
The Parliament of the Commonwealth of Australia

Arts and the news to rural and regional Australia

**Inquiry into broadcasting, online content and live production to
rural and regional Australia**

House of Representatives
Standing Committee on Communications and the Arts

May 2016
Canberra

© Commonwealth of Australia 2016

ISBN 978-1-74366-521-3 (Printed version)

ISBN 978-1-74366-522-0 (HTML version)

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website:
<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.



Chairman's executive summary

Rural and regional Australians deserve access to high quality arts performances and reliable news services. This inquiry has been a timely and productive examination of how well rural and regional communities are currently served in these two distinct, but important, areas.

The committee makes 16 recommendations to help ensure that Australians living in rural and regional communities can access high quality arts performances and reliable news services.

The live performance industry in Australia each year reaches millions of people, enriching their lives and providing a host of community and health benefits, as well as contributing millions of dollars to the economy. In 2012, the live performance industry generated \$2,546 million (value adding \$1,529 million to the Australian economy) and employed over 18,000 people. As a group, Australia's major performing arts companies reached 16 million people in 2014-15, through live arts performances and broadcasts or recordings of their work. In 2015, the major performing arts companies delivered live arts performances and arts programs to close to four million people in metropolitan and regional locations.

Major performing arts companies like Opera Australia and The Australian Ballet bring excellence to the one third of Australians who live in rural and regional communities. Opera Australia, as Australia's national opera company, presents more than 700 performances each year, reaching more than half a million people. Since 1996 it has toured to 110 different venues, presented 549 high quality performances and travelled more than 280,000 kilometres around the country. The Australian Ballet delivers 200 performances in cities and regional areas across Australia each year, reaching over 10,000 people in regional communities.

The performances and interactive programs delivered by these groups are highly valued by these communities, and often have a profound impact on audiences and participants. They can also be an important source of inspiration for, and have a long-lasting impact on, students and local professionals. These groups, and the other performing arts companies, play a crucial role in shaping and reflecting Australia's cultural identity.

In 2014 there were over 18.5 million tickets for attendances at live arts performances, exceeding the sporting code attendances of over 13.7 million that year. This is a 3.4 per cent increase on 2013 attendances at live arts performances. In Australia, which prides itself on being a sporting nation, the ticket numbers for attendances for live arts performances reflect that the arts are also highly valued.

Touring is one of the key ways in which people in rural and regional communities can access quality live performances without having to visit a capital city or larger metropolitan area. Regional touring is generally undertaken by Australia's major performing arts companies and some small to medium arts groups, and is usually subsidised to some degree by the company. These touring and regional engagement activities also typically receive government funding support. The performing arts groups do an outstanding job of delivering tours and regional engagement activities to rural and regional communities. There is wide demand for these shows and engagement, and they are highly valued by people in these communities. Australia's major performing arts companies recognise the importance of enabling everyone, regardless of how far they may live from a major metropolitan centre, access to the very best Australia has to offer.

While regional tours often run at a loss, with groups regularly subsidising their touring activities, they tend to regard it as an 'investment', rather than a loss. Governments must see its funding for these tours and activities in a similar light.

The committee's nine recommendations relating to the arts are aimed at helping to ensure that the excellent work already being done continues and, where possible, is further enhanced. **The committee recommends:**

- the continuation of funding for Australia's major performing arts companies
- the Government take into account the dynamic and changing nature of the arts in its grants programs, including acknowledging the dynamic nature of the major performing arts companies, such as Opera Australia, which sees its repertoire as evolving, for example, to include amplified performances and musicals, and challenges the definition of opera so it is not stuck in a 19th century form of opera that makes it part of the past rather than part of the future
- the Government, when assessing the effectiveness of its funding, encourage the educative role that performing arts companies play, for example, The Australian Ballet, which brings professional excellence to these communities in its performances, and through its interactions with schools has reached thousands of students and teachers
- maintaining adequate funding for the Australia Council for the Arts' Playing Australia program

-
- National Touring Status arrangements are retained and extended to additional performing arts companies
 - the Australia Council explore ways to encourage and formalise mentoring arrangements between performing arts companies and rural and regional communities
 - the new Catalyst Australian Arts and Culture Fund be evaluated, and this be reported on the Department's website to heighten awareness of the program
 - the Government consider funding and support for digital innovation in the delivery of the arts
 - the eligibility for the Catalyst Australian Arts and Culture fund includes competitions and eisteddfods.

Commercial, public and community broadcasters play important roles in providing news services to people in rural and regional Australia. Most people still get their news from television, but there has been a rapid uptake of online content, for example with catch-up free-to-air television services and paid streaming services. It is important to recognise that the media landscape is being transformed by digital and other industry developments and, coupled with the challenges inherent in serving regional areas, consider how services to these communities may be affected.

The ability to access diverse local content, including news and emergency information, is vitally important to Australians living outside of the major metropolitan centres. People in these communities should have equitable access to fast and reliable broadband and related services.

The Government needs to take the necessary actions to help ensure that rural and regional communities continue to receive reliable and quality news services, including locally relevant content. The committee makes seven recommendations aimed at providing the necessary support for regional services in the changing media landscape. **The committee recommends:**

- reducing broadcast licence fees for free-to-air and community broadcasters
- the need for the Government to take into account the implications of any reforms to media ownership on broadcasting and news services to rural and regional Australia
- reviewing the existing broadcast licencing system to consider the adequacy of the concept of 'local' and the provision of incentives for broadcasters who deliver more targeted local content to rural and regional audiences

- ensuring that the ABC Board is more representative of the Australian community, including rural and regional communities and ensure two members are from rural and regional Australia
- changes to the ABC Code of Practice to include a requirement that any correction or clarification must be made on the relevant program in which an error has been made, in addition to being published on the ABC website
- developing a level playing field for public, commercial and community broadcasters in adhering to standards for broadcasting
- developing a framework to enhance the accuracy and accountability of the ABC
- the SBS and ABC remaining as separate entities.

On behalf of the committee, I thank the organisations and individuals that assisted the committee during the inquiry through submissions and giving evidence at the public hearings. I also thank my colleagues, the Deputy Chair of the committee, Mr Tim Watts MP, and other members of the committee, Mr Laurie Ferguson MP, Ms Nola Marino MP, Mr Graham Perrett MP, Ms Melissa Price MP, Mr Rowan Ramsey MP, Ms Maria Vamvakinou MP and Mrs Lucy Wicks MP, for their contribution to the report. I would also like to thank Committee Secretary, Mr Stephen Boyd, Inquiry Secretary, Ms Samantha Mannette, Senior Researcher, Dr John White, and the secretariat team for their diligent work on this report.

Hon Bronwyn Bishop MP
Chairman



Contents

Chairman's executive summary	iii
Membership of the Committee	xi
Terms of reference	xii
List of abbreviations	xiii
Recommendations	xv

REPORT

1 Introduction	1
The inquiry.....	1
Background on the live performing arts sector	2
Funding arrangements	3
Support for the arts in rural and regional communities	5
Sector reviews.....	7
Background on the broadcasting sector	9
Commercial broadcasters	9
Community broadcasters	10
Public broadcasters.....	12
Other services and entertainment	15
Local content and rural and regional broadcasting.....	17
Local content requirements	17
Media regulation and possible reform	19
Report structure	23
2 Access to the Arts.....	25
Benefits of the Arts	26
Importance of the arts to rural and regional communities	30

Benefits of live performance.....	32
Touring and regional engagement	34
Major performing arts companies.....	34
Touring challenges and funding arrangements	43
Small to medium arts groups.....	49
Broadcasting and digital platforms for performances.....	50
Broadcasters and arts performances	50
Cinematic and digital platforms for arts groups	54
Local production	60
Conclusions.....	61
3 Broadcasting services.....	73
Selected issues in rural and regional broadcasting	75
The importance of Australian content.....	76
The importance of regional/local content	77
Innovation and technology	85
Public broadcasting.....	90
Accountability of public broadcasters	90
ABC rural and regional services.....	95
SBS rural and regional services.....	98
Conclusions.....	100

APPENDICES


Appendix A – List of submissions.....	109
Appendix B – Hearings and Witnesses.....	113
Appendix C—ABC and SBS charters.....	117
Appendix D—Commercial television local areas and licensees	121

LIST OF TABLES

Table 1.1	Overview of selected relevant inquiries into ABC rural and regional programming.....	13
Table 2.1	Live Performance Industry Output and Value Add (2012)	28
Table 2.2	Contribution to the live performing arts industry in 2012, by category	29
Table 2.3	Live Performance Total Revenue and Attendances by State/Territory (2013-14).....	29
Table 2.4	Sporting Code attendances in 2014*	30
Table 2.5	List of Australia's Major Performing Arts Companies.....	35
Table 3.1	Selected data on ACMA investigations into Australian television broadcasters.....	94

LIST OF FIGURES

Figure 1.1	Methods of viewing content	16
Figure 3.1	Broadcast licencing: local areas of regional Victoria.....	81



Membership of the Committee

Chairman The Hon Bronwyn Bishop MP

Deputy Chair Mr Tim Watts MP

Members Mr Laurie Ferguson MP

Ms Melissa Price MP

Ms Nola Marino MP

Mr Rowan Ramsey MP

Mr Graham Perrett MP

Ms Maria Vamvakinou MP

Mr Keith Pitt MP (to 2/3/2016)

Mrs Lucy Wicks MP

Committee Secretariat

Secretary Mr Stephen Boyd

Inquiry Secretary Ms Samantha Mannette

Research Officer Dr John White

Administrative Officers Ms Jazmine Rakic

Mr Danny Miletic



Terms of reference

The Committee, under its power to inquire into the annual reports of government agencies, will inquire into the importance of public and commercial broadcasting, online content and live production to rural and regional Australia, including the arts, news and other services.

The inquiry was initiated from the following reports:

- Australian Broadcasting Corporation Annual Report 2015
- Special Broadcasting Service Corporation Annual Report 2015
- Australia Council for the Arts Annual Report 2014-15
- Australian Communications and Media Authority Annual Report 2014-15.



List of abbreviations

ABC	Australian Broadcasting Corporation
ABC Act	<i>Australian Broadcasting Corporation Act 1983 (Cth)</i>
ABS	Australian Bureau of Statistics
Australia Council	Australia Council for the Arts
ACMA	Australian Media and Communications Authority
ACT	Australian Capital Territory
ACTF	Australian Children’s Television Foundation
AMPAG	Australian Major Performing Arts Group
ANT Live	Australian National Theatre Live
BSA	<i>Broadcasting Services Act 1992 (Cth)</i>
Catalyst	Catalyst – Australian Arts and Culture Fund
CBAA	Community Broadcasting Association of Australia
CEO	Chief Executive Officer
CFA	Country Fire Authority
DAB+	Digital Audio Broadcasting
ESA	Emergency Services Agency

ISP	Internet Service Provider
IRCA	Indigenous Remote Communications Association
LAP	Licence Area Plan
MPA	Major Performing Arts
MPAs	Major performing arts companies
NBN	National Broadband Network
NESTA	National Endowment for Science, Technology and the Arts
NPEA	National Programme for Excellence in the Arts
SBS	Special Broadcasting Service (Corporation)
SPA	Screen Producers Australia
SVOD	Subscription video on demand
VAST	Viewer Access Satellite Television



Recommendations

2 Access to the Arts

Recommendation 1 (Paragraph 2.123)

The committee recommends that the Australian Government, through the Australia Council for the Arts and its other funding programs, continue to provide funding to Australia's major performing arts companies, including, but not limited to, Opera Australia, The Australian Ballet and Bell Shakespeare, to assist these groups to continue to deliver quality productions and regional engagement activities to communities in rural and regional Australia.

