

Chapter 3

Committee view

3.1 The ABC holds a unique place in Australian society: it provides news, current affairs, music and programming across radio, television and online platforms. The ABC has the largest broadcasting footprint in rural and regional Australia and, in some areas, is the only source of news for local communities. When there is an emergency or natural disaster, many Australians have an expectation that the ABC will provide them with the most accurate and timely information on what is happening on the ground.

3.2 The committee acknowledges the concerns about access to ABC news and information services raised by those living in rural and regional Australia. In particular, the committee recognises concerns about the provision of local content as other media organisations withdraw from regional areas. The committee considers that the recent termination of the ABC shortwave transmission service in the Northern Territory is another valid concern.

3.3 The ABC has recently announced changes which will lead to increased resources for regional and rural Australia. The changes were announced on 7 March 2017 by Ms Michelle Guthrie, Managing Director of the ABC, and centre on a restructure of the Corporation. The newly established Content Fund will support the development of new, creative content and fund up to 80 new content roles in regional areas within 18 months.¹

3.4 The committee acknowledges that the Content Fund will provide an important avenue for the delivery of improved services in rural and regional Australia. Nonetheless, the committee is mindful that, so often in the past, ABC management has committed to preserving and enhancing rural and regional services but has failed to do so. The committee notes that over the last decade, ABC regional services have been characterised by the closure of regional offices and staff reductions in those remaining, a lack of resources available for providing local content, decreases in important content such as agricultural news and an increase in broadcasts and content from major centres.

3.5 At the same time, the ABC has moved towards providing more digital content without sufficient regard to how appropriate this format is for many living in rural and remote Australia. The committee acknowledges that the way in which the media sector is delivering news, music and entertainment is changing rapidly. The ABC has

1 'About the ABC: The new ABC Content Fund', <http://about.abc.net.au/the-new-abc-content-fund/>; 'About the ABC: \$50 million audience investment in ABC transformation', *Press Release*, 7 March 2017, <http://about.abc.net.au/press-releases/50-million-audience-investment-in-abc-transformation/>

been addressing the expectations of its audience by investing in new technologies. Many Australians now have access to the ABC through multiple platforms such as digital radio and phone apps. These provide high quality, instant access to all of the ABC's online services. With the media landscape continuing to change rapidly, the ABC must maintain investment to address the challenges that this brings. The committee supports the ABC in this endeavour.

3.6 However, there are many places in Australia where, currently, newer technologies are not a reliable way to access ABC services. The committee received evidence from submitters living in rural and regional Australia about the limitations of digital technology particularly due to insufficient internet and mobile phone coverage. Many pointed to the unreliability of satellite technology during rain and heavy smoke. Some technologies require a fixed base station and power source. In addition, there are areas where neither radio nor mobile phone access is available. This is highly concerning in emergency situations.

3.7 The committee believes that consideration of the limitations of digital technologies in rural and regional Australia should be part of the ABC's aim to improve the provision of local services, particularly in relation its plan to provide 'better tools and increased video and digital output' as part of its new regional investment strategy. The termination of shortwave transmission services in the Northern Territory is a case in point. The committee considers that this was an ill-advised decision which appears to have been based on a lack of research on audience reach and lack of understanding of the importance of shortwave services in some of the remotest parts of Australia.

3.8 While acknowledging the importance of the ABC's independence and the need for operational flexibility in a rapidly changing media environment, the committee considers that further mechanisms are required to ensure that communities in rural and regional Australia are not disadvantaged in their access to ABC services. The committee therefore supports the measures proposed in the bill to the extent that they will ensure that appropriate priority is given to services to rural and regional Australia.

3.9 The committee considers that it is highly desirable that the Charter be amended to reflect the importance of the ABC in rural and regional Australia. In particular, the committee supports the change to the Charter contained in proposed subparagraph 6(1)(a)(i) so that programs broadcast by the ABC not only contribute to a sense of national identity or cultural diversity, but also reflect the regional identity and geographic diversity of the Australian community.

