not consider that the addition of this advisory council would adversely affect the independence of the ABC. Rather, the committee believes that a rural and regional advisory council would provide the Board with additional stakeholder views on relevant matters and ensure that appropriate regard is given to ABC services in rural and regional Australia. For example, the committee notes that no advice was sought from the ABC Advisory Council in relation to the termination of shortwave transmission services in the Northern Territory. The committee believes that, had consultation been undertaken with a rural and regional advisory council, a more considered approach to this matter may have been taken by the ABC Board.

2.114 However, the committee notes that the bill proposes that the Board must have regard to the desirability of including in the membership of the advisory council representation of individuals who are residents of rural and regional Australia. The committee considers that a broader requirement is appropriate.

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133 Deakin University, *Answers to questions taken on notice*, p. 3.

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

2.115 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>134</sup> The NTCA was also supportive of rural and regional representation on the Board. Ms Hayes commented:

...the NTCA would support a greater level of representation to the ABC on behalf of rural and regional communities. It is important to differentiate between what is rural and what is regional, but it is essential that we are considered rural in these parts and that there is a level of representation at ABC board level by somebody that lives and understands the requirements of people operating businesses, raising families and contributing to the Australian community from those regions.<sup>135</sup>

2.116 ABC Friends submitted that the ABC Board must be 'diverse and independent of governmental influence'. ABC Friends 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>136</sup>

2.117 The ABC raised a number of concerns in relation to proposed changes to the composition of the Board. 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 also submitted that the Government is currently able to make a decision to appoint candidates from rural and regional areas. However, it was noted that to prescribe the number of members on the Board from a certain sector 'may actually act against the best interests of the Corporation and its audiences'. The ABC went on to state:

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

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134 Dr Alexandra Wake, *Submission 4*, p. 3; see also Mr Darryl Fallow, *Submission 55*, p. 3; Mr Malcolm Stewart, Four Wheel Drive Northern Territory, *Committee Hansard*, 9 March 2017, p. 25.

135 Ms Tracey Hayes, Northern Territory Cattlemen's Association, *Committee Hansard*, 9 March 2017, pp. 9–10

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

qualified to help steer the Corporation through this challenging landscape.<sup>137</sup>

2.118 Mrs Reynolds noted that regional members have been appointed to the Board with the newest Board member from regional Queensland.<sup>138</sup>

*Committee view*

2.119 The committee acknowledges that the Government has the capacity to appoint Board members from regional Australia and has done so in the past. Notwithstanding the concerns raised by the ABC, the committee considers that the Board should have at least two non-executive directors who have a substantial connection to, or experience in, a rural or regional community through business, industry and community involvement. The committee considers that the appointment of at least two such Board members will ensure that the Board is appropriately advised on matters relating to rural and regional services.

2.120 In addition, the committee considers that when appointing non-executive directors to these positions, the Minister should table a statement of reasons in the Parliament detailing how the appointees satisfy the criteria.

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

138 Mrs Fiona Reynolds, Director of Regional, ABC, *Committee Hansard*, 6 March 2017, p. 39.