The committee notes that in 2014 there were 18,536,343 tickets for attendances at live arts performances, exceeding the sporting code attendances of 13,744,662 that year. This is a 3.4 per cent increase on 2013 attendances at live arts performances.

Recommendation 2 (Paragraph 2.125)

The committee strongly recommends that the Australian Government maintain adequate levels of funding for the Australia Council for the Arts' Playing Australia program.

Recommendation 3 (Paragraph 2.127)

The committee recommends that the Australia Council for the Arts, through its Playing Australia program, retain and extend the National Touring Status arrangements, to additional companies, which in accordance with evidence taken results in greater certainty and planning efficiencies.

Recommendation 4 (Paragraph 2.131)

The committee recommends that the Australian Government, when assessing the effectiveness of its funding for the industry, take into account the dynamic and changing nature of the arts. For instance, the Chief Executive Officer of Opera Australia explained how he sees the legitimate changing nature of repertoire in the following ways:

- *The Rabbits* was amplified and people said, 'If it is amplified is it really opera?' and our response was, 'Yes, it is opera. It is sung through, it is composed and it is performed by an orchestra with a chorus and opera singers.' Similarly, opera in Sydney Harbour is amplified because of the nature of being outdoors. *The Divorce* was written by a composer who is very well regarded, Elena Kats-Chernin, and Joanna Murray-Smith was the librettist. We say it is an opera. I guess the debate could rage on and on and on.
- One could argue that *Les Miserables* is an opera. Or is it a musical? We perform operas and musicals, and we like the fact that there is a debate about what opera is, and it is good if we can challenge the definition again and again. I would worry that if we were stuck in a 19th-century form with opera we would be part of the past rather than part of the future.
- Having the different style for performances in its repertoire allows for cross-fertilisation of talent. Musicals like the *South Pacific* season, are were very well attended by our subscribers and also brought a new audience to us. It is healthy, I think, for the future of the form that we stretch it and challenge and expand as much as we possibly can.

Recommendation 5 (Paragraph 2.133)

The committee recommends that the Australia Council for the Arts, through its Playing Australia program, explore ways to encourage and formalise mentoring arrangements between performing arts companies or related peak body groups, and the presenter groups and individuals in rural and regional communities involved in the delivery and support of live performances in these communities.

Recommendation 6 (Paragraph 2.134)

The committee recommends that in evaluating the effectiveness of funding for the major performing arts companies, the Australian Government, should highlight and encourage the important educative role that these companies play. The committee notes for instance, the interaction with schools by The Australian Ballet and Bell Shakespeare, which has reached tens of thousands of students and teachers. These groups bring excellence to the one third of Australians who live in rural and regional communities.

Recommendation 7 (Parapgraph 2.136)

The committee recommends that the Department of Communications and the Arts evaluate and report on the effectiveness of the new Catalyst Australian Arts and Culture Fund. An assessment should be included in the Department's annual report and separate publication made available on the Department's website, from time to time, to heighten awareness of the fund.

Recommendation 8 (Paragraph 2.140)

The committee recommends that the Australian Government consider, as parts of its grants programs strategies to promote and support digital developments for arts delivery and engagement, providing funding and support for innovation in this area by:

- existing major companies, for example, The Australian Ballet's ambitious 'raising the roof' project in which it is scoping building its own studio at its Melbourne headquarters, and
- emerging groups with innovative models, for example, Australian National Theatre Live, which is a new enterprise aiming to record, produce and screen quality Australian theatre performances to cinemas and locations across Australia.

Recommendation 9 (Paragraph 2.142)

The committee commends the Australia Council for the Arts for removing the restriction on providing grants for competitions and eisteddfods, and notes that competitions are an important element in the professional life of artists.

The committee recommends that in its application of the Catalyst fund, the Department of Communications and the Arts similarly ensure that the criteria allows for grants funding for arts competitions and eisteddfods.

3 Broadcasting services

Recommendation 10 (Paragraph 3.111)

The committee recommends that the Minister for Communications and the Arts and the Australian Communications Media Authority work together to reduce broadcast licence fees for free-to-air and community broadcasters.

The committee recognises the important role that commercial and community broadcasters play in delivering news and other content to rural and regional audiences, and that the evidence shows that most people still get their news from television. The committee heard concerns from commercial and community broadcasters about the need for reform of the current high licensing fees.

Recommendation 11 (Paragraph 3.113)

The committee recommends that, in undertaking any reforms to media ownership relating to the 'reach rule' and the 'two-out-of-three cross-media control rule', the Australian Government consider the implications of the legislation on broadcasting and news services in rural and regional Australia. A statement on what actions have been taken to mitigate any negative impacts on rural and regional communities should be articulated by the Minister for Communications and the Arts in the presentation of the legislation.

Recommendation 12 (Paragraph 3.119)

The committee recommends that the Department of Communications and the Arts and the Australian Communications and Media Authority review the existing broadcast licencing system to consider the adequacy of the concept of 'local' and the provision of incentives for broadcasters who deliver more targeted local content to rural and regional audiences. Broadcasters who deliver more targeted local content could be rewarded through the points system for determining licence fees.

Recommendation 13 (Paragraph 3.127)

The committee recommends that the Government introduce legislation to amend the *Australian Broadcasting Corporation Act 1983* to ensure that:

- the ABC Board is more representative of the Australian community, and has at least two rural or regional based members, and
- the ABC Advisory Council has at least two rural or regional based members.

Recommendation 14 (Paragraph 3.136)

The committee recommends that the Australian Broadcasting Corporation (ABC) Code of Practice be revised to include a requirement that any correction or clarification must be made on the relevant program in which an error has been made, in addition to being published on the ABC website.

Recommendation 15 (Paragraph 3.138)

The committee recommends that the Minister for Communications and the Arts and the Australian Communications and Media Authority (ACMA) develop a framework to enhance the accuracy and accountability of the Australian Broadcasting Corporation (ABC).

The committee's view is that all broadcasters should adhere to ACMA standards for broadcasting. In relation to the ABC in particular, given its extensive reach as a trusted national public broadcaster, on which many communities rely for their news, the committee believes that this entails heightened responsibilities for accuracy and accountability.

Recommendation 16 (Paragraph 3.140)

The committee recommends that the Special Broadcasting Service Corporation (SBS) and the Australian Broadcasting Corporation remain separate entities.

The committee commends the SBS for its important work in providing specialised multicultural broadcasting according to its charter, and in broadening its audience through general interest programming. The committee believes the SBS addresses a fundamental content gap within the Australian broadcasting space, while operating as a highly efficient organisation.

Introduction

The inquiry

- 1.1 On 1 December 2015 the Standing Committee on Communications and the Arts (the committee), resolved to inquire into the importance of public and commercial broadcasting, online content and live production to rural and regional Australia, including the arts, news and other services.
- 1.2 The committee initiated this inquiry through its power to inquire into aspects of the annual reports that stand referred to it in its areas of portfolio responsibility. The following reports were used to initiate the inquiry:
 - Australian Broadcasting Corporation Annual Report 2015
 - Special Broadcasting Service Corporation Annual Report 2015
 - Australia Council for the Arts Annual Report 2014–15
 - Australian Communications and Media Authority Annual Report 2014–2015.
- 1.3 The details of the inquiry were published on the committee’s website and a media release announcing the inquiry and seeking submissions was issued on 2 December 2015.

- 1.4 Fifty-five submissions and 12 supplementary submissions were received and are listed at Appendix A. The committee held public hearings on 1 and 15 March 2016 in Canberra, 7 and 8 March 2016 in Sydney, and 22 March 2016 in Melbourne. The witnesses who appeared are listed at Appendix B. The submissions and transcripts of the public hearings are available on the committee's website at:
http://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/BroadcastingandProduction.
- 1.5 Given the inquiry's focus on services to rural and regional Australia, the committee intended to travel to regional areas to hear from people in these communities, and had developed a program of hearings that included Alice Springs, Darwin, Rockhampton, Bundaberg and regional Western Australia. However, due to advice that the election would be called early, the committee felt it was important to concentrate its efforts on reporting before the end of this Parliament. The committee regrets not being able to visit stakeholders in rural and regional areas, but believes it is important to report on the evidence received from the submitters and 59 witnesses it has already heard from at the public hearings conducted.
- 1.6 The committee's objectives for the inquiry were firstly, to undertake a health check on how well rural and regional communities are currently served in the two distinct, but important, areas of access to quality news services and arts performances, and secondly, to recommend action to address any significant gaps in delivery or where service to rural and regional Australians could be enhanced.
- 1.7 The next section of this chapter provides background information on the industry, regulatory and commercial environments in which broadcasters and arts providers are operating, and will provide some context for discussion in the following chapters.

Background on the live performing arts sector

- 1.8 Touring activity undertaken by artists and organisations from other parts of Australia to rural and regional communities is an important way of addressing the geographical barriers to people's engagement in the arts. As regional touring is a costly exercise, companies typically require some level of government funding to help assist with their regional touring and community engagement activities.

Funding arrangements

- 1.9 For the arts sector more generally, the Commonwealth Government provides support for the development of the arts through the Australia Council for the Arts (Australia Council). Some Commonwealth arts programs are managed directly by the Ministry for the Arts, while funding for others is controlled and distributed by the Australia Council. In addition, the Australia Council administers certain arts programs on behalf of the ministry.
- 1.10 In 2011-12, an independent review of the Australia Council was conducted as part of the development of a National Cultural Policy. The report of the review was released in May 2012, and made a number of recommendations regarding the Australia Council, including a revision of its purpose, governance structure and peer review process. The report also recommended an increase of funding to the Australia Council of \$21.25 million per annum, to enable the Council to fulfil its revised purpose and functions.¹
- 1.11 Most of the review recommendations were accepted by the then government, which introduced a bill to give effect to the changes. The *Australia Council Act 2013* commenced on 1 July 2013.² The then government also committed to increase funding to the Australia Council by \$75.4 million over four years, commencing from 2013-14.³
- 1.12 However, the 2014-15 Budget applied savings of \$87.1 million over four years by reducing funding to the ministry, Screen Australia and the Australia Council. Funding to the Australia Council was reduced by \$9.6 million in 2014-15, and about \$6 million per year for the three following years.⁴ In December 2014, the government announced a further \$6 million decrease in funds to the Australia Council over three years, in order to fund the establishment of a new Book Council of Australia.⁵

1 G Trainor and A James, *Review of the Australia Council: Report to the Minister for the Arts*, May 2012, p. 14, p. 22, pp. 25-26.

2 M Coombs, *Australia Council Bill 2013, Bills Digest*, Parliamentary Library, 19 June 2013, p. 3.

3 Creative Australia, *National Cultural Policy*, Appendix B - Review of the Australia Council: Australian Government response, March 2013, p. 137.

4 Australian Government, *Budget Measures 2014-15 – Part 2: Expense Measures*, <http://budget.gov.au/2014-15/content/bp2/html/bp2_expense-05.htm>, accessed 21 December 2015.

5 Australian Government, *Mid-Year Economic and Fiscal Outlook*, Appendix A, December 2014, <http://www.budget.gov.au/2014-15/content/myefo/html/11_appendix_a_expense.htm>, accessed 21 December 2015.