3.10 However, the committee does not support requiring the ABC to 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 (proposed subparagraph 6(2)(a)(vi)). The committee recommends that this provision be omitted from the bill.

3.11 The establishment of a rural and regional advisory council is supported by the committee. The committee considers that a rural and regional advisory council will provide the Board with additional advice related to matters of importance to rural and regional communities. However, the committee considers that proposed subsection 11(6A) relating to the membership of the advisory council should be amended. 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 'reside in' rural or regional Australia. The committee recommends that a broader requirement be inserted, for example, a 'regional interest' through business, industry or community involvement.

Recommendation 1

3.12 The committee recommends that proposed subsection 11(6A) be amended to omit the proposed residency requirement and insert a broader requirement.

3.13 Similarly, the committee considers that a requirement that at least two non-executive members of the Board have the background and experience necessary to support effectively the interests of rural and regional Australia as proposed in new subsection 12(5AC) is beneficial. However, in line with the committee's recommended amendment to proposed subsection 11(6A), the committee considers that, rather than the requirement that these two directors reside in a regional area, a broader requirement (for example, having a 'regional interest') is more appropriate. This will allow the Minister flexibility in recommending the appointment of non-executive directors but at the same time will ensure that the Board is appropriately advised in relation to rural and regional services.

3.14 In addition, the committee considers that the bill should be amended to include a requirement that when non-executive directors are appointed to these positions, the Minister must table a statement of reasons in the Parliament detailing how the appointees satisfy that requirement.

Recommendation 2

3.15 The committee recommends that proposed subsection 12(5AC) be amended to omit the proposed residency requirement of at least two non-executive directors of the ABC Board and insert a broader requirement.

Recommendation 3

3.16 The committee recommends that the bill be amended to insert a requirement that, when a non-executive director is appointed to satisfy the requirement of proposed subsection 12(5AC), the Minister must table a statement of reasons in the Parliament detailing how the director satisfies the broader requirement referred to in Recommendation 2.

3.17 Further, the committee does not support the requirement that the Board consult regional employee stakeholders before implementing any policy affecting regional areas as contained in proposed paragraph 8(2A)(a). The committee notes that

the ABC already consults with the CPSU and therefore recommends that this provision be omitted from the bill.

3.18 The proposed inclusion of the requirement that the ABC broadcast at least five radio bulletins per day that consist solely or primarily of regional or local news (subsection 27(2)) is not supported by the committee. The committee recognises the importance of local radio for rural and regional communities. However, the committee considers that, given the recent announcements by the ABC of its plans to reinvest in regional services, other measures in the bill provide the necessary guidance to the ABC. The committee recommends that this provision be omitted from the bill.

3.19 The committee does not support two further proposed provisions. First, the committee considers that proposed section 34 (regarding the ABC as an employee in regional areas) is no longer required as the ABC has recently announced its commitment to increasing rural and regional service provision. Secondly, the committee does not support proposed paragraph 80(ea) relating to the requirement for the ABC to report on any consultations undertaken by the Board with regional employee stakeholders and the rural and regional advisory council regarding the implementation of any policies affecting regional areas. The committee recommends that these provisions be omitted from the bill.

Recommendation 4

3.20 The committee recommends that proposed subparagraph 6(2)(a)(vi), paragraph 8(2A)(a), subsection 27(2), section 34 and paragraph 80(ea) be omitted from the bill.

3.21 In addition, the committee notes the important role the ABC plays in providing emergency broadcasts. Although other broadcasters also provide emergency information, many in the community see the ABC as the national emergency broadcaster. The committee considers that the ABC Board should review this role with a view to formalising this function.

Recommendation 5

3.22 The committee recommends that the ABC Board review its role as an emergency service broadcaster, in light of community expectations, with a view to formalising this vital function.

Recommendation 6

3.23 The committee recommends that the bill be passed subject to recommendations 1 to 4 of this report.

**Senator Linda Reynolds CSC
Chair**

**Senator Bridget McKenzie
Senator for Victoria**