- 1.13 The 2015-16 Budget applied additional efficiency measures on arts agencies, including the Australia Council, and redirected a further \$110 million over the four-year forward estimates from the Australia Council to provide for:
- The establishment of the National Programme for Excellence in the Arts (NPEA), to be managed by the Ministry for the Arts.
 - The transfer to the ministry of three programs previously managed by the Australia Council (Visions Australia, Festivals Australia and the Major Festivals Initiative).
 - A \$5.3 million redirection of funds to Creative Partnerships Australia.⁶
- 1.14 On 20 November 2015, the Minister for the Arts, Senator the Hon Mitch Fifield, announced that NPEA would be replaced by a new program called Catalyst – Australian Arts and Culture Fund (Catalyst). The Minister announced that \$12 million per annum would be provided in grants through Catalyst, a reduction from the \$20 million per year proposed for NPEA. The Minister announced that the remaining \$8 million per year would be redirected to the Australia Council.⁷
- 1.15 The Australia Council describes its role as:
- ... increasing the visibility of Australia's vibrant arts and culture, and recognising the evolving way that Australians make and experience art. Our role is to support the unimagined along with the reimaged, the unknown and experimental along with the keenly anticipated. We are a champion for Australian arts both here and overseas. We invest in artistic excellence through support for all facets of the creative process, and are committed to the arts being accessible to all Australians.⁸
- 1.16 Catalyst funding is intended to complement the Australia Council, Creative Partnerships Australia and other support programs. Catalyst assists 'organisations to forge new creative and financial partnerships and stimulate innovative ways to build participation by Australians in our cultural life', including enabling access to 'high quality arts experiences in regional communities and international activities that achieve cultural
-

6 Australian Government, *Budget Measures 2015-16 – Part 2: Expense Measures*, <http://www.budget.gov.au/2015-16/content/bp2/download/BP2_Expense.pdf>, accessed 21 December 2015, p. 59, p. 62.

7 Senator the Hon Mitch Fifield, *Guidelines released for new arts fund*, Media Release, 20 November 2015, p. 2.

8 Australia Council for the Arts website: <<http://www.australiacouncil.gov.au/>>, accessed 12 April 2016.

diplomacy objectives'. It gives priority to projects by small to medium organisations.⁹

Support for the arts in rural and regional communities

- 1.17 The Commonwealth Government supports sustainable cultural development in regional and remote communities in Australia through the Regional Arts Fund. Funding is targeted at activities that will have long-term cultural, economic and social benefits for individuals and communities by:
- developing partnerships and cultural networks
 - providing artists with professional development and employment opportunities
 - supporting arts and community development projects that provide local communities with the opportunity to participate in, and access cultural activities, and
 - emphasising building capacity in disadvantaged, youth, very remote and/or Indigenous communities.¹⁰
- 1.18 The Regional Arts Fund is delivered by the peak regional arts organisations in each state, and by arts departments in the territories. The Regional Arts Fund also supports Regional Arts Australia to deliver national activities.
- 1.19 In 2013 Regional Arts Australia conducted a consultation with arts communities in regional and remote Australia to assess their needs, and ways to improve programs and practices. The consultation examined:
- marketing the value of the arts
 - injecting life into towns
 - engaging young people in realising their creative ambitions
 - connecting regions by invigorating local networks
 - improving support for professional artists.¹¹

9 Department of Communications and the Arts, *Catalyst Australian Arts and Culture Fund*, <<http://arts.gov.au/catalyst>>, accessed 12 April 2016.

10 Department of Communications and the Arts, *Regional Arts Fund*, <http://arts.gov.au/arts/regional_arts_fund>, accessed 21 December 2015.

11 Regional Arts Australia, *Sharpening the Arts in Regional Australia*, October 2013, p. 1.

- 1.20 The consultation found that the main barriers to people's engagement in the arts in regional communities were cost, availability and transport.¹² It reported that arts activity had been positively impacted by changes in the external environment in recent years, including improved broadband access and regional infrastructure funding. A range of external factors that had an adverse impact included the global financial crises and natural disasters such as fires, floods, tropical cyclones and drought.¹³
- 1.21 In 2014-15 the Australia Council supported engagement in the arts by rural and regional communities through the following National Regional Programs:
- The Playing Australia program provided \$6.2 million to support performing artists to reach regional and remote communities across Australia.
 - The Festivals Australia program provided \$1.5 million to support regional and remote festivals.
 - The Visions of Australia program and the Contemporary Touring initiative provided \$3.2 million to support the development and touring of public exhibitions of Australian cultural material, and contemporary visual arts and crafts exhibitions throughout Australia, with a particular focus on regional and remote areas.
 - The Contemporary Music Touring program provided \$0.4 million to support emerging and established musicians to tour regional and remote communities.¹⁴
- 1.22 The Playing Australia National Touring Status initiative was created in 2013 as part of a suite of enhancements made by the Australia Council to the National Regional Touring Programs, based on consultation with the arts sector and the Ministry for the Arts. To be eligible for National Touring Status, companies have to demonstrate a track record of national touring. The application required companies to articulate a vision, objectives and strategies for their three year touring program with a focus on how National Touring Status could be leveraged to enhance touring deliverables and audience impact over the three year period 2015 to 2017. National Touring Status grant applicants were able to apply for up to \$400,000 per annum. However, they are not eligible to submit applications

12 Regional Arts Australia, *Sharpening the Arts in Regional Australia*, October 2013, p. 3.

13 Regional Arts Australia, *Sharpening the Arts in Regional Australia*, October 2013, p. 3.

14 Australia Council for the Arts, *Annual Report 2014-15*, p. 62.

to the standard project funding rounds of Playing Australia for touring activities in 2015, 2016 or 2017.¹⁵

Sector reviews

- 1.23 Reviews of note undertaken into the major performing arts sector over the last two decades include the Nugent inquiry in 1999, leading to the implementation of the Major Performing Arts (MPA) Framework in 2001, and the 2015 National Opera Review, which is still underway.
- 1.24 In 1999 the then Minister for Communications, Information Technology and the Arts, Senator the Hon Richard Alston, requested an inquiry (the Nugent Inquiry) into Australia's subsidised major performing arts sector to examine options and recommend actions to 'ensure that Australia has a financially healthy, artistically vibrant and broadly accessible major performing arts sector'.¹⁶
- 1.25 The Nugent Inquiry final report made 96 recommendations (41 directed to governments) designed 'to stabilise the sector and reposition it to take advantage of the changes that are taking place'.¹⁷ One of the key recommendations of the Nugent Inquiry was that the government establish formal criteria for being recognised as a major performing arts company, and for assessing whether a company should retain that status.¹⁸
- 1.26 In August 2000, Australian Arts and Cultural Ministers agreed on the recommendations made by the Nugent Inquiry and a Major Performing Arts Framework was implemented in 2001. In August 2011, a revised framework, the 'National Framework for Governments' Support of the Major Performing Arts Sector' (the MPA Framework) was endorsed by Arts and Cultural Ministers, with implementation taking place from 2012.¹⁹ Under the MPA Framework:

... the Australia Council administers annual core funding to 28 MPA companies on behalf of the Australian Government and

15 Australia Council for the Arts, *Playing Australia: Regional Performing Arts Touring Fund* <<http://australiacouncil.gov.au/funding/new-grants-model/playing-australia-regional-performing-arts-touring-fund/>>, accessed 12 April 2016.

16 H Nugent, *Securing the Future: Final Report of the Major Performing Arts Inquiry*, Department of Communications, Information Technology and the Arts, 1999, p. 3.

17 H Nugent, *Securing the Future: Final Report of the Major Performing Arts Inquiry*, Department of Communications, Information Technology and the Arts, 1999, p. ix.

18 H Nugent, *Securing the Future: Final Report of the Major Performing Arts Inquiry*, Department of Communications, Information Technology and the Arts, 1999, p. ix.

19 Australian Council for the Arts, Arts Infrastructure, <<http://www.australiacouncil.gov.au/strategies-and-frameworks/arts-infrastructure/>>, accessed 12 January 2016.

state governments, at levels agreed to between federal and state arts ministers through the Meeting of Cultural Ministers forum.²⁰

- 1.27 In 2015 the National Opera Review was established by the Federal Government to 'consider the financial viability, artistic vibrancy and audience access of Australia's four opera companies that are recognised as major performing arts companies and are supported by the Federal Government'.²¹ These opera companies are Opera Australia, Opera Queensland, State Opera of South Australia and West Australian Opera.
- 1.28 The review panel has not made its final report. A lengthy discussion paper for the Review was released in September 2015, with submissions requested by 30 November 2015. The discussion paper made the following five key findings:
- Australia's Major Opera Companies make a significant contribution to Australia.
 - Governments recognise the significance of the Major Opera Companies.
 - Evolving sector dynamics present challenges to opera companies in Australia and overseas.
 - The Major Opera Companies have responded in strategic and operational ways that are understandable.
 - The Major Opera Companies' responses, while understandable, have created unintended pressure on their financial, artistic and access performance.²²

20 Australian Council for the Arts, Arts Infrastructure, <<http://www.australiacouncil.gov.au/strategies-and-frameworks/arts-infrastructure/>>, accessed 12 January 2016. Entry and exit criteria for MPA companies are listed in the MPA Framework: Australia Council for the Arts, *National Framework for Governments' Support of the Major Performing Arts Sector*, August 2011, pp. 10-11.

21 H Nugent, *National Opera Review Discussion Paper*, Department of Communications and the Arts, September 2015, p. 1.

22 H Nugent, *National Opera Review Discussion Paper*, Department of Communications and the Arts, September 2015, p. 2.

Background on the broadcasting sector

- 1.29 Australia's broadcast media landscape comprises two public broadcasters, the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service Corporation (SBS), and a range of commercial and community television and radio broadcasters.
- 1.30 The *Broadcasting Services Act 1992* (the BSA) establishes the regulatory regime for television and radio services, including digital services. Commercial broadcasting services, community broadcasting services, subscription television broadcasting services and international broadcasting services require individual licences.²³
- 1.31 The Australian Media and Communications Authority (ACMA) manages licensing matters and regulates the content of radio and television services. It also administers the ownership and control rules for broadcasting services, which are outlined later in this chapter.

Commercial broadcasters

- 1.32 Key features of commercial broadcasters, as set out in s. 14 of the BSA, include that the service:
- provides programs that, in the context of the service, appear to be intended to appeal to the general public
 - is made available free to the general public
 - is usually funded by advertising revenue
 - is operated for profit, or as part of a profit-making enterprise.
- 1.33 A 2015 Venture Consulting report found that the commercial free-to-air industry 'generates \$3.2bn per annum of economic surplus, due in large part to the fact that it is delivered to viewers for free, but also due to the surplus it creates for advertisers', and that 'broadcasters also pump \$2.8bn per annum of economic investment back into the Australian economy, underpinning large parts of the broadcasting value chain in the process'.²⁴
- 1.34 The broadcast content of commercial free-to-air television broadcasters in Australia is regulated by the Commercial Television Industry Code of Practice (the code of practice). The code of practice is designed to ensure

23 *Broadcasting Services Act 1992*, s. 12.

24 Venture Consulting, *The Value of Free TV: The contribution of commercial free-to-air television to the Australian economy*, May 2015, p. 2.

that commercial broadcasters comply with community standards, assist viewers in making informed choices about the television they watch through program classification, and provide a process for handling viewer complaints. The current code of practice came into effect on 1 December 2015.²⁵

- 1.35 Commercial radio broadcasters also have Commercial Radio Codes of Practice and Guidelines, which were developed in consultation with ACMA. These are registered with, and monitored by, ACMA.²⁶
- 1.36 ACMA undertakes investigations into matters related to broadcasting codes of practice, license conditions and program standards. While ACMA can initiate investigations and conduct investigations as directed by the Minister, most investigations undertaken are in response to complaints that have not been sufficiently resolved by the broadcaster's own complaints process. These investigations tend to be on matters that are in the public interest.²⁷

Community broadcasters

- 1.37 The community broadcasting sector is Australia's largest independent media sector, with more than 450 radio licensees and over 50 community television licensees. The sector is largely self-funded, but some funding is provided by the Department of Communications and the Arts, distributed through the Community Broadcasting Foundation. Community radio stations reach over five million Australians each week, operating in locations throughout Australia, with 41 per cent located in regional areas, 25 per in rural areas and 34 per cent in metropolitan and suburban areas.²⁸
- 1.38 Community broadcasters also play a significant role in delivering news and emergency services, and promoting the arts in rural and regional communities. They contribute to BSA objectives by:
- promoting the development of an Australian identity and reflecting cultural diversity

25 Australian Communications and Media Authority (ACMA), *Commercial Television Industry Code of Practice 2015*, p. 3.

26 See the Commercial Radio website at: <<http://www.commercialradio.com.au/legal/regulation-codes.aspx>>, accessed 12 April 2016.

27 ACMA regularly provides statistics on its investigations, see: <<http://acma.gov.au/theACMA/ACMAi/Investigation-reports/Statistics/broadcasting-statistics>>. See also ACMA, *Annual Report 2014-15*, p. 78, Table 6.

28 Community Broadcasting Foundation website, About Australian Community Broadcasting, <<http://www.cbf.com.au/sector/about-australian-community-broadcasting/>>, accessed 15 April 2016.

- promoting the availability of television programs about matters of local significance
 - ensuring diversity in broadcasting services in the transition to digital broadcasting.²⁹
- 1.39 Like their commercial counterparts, the community broadcasters are licenced under the BSA. Provisions particularly related to community television include:
- Section 15, which outlines the nature of these services as including being for community purposes, not-for-profit, and made available free to the general public.
 - Part 6 (ss. 79 to 92), which covers the procedures for issuing and renewing community broadcasting licences and the community licence conditions.
 - Schedule 2 (clause 9 and clause 2), which includes further licence conditions for community broadcasters, including the prohibition on broadcasting advertising material, encouraging community participation, and the allowed amount and placement of sponsorship announcements.
- 1.40 Community broadcasters also have codes of practice – the Community Television Broadcasting Codes of Practice and Community Radio Broadcasting Code of Practice.³⁰ Similar to the administration of commercial broadcasters, with community broadcasters ACMA is responsible for:
- allocating and renewing licenses
 - investigating complaints and taking enforcement action, where necessary
 - approving codes of practice for includes in the Register of Codes of Practice
 - monitoring compliance and developing guidelines to assist licenses, where required.³¹

29 Australian Community Television Alliance, *Community Television Broadcasting Codes of Practice*, 9 June 2011, p. 1.

30 Available on the ACMA website, *Register of broadcasting codes & schemes index*, <<http://acma.gov.au/theACMA/About/The-ACMA-story/Regulating/broadcasting-codes-schemes-index-radio-content-regulation-i-acma>>, accessed 12 April 2016.

31 Australian Community Television Alliance, *Community Television Broadcasting Codes of Practice*, 9 June 2011, pp. 1-2.

Public broadcasters

- 1.41 Australia's public broadcasters, the ABC and SBS, play a unique role by providing content to Australian audiences, including material, or in areas, that may not be covered by commercial broadcasters. The ABC charter³² directs it to offer:
- broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community
 - broadcasting programs of an educational nature.³³
- 1.42 The ABC charter also states that the ABC should 'encourage and promote the musical, dramatic and other performing arts in Australia'.³⁴
- 1.43 The SBS charter is focused on 'meeting the communications needs of Australia's multicultural society, including ethnic, Aboriginal and Torres Strait Islander communities', and encouraging understanding and acceptance across Australia's multicultural society.³⁵
- 1.44 While neither charter explicitly states that public broadcasting should include a rural or regional component, the ABC has commented that its services to regional communities are 'integral to meeting its Charter obligation to "reflect the cultural diversity of the Australian community"'.³⁶
- 1.45 The ABC's operations are covered by the *Australian Broadcasting Corporation Act 1983* (ABC Act) and the SBS is covered by the *Special Broadcasting Service Act 1991*. The regulatory regime in the Broadcasting Services Act does not apply to the national broadcasting services, unless expressly provided for in that Act.³⁷
- 1.46 While public broadcasters do not operate under the commercial television code of practice, both the ABC and the SBS have developed their own versions, which are notified to ACMA. Under s. 123 of the BSA, industry

32 See Appendix C for copies of the ABC and SBS charters.

33 *Australian Broadcasting Corporation Act 1983* (Cth), s. 6. The full charter is reproduced in Appendix C.

34 *Australian Broadcasting Corporation Act 1983* (Cth), s. 6.

35 *Special Broadcasting Service Act 1991* (Cth), s. 6. The full charter is reproduced in Appendix C.

36 Senate Environment and Communications Legislation Committee, *Inquiry into the Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity, Submission 34*, p. 1.

37 The national broadcasting services comprise the ABC, SBS and the services provided under the *Parliamentary Proceedings Broadcasting Act 1946*.

groups can develop codes in consultation with ACMA, and once registered ACMA monitors the codes and deals with related unresolved complaints. However, national broadcaster codes are lodged, but not registered, with ACMA.³⁸

- 1.47 In 2014-15, the ABC's total net resourcing was over \$1.2 billion, while the SBS's total net resourcing was over \$406 million.³⁹

ABC reviews

- 1.48 There have been a number of reviews and inquiries into the operation of the ABC over recent decades, several of which covering ABC's rural and regional programming. A brief overview of selected relevant inquiries is provided in Table 1.1.

Table 1.1 Overview of selected relevant inquiries into ABC rural and regional programming

Year	Review	Key findings
1994-1995	Senate Select Committee on ABC Management and Operations Report: <i>Our ABC</i> , March 1995	23 recommendations, including that the ABC Board should reverse the current trend towards the concentration of ABC activities in Sydney
2011	Senate Environment and Communications References Committee The inquiry covered a number of programming decisions made by the ABC Report: <i>Recent ABC programming decisions</i> , October 2011	10 recommendations, including that the ABC maintains an effective capacity to internally produce quality programming across the regions in addition to news, sport and current affairs
2012-2013	Senate Environment and Communications Legislation Committee The inquiry examined the centralisation of ABC production in Sydney and Melbourne, the closure of the production unit in Perth, and the proposed closure of the Hobart production unit Report: <i>The Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity</i> , March 2013	5 recommendations <ul style="list-style-type: none"> - to amend the ABC charter to provide that content across all platforms reflects regional diversity - that the ABC consult with regional stakeholders in the film and television industry in relation to ABC production, planning, production priorities and the capacity of regional Australia to produce content - that the ABC annually publish its regional content production performance for ABC television, including data on the amount invested, number of programs produced, hours of production produced and number of independent companies used

38 ACMA, *Register of broadcasting codes & schemes index*, <<http://acma.gov.au/theACMA/About/The-ACMA-story/Regulating/broadcasting-codes-schemes-index-radio-content-regulation-i-acma>>, accessed 12 April 2016

39 Australian Government, *Portfolio Budget Statements 2014-15*, Budget Related Paper No. 1.3, Communications Portfolio, pp. 55 and 119.

Year	Review	Key findings
		<ul style="list-style-type: none"> - the ABC establish a regional television production fund for production outside Sydney and Melbourne - the ABC make and publish at regular intervals its future financial commitment to investing in production outside of Sydney and Melbourne.
Source	<p><i>Senate Select Committee on ABC Management and Operations, Our ABC, March 1995, p. xiv; Senate Environment and Communications References Committee, Recent ABC programming decisions, October 2011, p. vii; and Senate Environment and Communications Legislation Committee, The Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity, March 2013, p. 1.</i></p>	
1.49	<p>Two private Senator's bills were introduced in the Senate this Parliament, aimed at making explicit the provision of rural and regional content in the ABC charter, via amendments to the ABC Act.</p>	
1.50	<p>In November 2014, Senator Xenophon introduced the Australian Broadcasting Corporation Amendment (Local Content) Bill 2014. The purpose of this Bill was:</p> <p style="padding-left: 40px;">... to strengthen the Australian Broadcasting Corporation's (the Corporation) Charter in relation to the production and broadcasting of content in each State and Territory, and to ensure the Corporation is representative of all parts of Australian society.⁴⁰</p>	
1.51	<p>The Bill was referred to the Senate Environment and Communications Legislation Committee in December 2014. In its March 2015 report, the committee recommended that the Bill not be passed. However the committee also recommended that the Government establish 'a mechanism to enable the transparent and comprehensive reporting by the Australian Broadcasting Corporation against its Charter'.⁴¹</p>	
1.52	<p>In December 2015, Senator McKenzie introduced the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015. The purpose of this Bill is to provide mechanisms that require high standards of rural and regional coverage by the ABC. This included:</p> <ul style="list-style-type: none"> ■ Defining the Corporation's mandate for its public service function for journalism in rural and regional Australia. ■ Ensuring that the ABC Board has two regional-residing members. 	

40 Australian Broadcasting Corporation Amendment (Local Content) Bill 2014, *Explanatory Memorandum*, p. 1.

41 Senate Environment and Communications Legislation Committee, *Report of the Inquiry into the Australian Broadcasting Corporation Amendment (Local Content) Bill 2014*, March 2015, p. 17.

- Establishing a Rural and Regional Advisory council to help ensure the quality and content of broadcasting in rural and regional Australia.
 - Providing a mechanism to assess and report on the quality of rural and regional services provided and the satisfaction of the Corporation's mandate towards rural and regional Australia.⁴²
- 1.53 The Bill was referred to the Senate Environment and Communications Legislation Committee in December 2015, with a reporting date of 20 June 2016.

Other services and entertainment

Subscription services

- 1.54 Subscription services are covered in s. 16 of the BSA, and relate to programs that appeal to the general public, but are only made available on payment of subscription fees. Subscription narrowcasting services are also included, with the s. 17 definition outlining that the reception of the services are intended to be limited, for example to special interest groups or limited locations and are available only by subscription. ACMA is responsible for issuing subscription television licences under ss. 93 and 96 of the BSA.⁴³

Online services

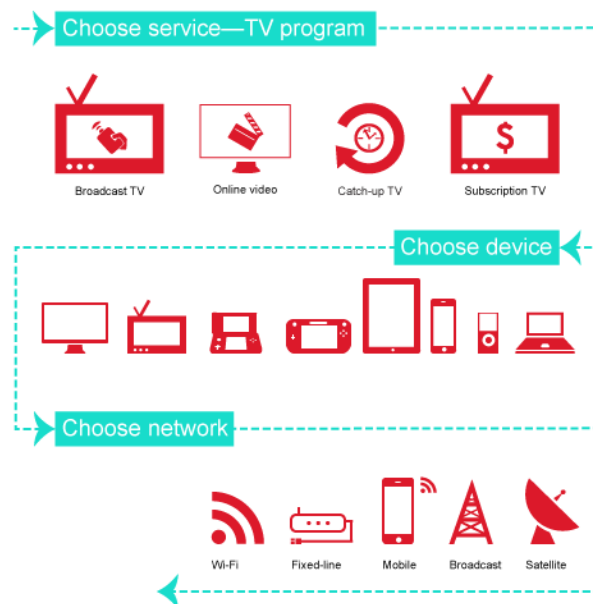
- 1.55 While broadcast television remains the main entertainment medium, Australians are increasingly using online video content.⁴⁴ Figure 1.1 illustrates the range of ways in which people are now accessing content.

42 Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015, *Explanatory Memorandum*, p. 1.

43 Australian Media and Communications Authority, *Subscription television broadcasting licences listings*, <<http://acma.gov.au/theACMA/subscription-television-broadcasting-licences-listings>>, accessed 12 April 2016.

44 OzTAM, *Multi Screen Report Q4 2015*, <<http://www.oztam.com.au/documents/Other/Australian%20Multi%20Screen%20Report%20Q4%202015%20FINAL.pdf>>, accessed 14 April 2016, pp. 2-3.

Figure 1.1 Methods of viewing content



Source ACMA, *Six emerging trends in media and communications*, November 2014.

- 1.56 In addition to the flexibility provided by catch-up television services offered by the free-to-air broadcasters, subscription video on demand services (also known as ‘streaming’) are also increasingly a part of Australia’s entertainment consumption landscape.⁴⁵
- 1.57 An ACMA survey found that subscription video on demand (SVOD) is becoming increasingly popular for accessing a variety of video content that can be viewed at any time. The survey did not include pay-per-view or catch-up television. ACMA found that since their introduction in 2015, there has been a rapid take up of Netflix, Presto TV and Stan. ACMA attributes this take-up to the flexibility it gives users to watch video content ‘on their own terms – at any time that suits’. Key survey findings included that from January to June 2015:
- An estimated 3.2 million adult Australians (17 per cent) watched video content via SVOD (2.2 million (12 per cent) in the last seven days at 30 June 2015.
 - Netflix (launched in March 2015) accounts for the majority of SVOD services used in Australia – an estimated 2.5 million adult Australians (14 per cent).⁴⁶

45 At June 2015, streaming services in Australia included Quickflix, Presto, Stan and Netflix.

46 ACMA, *Subscription video on demand in Australia 2015*, 16 November 2015, <<http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Subscription-video-on-demand>>, accessed 12 April 2016.

- 1.58 Complaints about streaming services go in the first instance to the relevant internet service provider, who, depending on the nature of the complaint, may refer it to the streaming service provider. For complaints not satisfactorily resolved in this way, users can complain to the Telecommunications Industry Ombudsman.⁴⁷

Local content and rural and regional broadcasting

Local content requirements

- 1.59 Australian Bureau of Statistics figures show that 29 per cent of Australians live outside of the major cities.⁴⁸ Accordingly, it is important that news and programming is not solely metropolitan-centric, and that rural and regional areas are appropriately served with not only international, national, and capital city news, but also with regional and local content.
- 1.60 Following a 2002 investigation arising out of community concerns about news bureau closures by Southern Cross Broadcasting in Canberra, Cairns, Townsville, Darwin and Alice Springs and Prime TV's cuts to local news bulletins in Canberra, Newcastle and Wollongong, a local content licence condition was introduced for regional commercial television. All regional commercial television licensees in the five aggregated markets must broadcast 'material of local significance' that meet the following quotas:
- a minimum of 720 points per six-week period
 - a minimum requirement of 90 points per week.⁴⁹
- 1.61 The local content licence condition divides the licence areas in Regional Queensland, Northern New South Wales, Southern New South Wales and Regional Victoria into a number of local areas, reflecting the different sub-markets within those areas. The sub-markets within the regional breakdown still cover extensive areas.⁵⁰ The affected broadcasters are:

47 ACMA, Subscription video on demand in Australia 2015, 16 November 2015, <<http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Subscription-video-on-demand>>, accessed 12 April 2016.

48 Australian Bureau of Statistics, Regional Population Growth, Australia, 2013-14, 3219.0.

49 Australian Media and Communications Authority (ACMA), *Local area*, <<http://www.acma.gov.au/Industry/Broadcast/Television/Local--regional-content/local-arealocal-content-i-acma>>, accessed 12 April 2016.

50 See Appendix D for regional coverage areas.

- Regional Queensland: Seven Queensland, Southern Cross and WIN TV
- Northern New South Wales: NBN Ltd, Prime Television and Southern Cross
- Southern New South Wales: Prime Television, Southern Cross and WIN TV
- Regional Victoria: Prime Television, Southern Cross and WIN TV
- Tasmania: Southern Cross, WIN and Tasmanian Digital Television.⁵¹

1.62 Schedule 3 of the relevant licence condition outlines what may comprise material of local significance, including:

- material dealing with people, organisations, events or issues that are of particular interest to people in the area, in a way that focuses on the interests of people in the area
- material about an individual in whom people in the area are particularly interested because of an association with the area, such as the individual having grown up, or lived, in the area
- material dealing with effects on the area of an event that occurs elsewhere
- material about a sporting event that involves a team from the area or that involves a team from a nearby area, whose principal support base includes the area, or a significant part of the area
- material about market conditions that closely affect a major business activity in the area, such as prices of a commodity in an area where that commodity is produced on a significant scale.⁵²

1.63 Under the Broadcasting Services (Regional Commercial Radio - Material of Local Significance) Licence Condition 2014, regional commercial radio licensees are also required to broadcast prescribed amounts of local content between 5 am and 8 pm each business day. The amounts are:

- 30 minutes for small licences (licences that serve licence areas with a population of less than 30,000 people)

51 ACMA, *Local areas and licensees*, <<http://www.acma.gov.au/Industry/Broadcast/Television/Local--regional-content/local-areas-and-licensees-local-regional-content-i-acma>>, accessed 12 April 2016.

52 ACMA, *Material of local significance*, <<http://www.acma.gov.au/sitecore/content/Home/Industry/Broadcast/Television/Local--regional-content/material-of-local-significance-local-regional-tv-content-i-acma>>, accessed 12 April 2016.

- three hours for all other relevant licences.⁵³
- 1.64 In June 2013, the then Minister for Broadband, Communications and the Digital Economy directed ACMA to investigate the operation and effectiveness of the regulatory arrangements under s. 43A of the BSA in accordance with the Broadcasting Services (Material of Local Significance – Regional Aggregated Commercial Television Broadcasting Licences) Direction 2013. ACMA found that s. 43A was operating effectively in the affected regional areas, with other key findings including:
- Local content is important and valued by regional Australians.
 - Regional Australians are largely satisfied with the current levels of local content available.
 - Regional Australians access local content across a wide variety of sources.
 - Television is the source most used for regional news, and is the preferred source for local news, although the audience for this is declining.
 - There are commercial incentives for some regional broadcasters to provide local content.
 - Providing local content on commercial television is a high cost activity and is not necessarily profitable in all markets.
 - Funding pressures affecting regional broadcasters are likely to continue.⁵⁴
- 1.65 A large survey was conducted as part of the investigation. For the purposes of that report the ‘local area’ was confined to the respondent’s town, as opposed to their suburb, region, city or state, and ‘regional area’ was defined as ‘an area whose television is not provided by a metropolitan licence area – Adelaide, Brisbane, Melbourne, Perth, Sydney’.⁵⁵

Media regulation and possible reform

- 1.66 In addition to specific licensing and content arrangements, there are also statutory control rules that govern the level of control that media players can have over Australian media. Part 4, Division 5A of the BSA covers media diversity matters. In relation to the restrictions on licence areas and audience reach (the ‘reach rule’):

53 Broadcasting (Hours of Local Content) Declaration No. 1 of 2007, s. 4.

54 ACMA, *Regional commercial television local content investigation*, December 2013, pp. 1-2.

55 ACMA, *Regional commercial television local content investigation*, December 2013, p. 43.

A person must not be in a position to exercise control of commercial television broadcasting licences whose total licence area population exceeds 75 per cent of the population of Australia.⁵⁶

- 1.67 The implication of the reach rule is that metropolitan television networks (including Seven West Media, Nine Entertainment Co and Ten Network Holdings) cannot gain control of regional television networks (e.g. Prime Media Group, WIN Corporation and Southern Cross Austereo), if, following the acquisition, the combined reach of the network would cover more than 75 per cent of the population.⁵⁷ ACMA figures show that the audience reach of Seven and Nine are already close to 75 per cent, with 73.81 per cent and 73.55 per cent Australian population reach. Ten follows with 66.70 per cent population reach.⁵⁸
- 1.68 Also, within a licence area, a person must not be in a position to exercise control of more than one commercial television broadcasting licences and more than two commercial radio broadcasting licences.⁵⁹ The BSA also includes similar limits on media directorships.⁶⁰
- 1.69 Restrictions on cross-media ownership (also known as the 'two-out-of-three rule') prevent mergers that involve 'more than two of three regulated media platforms (commercial television, commercial radio and associated newspapers) in any commercial radio licence area'.⁶¹
- 1.70 In recent years there have been a number of concerns raised about whether the existing regulatory framework remains relevant to today's media landscape. The Department of Communications *Media control and ownership* background paper examined the limitations of legislation encouraging media diversity. By contrasting existing media control rules with merger and acquisition activity regulated by the Australian

56 ACMA, *Statutory control rules*, < <http://www.acma.gov.au/Industry/Broadcast/Media-ownership-and-control/Ownership-and-control-rules/statutory-control-rules-media-ownership-control-acma>>, accessed 12 April 2016.

57 K Jordan and A Haynes, *Media reform back on the agenda*, Clayton Utz Insights, 3 April 2013, <http://www.claytonutz.com/publications/edition/3_april_2014/20140403/media_reform_back_on_the_agenda.page>, accessed 21 December 2015.

58 ACMA, *Statutory control rules*, < <http://www.acma.gov.au/Industry/Broadcast/Media-ownership-and-control/Ownership-and-control-rules/statutory-control-rules-media-ownership-control-acma>>, accessed 12 April 2016.

59 ACMA, *Statutory control rules*, < <http://www.acma.gov.au/Industry/Broadcast/Media-ownership-and-control/Ownership-and-control-rules/statutory-control-rules-media-ownership-control-acma>>, accessed 12 April 2016.

60 *Broadcasting Services Act 1992* (Cth), s. 51, s. 55, s. 109.

61 Department of Communications, *Media control and ownership*, Policy Background Paper No. 3, 2014, p. 5.

Competition and Consumer Commission, it found the following limitations of current media control rules:

- They are weighted to only three traditional forms of media (commercial television, commercial radio and certain newspapers), reflecting the views of the Parliament when the rules were enacted in 1992.
- They do not account for other sources of news and opinion including subscription television services, and other newspapers, television and radio broadcasters (including those that are community or regionally focused).
- They exclude online media.⁶²

1.71 Reviews in recent years have included the 2012 Independent inquiry into the media and media regulation (the Finkelstein review), the 2012 Convergence Review, and the 2013 Senate committee inquiry into areas of potential reform to broadcasting legislation.

1.72 The Finkelstein inquiry concluded that a system of 'enforced self-regulation' should be introduced, involving the establishment of an independent statutory council to supervise the enforcement of news media standards.⁶³ It also highlighted the challenges facing rural and regional media, stating that 'there is some evidence that both regional radio and television stations and newspapers have cut back substantially on their news gathering, leaving some communities poorly served for local news'.⁶⁴

1.73 In March 2013, a Joint Select Committee was established to inquire into areas of potential reform to broadcasting legislation. The Select committee's terms of reference focused on three possible policy changes:

- the abolition of the 75 per cent rule, particularly in relation to regional and local news
- whether ACMA should be required to examine program supply agreements for news and current affairs when determining whether a person is in control of a commercial television broadcasting service

62 Department of Communications, *Media control and ownership*, Policy Background Paper No. 3, 2014, p. 7.

63 R Finkelstein, *Report of the independent inquiry into the media and media regulation*, February 2012, p. 287.

64 R Finkelstein, *Report of the independent inquiry into the media and media regulation*, February 2012, p. 11.

- on-air reporting of ACMA findings regarding broadcasting regulation breaches.⁶⁵
- 1.74 In its June 2013 report, the Select committee supported the abolition of the reach rule and on-air reporting of ACMA findings in relation to breaches,⁶⁶ however it did not support the second proposal, that a program supply agreement alone could indicate control of a broadcaster.⁶⁷
- 1.75 Of the six bills that were introduced into the Parliament, only two passed the House of Representatives on 19 March 2013 and the Senate on 20 March 2013. These were the non-controversial Convergence Review and Other Measures Bill, which included updates for the ABC and SBS charters for digital content, and the Television Licence Fees Bill, which reduced annual commercial television licence fees. The other four bills were discharged from the Parliamentary Notice Paper on 21 March 2013.
- 1.76 In August 2015 there were renewed calls for media reform, in particular that the 75 per cent reach rule be abolished. Regional broadcasters Prime Media Group, Win Corporation, Southern Cross Austereo and Imparja Television partnered to launch the Save Our Voices campaign, which argued that:

Local media is the voice of regional and rural Australia. But our media laws are stuck in the last century, and it's affecting the amount of local news and content regional Australians see and hear on their TV and radio every day.

These services will continue to decline unless we update the laws to ensure a strong regional media, and a stronger voice for regional and rural Australia.⁶⁸
- 1.77 On 2 March 2016, the Government introduced the Broadcasting Legislation Amendment (Media Reform) Bill 2016, which will amend the Broadcasting Services Act to:
 - abolish the 75 per cent audience reach rule
 - abolish two-out-of-three cross-media control rule

65 Joint Select Committee on Broadcasting Legislation, *Three broadcasting reform proposals*, June 2013, p. ix.

66 Joint Select Committee on Broadcasting Legislation, *Three broadcasting reform proposals*, June 2013, p. xiii.

67 Joint Select Committee on Broadcasting Legislation, *Three broadcasting reform proposals*, June 2013, p. 19.

68 Save Our Voices, 'It's our voice - join the campaign to save regional media', <<http://www.saveourvoices.com.au/>>, accessed 21 December 2015.

- provide for some additional local programming obligations for regional commercial television broadcasting licensees.⁶⁹
- 1.78 The Broadcasting Legislation Amendment (Media Reform) Bill 2016 [Provisions] was referred to the Senate Standing Committee on Environment and Communications for consideration.

Report structure

- 1.79 Chapter 2 covers access to the arts, in particular, live performance, for people in rural and regional communities. With the benefits of engagement with the arts to individuals and communities increasingly recognised, it is important that people living outside metropolitan areas should be able to access high quality productions. The chapter covers the excellent work being undertaken by performing arts groups in delivering live performances to regional locations and by the local providers, volunteers and communities in supporting these tours, and acknowledges the challenges inherent in regional touring. It also examines digital developments that have enabled further innovation in the delivery of performances and enhancing arts engagement with rural and regional Australians.
- 1.80 Chapter 3 focuses on the importance of broadcasting to rural and regional communities in Australia. It covers the important role that public, commercial and community broadcasters play in delivering news services, including the significance of local and regional content, and information during emergency situations. It examines how increasing competition in the digital space is creating opportunities for innovation in the delivery of content to rural and regional audiences, including new technologies and ways of working more efficiently with existing resources. The chapter examines the role of the ABC in rural and regional Australia as a trusted national broadcaster, and opportunities for improving the accuracy and accountability of the ABC and the services it provides to people living outside of the major cities.

69 Parliament of Australia, <http://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=r5635>, accessed 12 April 2016.

Access to the Arts

- 2.1 The 'arts' include a broad spectrum of activities, with the creative industries covering music, performing arts, film, television, radio, advertising, games and interactive content, writing, publishing, architecture, design and visual arts. However the focus of this inquiry has been on the live performing arts, and what can be done to help ensure that people in rural and regional communities have equitable access to quality live performance and arts engagement, and, where this is not possible, access to quality broadcasts of performances and online engagement activities.
- 2.2 Live performance arts encompass performances, productions, previews and concerts performed in front of a live audience. These can be further categorised based on the type of art form: ballet and dance; opera; theatre (script based drama, comedy, plays etc.); children's/family entertainment; circus and physical theatre; classical music; contemporary music; comedy, e.g. stand-up and other comedy performances, not comedy plays; festivals (either single or multi-category events); musical theatre; and special events.¹
- 2.3 This chapter begins by examining the benefits of the arts to Australian communities, with a focus on the importance of the arts to people living in rural and regional areas. It examines the benefits of live performance, touring and regional engagement, and notes the significant challenges facing performing arts companies in undertaking regional tours. The chapter also examines the scope and role of broadcasting and digital platforms for complementing the delivery of live performances to rural and regional communities, and innovative work being conducted to bring arts productions to broader audiences through the utilisation of cinema

1 Ernst & Young, *Live Performance Industry in Australia: 2014 Ticket Attendance and Revenue Survey Live Performance Australia*, 12 August 2015, pp. iv and 2-3.

and digital platforms. The chapter also highlights the significance of local arts productions for the social and cultural wellbeing of rural and regional communities.

Benefits of the Arts

2.4 The arts make important economic, cultural and wellbeing contributions to Australian society. The Australia Council for the Arts (Australia Council) made the following key findings in its 2015 *Arts Nation* report:

- The cultural sector contributed \$50 billion to Australia's Gross Domestic Product in 2012-13,² of which core arts (comprising performing arts, music recording and publishing and arts education) contributed \$4.2 billion.
- Australian governments spent \$7 billion on culture in 2012-13 (1.3 per cent of total government expenditure) – this included \$1.3 billion on core arts.
- Consumer spending is the main source of income to the arts, with Australians spending almost \$20 billion annually on cultural activities (with a quarter of that on arts products and experiences).
- Philanthropic support for the major performing arts groups have overtaken corporate sponsorship as the primary source of private sector support, with \$39 million in private giving and \$30 million in corporate sponsorship in 2013.³

2.5 In relation to the less tangible, but no less important, benefits of the arts to the Australian community, the Australia Council also found that:

- 85 per cent of people agree that the arts make for a richer and more meaningful life
- 90 per cent agree that 'people can enjoy both the arts and sport' and that 'artists make an important contribution to Australian society'
- 89 per cent agree that the arts should be an important part of the education of every Australian.⁴

2 A similar share of GDP to the USA and Canada. Australia Council for the Arts (Australia Council), *Arts Nation: An Overview of Australian Arts*, March 2015, p. 1.

3 Australia Council, *Arts Nation: An Overview of Australian Arts*, March 2015, pp. 1-2.

4 Australian Major Performing Arts Group (AMPAG), *Submission 26*, p. 8.

2.6 The Australian Major Performing Arts Group (AMPAG) submitted that new measurements on wellbeing 'show that the arts may be worth \$66 billion to Australia's wellbeing'. It argued that this is in addition to the economic value of the arts, and stated that:

Based on this wellbeing model, the amount of money required to produce an increase in life satisfaction equivalent to arts engagement is \$4,349 per person per annum.⁵

2.7 AMPAG also referred to the findings of a 2016 United Kingdom study prepared for the Arts Council of England, which suggested that 'arts and cultural activities could potentially help to tackle key social issues such as loneliness and isolation'.⁶

2.8 As illustrated in Table 2.1, a report prepared for Live Performance Australia found that in 2012 the Live Performance Industry contributed \$1,529 million to the Australian economy.⁷ Table 2.3 provides further information by states and territories for 2013-14. Despite lower consumer confidence which affected consumer spending during that year, the report noted that 'the arts and recreation industry recorded positive productivity growth in 2013-14, outperforming other market sector industries such as retail trade and accommodation and food services'.⁸

5 AMPAG, *Submission 26*, p. 8.

6 AMPAG, *Submission 26*, p. 10.

7 Live Performance Australia, *Supplementary submission 25.1*, p. 1, Table 1.

8 Ernst & Young, *Live Performance Industry in Australia: 2014 Ticket Attendance and Revenue Survey Live Performance Australia*, 12 August 2015, p. iv.

Table 2.1 Live Performance Industry Output and Value Add (2012)

Industry	Industry output (\$ millions)	Industry value add (\$ millions)	Source
Mining	\$237,416	\$132,955	ABS (2013) 8415.0
Manufacturing	\$397,705	\$102,146	ABS (2013) 8155.0
Publishing (except Internet and music publishing)	\$13,181	\$7,091	ABS (2011) 4172.0
Sports and recreation activities	\$12,773	\$4,653	ABS (2013) 8155.0
Creative and performing arts activities*	\$3,818	\$1,602	ABS (2013) 8155.0
Live Performance Industry	\$2,546	\$1,529	Ernst & Young
Film, television and digital games	\$2,194	\$930	ABS (2013) 8679.0
Venue-based live music industry	\$1,211	\$652	Ernst & Young
Heritage activities	\$758	\$353	ABS (2013) 8155.0
Library and other information services	\$208	\$199	ABS (2013) 8155.0

Source *Ernst & Young (2014), Size and scope of the live performance industry in 2012, prepared for Live Performance Australia, p.16.*

*The businesses that contribute to Creative and performing arts activities are classified in accordance with the ANZSIC industry definition and include performing arts operation (e.g. circus operation, dance and ballet company operation, musical productions and opera company operation), creative artists, musicians, writers and performers (e.g. artists, choreography services, costume designing, playwriting or screenwriting, set designing service and theatre lighting design service) and performing arts venues operation. The Live Performance Industry measure includes some elements of this measure but not all.

2.9 In its report *Size and Scope of the Live Performance Industry in 2012*, Ernst and Young broke down the contribution of the different arts categories to the live performance industry (see Table 2.2). It noted that in 2012 the contemporary music and musical theatre categories make the largest economic contributions to the industry in terms of revenue (32.6 per cent and 14.6 percent, respectively).⁹

9 Ernst and Young, *Live Performance Australia: Size and Scope of the Live Performance Industry in 2012*, 24 February 2014, p. 2.

Table 2.2 Contribution to the live performing arts industry in 2012, by category

Category	Contribution to revenue (%)	Category	Contribution to revenue (%)
Ballet and Dance	8.0	Festival (Multi Category)	1.7
Children's/Family	3.5	Festival (Single Category)	8.9
Circus and Physical Theatre	4.6	Musical Theatre	14.6
Classical Music	6.7	Opera	5.2
Comedy	4.1	Special Events	1.3
Contemporary Music	32.6	Theatre	8.7

Source *Ernst and Young, Live Performance Australia: Size and Scope of the Live Performance Industry in 2012, 24 February 2014, p. 3, Figure ESI: Industry contribution by category.*

Table 2.3 Live Performance Total Revenue and Attendances by State/Territory (2013-14)

State/Territory	Revenue	Share of Industry (2014)	Share of Industry (2013)	Change in Revenue from 2013	Tickets	Share of Industry (2014)	Share of Industry (2013)	Change in Attendance from 2013
NSW	\$547,173,799	36.3%	33.6%	10.0%	6,132,827	33.1%	32.7%	4.6%
VIC	\$450,034,039	29.8%	32.0%	-5.0%	5,318,537	28.7%	31.3%	-5.2%
QLD	\$203,918,468	13.5%	13.5%	1.9%	2,661,632	14.4%	12.9%	14.8%
WA	\$177,326,653	11.8%	13.1%	-8.7%	2,266,435	12.2%	12.0%	5.2%
SA	\$100,944,048	6.7%	6.3%	7.5%	1,614,267	8.7%	8.4%	7.8%
ACT	\$13,852,222	0.9%	1.0%	-8.3%	246,542	1.3%	2.0%	-29.8%
TAS	\$11,600,525	0.8%	0.2%	382.8%	185,011	1.0%	0.4%	146.3%
NT	\$3,114,197	0.2%	0.1%	45.9%	111,183	0.6%	0.3%	91.7%
Total	\$1,507,963,952	100.0%	100.0%	2.0%	18,536,434	100.0%	100.0%	3.4%

Source *Live Performance Australia, Supplementary submission 25.1, p. 1, Table 2. Sourced from Ernst & Young (2015), Ticket Attendance and Revenue Survey 2014, prepared for Live Performance Australia, p.vi.*

2.10 In 2014 there were 18,536,343 tickets for attendances at live arts performances, exceeding the sporting code attendances of 13,744,662 that year. Table 2.4 illustrates the 2014 attendance figures for five major sporting codes.¹⁰

10 Live Performance Australia, *Supplementary submission 25.1, p. 1, Table 2.*

Table 2.4 Sporting Code attendances in 2014*

Sporting Code	Attendance
Australian Football League (AFL)	6,974,498
National Rugby League (NRL)	3,375,941
Big Bash (Cricket)	823,829
Super Rugby	745,811
A-League (Soccer)	1,824,583
Total	13,744,662

* Both the Big Bash and A-League attendance figures are reported for 2014-15.

Source *Live Performance Australia, Supplementary submission 25.1, p. 1, Table 3. Sourced by Live Performance Australia from Australian Stadiums and Sport (2015), Australian Sporting Attendances, <<http://www.austadiums.com/sport/crowds.php>>.*

2.11 In comparing the live performance industry ticket sales to the previous year, Ernst and Young found that:

In 2014, approximately 18.54 million tickets were issued to live performance events in Australia. This represents an increase of 3.4% on 2013 when 17.93 million tickets were issued to events. Of the 18.54 million total tickets, the number of paid tickets was 16.47 million, a slight increase from 16.05 million in 2013. The remaining 2.07 million issued in 2014 were complimentary, sponsor and zero-priced tickets, a rise from 1.88 million in 2013.

Ticket sales in 2014 generated total revenue of \$1.51 billion, up 2% on 2013, when ticket sales totalled \$1.48 billion. This increase in revenue occurred as a result of an increase in the total number of paid tickets, despite a decline in the average ticket price.¹¹

Importance of the arts to rural and regional communities

2.12 Evidence to the committee highlighted the importance of the arts to Australians, including to its rural and regional communities. However, it was also clear that people living in non-metropolitan areas do not have access to the same amount of core arts activities as metropolitan based Australians. In particular in the area of live performance, the challenges of distance and associated costs mean that rural and regional communities do not have access to the same extensive range as is available in the cities.

11 Ernst and Young, *Live Performance Industry in Australia: 2014 Ticket Attendance and Revenue Survey Live Performance Australia*, 12 August 2015, p. 6.

- 2.13 AMPAG contended that arts help ‘activate and build vibrancy in communities and can stimulate opportunities for growing tourism and associated economic activities’.¹²
- 2.14 AMPAG argued that while regional Australians placed similar importance on the value of arts engagement, survey findings revealed ‘more limited opportunities to attend and participate in the arts than for people in metropolitan areas’, with 74 per cent of people in metropolitan areas having attended at least one arts event in the previous 12 months, compared with 66 per cent of people in regional areas.¹³ It further outlined that regional attitudes to the arts differed only marginally from their metropolitan counterparts in respect to perceptions of the arts experience and opportunity:
- 66 per cent of people living in the regions agree that ‘there are plenty of opportunities to get involved in the arts’, compared with 75 per cent of people in metropolitan areas
 - 59 per cent of regional dwellers see the arts as having a big impact on ‘helping us manage stress, anxiety and depression’, compared with 55 per cent of people in metropolitan areas
 - 46 per cent of regional dwellers perceive the potential of the arts in ‘bringing visitors to our community’, compared with 42 per cent of people in metropolitan areas.¹⁴
- 2.15 The National Rural Health Alliance (the Alliance) stressed the importance of access to creative and cultural activity for the health and wellbeing of Australians living in rural and remote regions, and stated that:
- Leaders of the rural and remote health sector now accept the benefit of involvement in creativity and understand that the arts are major contributors to living healthy lives.¹⁵
- 2.16 The Alliance argued that despite the increasing recognition of the value of arts participation, rural and regional communities do not enjoy equitable access to arts opportunities. It stated that:
- The importance and success of arts and health was recognised by all Australian health and arts ministers in the 2014 endorsement of the National Arts and Health Framework. The framework commits Australian health and arts ministers to recognising and supporting the place of arts and health in improving the health and wellbeing of Australians. Initiatives have commenced in

12 AMPAG, *Submission 26*, p. 9.

13 AMPAG, *Submission 26*, p. 8.

14 AMPAG, *Submission 26*, p. 8.

15 National Rural Health Alliance, *Submission 44*, p. 2.

several jurisdictions but, as emphasised in the submission from our friends at Regional Arts Australia, there is still a gross inequity between metropolitan and rural and remote areas in terms of access to public resources. Regional Australians, who make up one-third of Australia's population, are provided with significantly less arts and cultural resources than are provided to metropolitan Australians. In some cases, this is as low as three per cent of available resources.¹⁶

2.17 Further, the Alliance called for programs for arts and health to be seen as 'an investment, meaning that the returns will be greater than the cost because it is beneficial on the community front, on the family front and on the personal front to be involved and engaged in arts and health'.¹⁷ It argued that the need for resilient communities has never been greater in rural and remote regions given the significant mental health challenges that occur outside of cities. Statistics indicate that the rate of suicide is 66 per cent higher in the country than in major cities. The Alliance stated that art performs the following key functions in community life:

- art in its various forms is used as a means of communication on health and health-related issues;
- art is itself therapeutic and is widely used to complement treatment and management; and
- art is widely used as a force for community development, to sustain communities and develop their capacity to deliver health-promoting lifestyles.¹⁸

Benefits of live performance

2.18 Groups emphasised the importance of access to quality live performance by people in rural and regional communities. The challenges and rewards of performing arts groups delivering live performances to, and engaging with, rural and regional communities was succinctly and well expressed in Opera Australia's observation that:

... regional engagement is expensive, challenging and resource hungry. However, audiences across Australia are enthusiastic, the impact is profound and the hard work is worth it.¹⁹

16 Mr Gordon Gregory, Chief Executive Officer (CEO), National Rural Health Alliance, *Committee Hansard*, Canberra, 1 March 2016, p. 2.

17 Mr Gordon Gregory, CEO, National Rural Health Alliance, *Committee Hansard*, Canberra, 1 March 2016, p. 3.

18 National Rural Health Alliance, *Submission 44*, p. 2. See also National Rural Health Alliance, *Mental Health in Rural & Remote Australia*, Infographic, available at <www.ruralhealth.org.au/factsheets>, accessed 19 February 2016.

- 2.19 Live Performance Australia stressed the significance of live production to ‘the social and economic fabric of rural and regional Australia’, and outlined the benefits of access to, and participation in, live production in these communities as follows:
- Live productions are important for stimulating economic activity in rural and regional communities. Economic activity is generated when audiences attend live productions, whether they be locally produced or touring productions. Live productions also help attract tourists to rural and regional communities, thus spurring economic activity for local businesses (i.e. hospitality and accommodation) in these areas.
 - Live productions provide career development and job opportunities for rural and regional residents. They provide opportunities for local professionals to develop and broaden their skills, particularly when touring companies engage with the local community and workforce to present the show.
 - Live productions provide opportunities to bring local communities together and help alleviate feelings of isolation. Live production also provides a mechanism to engage young people, disadvantaged groups and minority groups so that they can share their experiences and take pride in their cultural background. Literature suggests that there is a positive link between community connectedness and engagement, and health, wellbeing and education outcomes.
 - Live productions contribute to the livability and vibrancy of rural and regional communities, making these locations more attractive to visit or live.²⁰
- 2.20 Live Performance Australia also noted that the small to medium arts performing arts sector ‘makes a particularly important contribution to the cultural life of regional centres and smaller cities, often being the main arts organisations operating in these areas’.²¹
- 2.21 The Australian Ballet commented that it ‘sees real value for rural and regional communities having access to diverse and vibrant live performance productions, high quality broadcasts and digital content’.²²

19 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 2.

20 Live Performance Australia, *Submission 25*, p. 2.

21 Ms Evelyn Richardson, CEO, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 2.

22 The Australian Ballet, *Submission 16*, p. 1.

2.22 In relation to regional engagement with schools, Musica Viva highlighted that:

... the return on investment that you see when you go into a regional school is incredible, particularly when you see children who have seen a live performance for the first time. I think the challenge is in terms of not just access to the arts but also access to the very highest quality of art form so that every child has that same opportunity as you would if you were in a metropolitan region.²³

2.23 Similarly in the theatre context, the Bell Shakespeare Company stressed the important of live performance, stating that:

When John Bell founded the company 25 years ago he had a vision that every Australian should be able to access high-quality theatrical productions, no matter where they are. This is a vision he had from day one. We are fulfilling that vision to this date. Every year we reach over 35 cities and towns throughout Australia, playing to over 50,000 people. In addition, our schools program, our in-theatre school shows, our schools' residencies and our scholarships reach over 80,000 children throughout Australia. Combining those two programs, we hit over 90 per cent of all federal electorates nationwide.²⁴

Touring and regional engagement

Major performing arts companies

2.24 The touring of live performances, sometimes accompanied by educational activities, is a key way in which rural and regional communities can experience high quality live performances and engage with Australia's artistic professionals.

2.25 The Australian Major Performing Arts Group (AMPAG) submitted that there is significant demand for touring productions to regional areas. It outlined that the major performing arts companies (MPAs) reached close to four million people during 2015 through their performances and arts

23 Mr Michael Sollis, Artistic Director, Musica Viva, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 12.

24 Mr John Henderson, Deputy General Manager, Bell Shakespeare, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, pp. 12-13.

programs in metropolitan and regional areas. AMPAG further described MPAs' reach as follows:

Paid attendances at MPAs performances, workshops and seminars in regional and remote Australia totalled 235,000 in 2014-15, with 'live reach' totalling 319,000.

In 2014 MPA companies estimated that 10 million people watched or listened to a broadcast or screening of an MPA company performance. The Australia Council estimates the MPAs as a group reached 16 million people in 2014-15.²⁵

2.26 MPAs engagement with regional communities include:

- touring of mainstage works and performances specifically developed for regional touring
- touring performances that include regional or remote performers' participation
- live engagement arts education in regional and remote schools and community centres
- television and radio broadcast of MPAs
- online arts education and behind the scenes.²⁶

Table 2.5 List of Australia's Major Performing Arts Companies

■ Adelaide Symphony Orchestra	■ Orchestra Victoria
■ Australian Brandenburg Orchestra	■ Queensland Ballet
■ Australian Chamber Orchestra	■ Queensland Symphony Orchestra
■ Bangarra Dance Theatre	■ Queensland Theatre Company
■ Bell Shakespeare	■ State Opera South Australia
■ Belvoir	■ State Theatre Company of South Australia
■ Black Swan State Theatre Company	■ Sydney Dance Company
■ Circus Oz	■ Sydney Symphony Orchestra
■ Malthouse Theatre	■ Sydney Theatre Company
■ Melbourne Symphony Orchestra	■ The Australian Ballet
■ Melbourne Theatre Company	■ Tasmanian Symphony Orchestra
■ Musica Viva Australia	■ West Australian Ballet
■ Opera Australia	■ West Australian Opera
■ Opera Queensland	■ West Australian Symphony Orchestra

Source AMPAG, *Submission 26*, p. 40.

25 AMPAG, *Submission 26*, p. 5

26 AMPAG, *Submission 26*, p. 5.

- 2.27 There are broadly two models for delivering performances:
- A company tours the show to different locations, which will generally involve booking venues, promoting the event and selling tickets for each show. With this approach the company takes the risk that it may not be able to sell sufficient tickets at a given location and a performance could run at a loss.
 - A presenter or promoter in a given location pays a company for a performance. The presenter then takes responsibility for promoting, marketing and supporting the performance.
- 2.28 The committee heard from a number of MPAs that expressed great passion for their work and stressed the importance of delivering live performances and other educational and engagement activities to people in rural and regional communities.
- 2.29 Opera Australia believes ‘opera is for everyone’ and described the importance of rising to the ‘challenge of bringing opera to as many people as possible, regardless of where they live by having an on-the-ground presence in real terms’.²⁷
- 2.30 Sydney Dance Company ‘cultivates social cohesion by advancing equity of access to education and to Australia’s vibrant dance culture’, opportunities which it argued enriches communities’ cultural wellbeing and improve the liveability of regional Australia. It aims to visit each state and territory every two years.²⁸
- 2.31 The Australian Ballet commented that ‘the appetite for live production in regional communities is high’, and that the training activities undertaken with schools and young professionals ‘leave a lasting impact on local professionals who gain access to the full calibre of talent’ of the company.²⁹
- 2.32 AMPAG highlighted the importance of the regional engagement that the MPAs deliver that go beyond the delivery of quality live performances. It stated that:
- What the majors bring into regional centres is very particular. There is quite a sizzle factor, plus they come with other layers of engagement that they can do at schools, workshops and so on. They do not want their whole program to be major works. The venues want to be able to program a year that has diversity. The MPAs work as tent poles.
-

27 Opera Australia, *Submission 48*, p. 1.

28 Sydney Dance Company, *Submission 21*, p. 5.

29 The Australian Ballet, *Submission 16*, p. 2.

They work as a core around which the rest of the program is built. They build awareness of the venue. They get people coming in, where they can market.³⁰

- 2.33 Opera Australia, as Australia's national opera company, presents more than 700 performances each year, reaching more than half a million people. In 1996, Opera Australia introduced its internal producing unit specialising in Regional Touring, Primary Schools Touring and Community Engagement, and since that time, the unit's touring and engagement activities have included:
- touring to 110 different venues
 - presenting 549 high-quality performances
 - travelling 282,851 kilometres around the country
 - 612 people presenting on the touring parties (more than 32 people as part of the creative team and hundreds more as principal artists).
- 2.34 Opera Australia highlighted that it has never cancelled a single regional tour performance in 20 years and that each touring production is 'specifically commissioned and purpose-built' for the regional tour to ensure that the production meets the demands of touring and retains flexibility to perform in purpose-built venues and unconventional spaces.³¹
- 2.35 Opera Australia's performance menu includes both more traditional operatic performances and musicals. The committee notes that there has been some debate about Opera Australia's work as to whether some of its more modern performances constituted 'opera', for example when voices were amplified for *The Rabbits* and the Sydney Harbour performances, or in the different style of the more progressive recent production *The Divorce*.
- 2.36 Opera Australia's evidence reflects that it has welcomed debate that challenges audiences' conceptions of what constitutes opera. In discussion with the committee, Opera Australia observed that:
- It is a very interesting debate, and we had similar debates when we premiered a show called *The Rabbits* last year, which was written by Kate Miller Heidke, who is a very talented young singer and performer. *The Rabbits* was amplified and people said,

30 Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 17.

31 Opera Australia, *Submission 48*, p. 2.

'If it is amplified is it really opera?' and our response was, 'Yes, it is opera. It is sung through, it is composed and it is performed by an orchestra with a chorus and opera singers.' Similarly, opera in Sydney Harbour is amplified because of the nature of being outdoors. *The Divorce* was written by a composer who is very well regarded, Elena Kats-Chernin, and Joanna Murray-Smith was the librettist. We say it is an opera. I guess the debate could rage on and on and on. One could argue that *Les Miserables* is an opera. Or is it a musical? We perform operas and musicals, and we like the fact that there is a debate about what opera is, and it is good if we can challenge the definition again and again. I would worry that if we were stuck in a 19th-century form with opera we would be part of the past rather than part of the future.³²

- 2.37 Opera Australia emphasised that both its more traditional opera and its musical offerings are important parts of its program. It explained that having the different style of performances in its repertoire allowed for cross-fertilisation of talent, commenting that:

I think that sort of cross-fertilisation of talent is a very important factor in this debate. In fact, the opera audiences have an incredibly voracious appetite for the musicals. Musical like the *South Pacific* season ... and *The King and I* were very well attended by our subscribers and also brought a new audience to us. It is healthy, I think, for the future of the form that we stretch it and challenge and expand as much as we possibly can.³³

- 2.38 Opera Australia noted that musicals like *The King and I* provide opportunities for operatically trained voices. It also remarked that musicals like *The Sound of Music*, while not an Opera Australia production, did feature two of its singers, and provide an opportunity for 'people outside the opera world to hear operatic voices in that environment, because it blows them away'.³⁴ Opera Australia further observed that the musicals tour concurrently with the operatic productions, and add to, rather than detract from, its activities. It outlined the arrangements for these complementary activities as follows:

We have a musical which tours and we typically will have a Sydney season of about eight weeks. That show will tour to places like Brisbane and Melbourne and hopefully Adelaide and Perth as

32 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 2.

33 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 3.

34 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 3.

well. Those tours are concurrent with our opera season, so if we were to use ensemble opera singers then we could not use those singers in our Melbourne and Sydney seasons, because the tour of the musical would be taking place in Brisbane and Melbourne at the same time we would be in Sydney or Melbourne. So it is a concurrent tour which actually adds activity rather than replaces our operatic activity.³⁵

2.39 The Australian Ballet each year typically delivers 200 performances in cities and regional areas across Australia. It submitted that its reach and activities each year included:

- 275,000 people reached through theatre performances
- 22,000 reached through audience engagement activities
- 10,000 reached through international touring
- engaging 20,000 students and teachers in schools across Australia
- performing for over 10,000 people in regional communities.³⁶

2.40 The Australian Ballet provided a snapshot of its touring and regional engagement activities as follows:

Each year we follow a very busy schedule of performing in the capital cities of the country on main stages, and through a regional which can be either one tour that is approximately six weeks long through regional Australia or sometimes split it into several portions. We have an education program that also targets regional Australia and connects with about 120 schools around the country each year. We particularly select what we call marginalised schools – they could be marginalised because of their geographic location or through some other socioeconomic marginalisation.³⁷

2.41 The committee heard that the Sydney Dance Company aims to visit each state and territory every two years, a cycle which allows the company to maintain a presence in host communities and build relationships with venues. It acknowledged the benefits of National Touring Status under Playing Australia funding, and stated that it has:

... been very successful in leveraging philanthropic and foundation support for education activities that run alongside our

35 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 3.

36 The Australian Ballet, *Submission 16*, p. 1.

37 Ms Libby Christie, Executive Director, The Australian Ballet, *Committee Hansard*, Sydney, 8 March 2016, p. 37.

touring, as part of national touring status, as well as those that run before our touring. This year, for example, we are planning a pre-tour tour, sending two dance educators out ahead of the main stage tour to engage the local community a bit more deeply and engage the students, getting them ready for the main stage production that is coming. Then there is a follow-up engagement by the company dancers themselves, sending follow-up workshops out to the schools and, importantly, into the performance venues themselves, making them rich and active hubs.³⁸

- 2.42 The Sydney Dance company also highlighted the value of its regional engagement activities, commenting that:

In advance of going to regional centres such as Bunbury – which we will be going to in the next few months – we send out our education program to engage with schools and also to engage with dancers in those regional areas. It is incredibly important in Australia. As you are all aware, it is rare for the dance community to have the opportunity to meet with major companies; it is a very rare thing. There are dance schools in Bunbury, as there are in Geraldton, as there are in Darwin, who will never, ever get the opportunity to see world-class contemporary dance except when we visit, and that is the truth. Our ability to deliver that benefit, in all areas of Australia, has only been made possible by national touring status. It has lifted our ability to do that – incredibly.³⁹

- 2.43 An important element of access to the arts for rural and regional communities is helping to ensure that Indigenous communities have access to the arts and that Indigenous people are able to share and enjoy performances reflecting their culture.
- 2.44 The Aboriginal Resource and Development Services noted the importance of Indigenous media and arts in regional and remote areas in contributing to the rich diversity of wider Australia and providing ‘improved opportunities for non-Indigenous Australians to learn about Indigenous culture and worldview which in turn will help to achieve greater understanding and equality between all Australians’.⁴⁰

38 Mr Dominic Chang, Producer, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 18.

39 Ms Chrissy Sharp, Acting Executive Director, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 18.

40 Aboriginal Resource and Development Services, *Submission 33*, p. 2.

- 2.45 Opera Australia indicated that an important element of its regional touring is its Indigenous community partnerships. It also highlighted the related activities which significantly enhances its regional engagement. It outlined that:

Beyond touring, Opera Australia has deepened the company's connection with the communities visited. When working on specifically Indigenous collaborations, we use opera to give voice to the shared experiences and common history of Indigenous communities, resulting in original works performed with and for the communities they were created in. These communities have included Tennant Creek, Northern Territory; Alice Springs, Northern Territory; and Yarrabah in Queensland. These collaborations have produced large-scale events including *Bungalow Song* in Alice Springs and the award-winning *Yarrabah! The Musical* in Queensland. Through live streaming, they have reached traditional remote communities for the first time.⁴¹

- 2.46 AMPAG also provided information about the work of the Bangarra Dance Theatre, which develops and delivers cultural education and creative learning to young Indigenous people in urban, regional and remote areas. AMPAG noted that in 2016 the program would travel to regional Victoria, Yarrabah in Queensland and Broome in Western Australia.⁴²

Impact on communities

- 2.47 AMPAG observed that the MPAs' contribution 'is not only realised through tickets, hits and turnover', and emphasised that it is important to also recognise the qualitative characteristics of the MPAs' work. It stated that:

Most MPA companies work in regional, remote and at risk communities, connecting with constituents and making a lasting impact – not only with performances that stir the heart, spirit and mind, but with a legacy of cultural infrastructure that is greatly valued in regional and remote communities.⁴³

- 2.48 Opera Australia described the impact on the community of this type of engagement, for example, what it does through its regional programs and

41 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 1.

42 AMPAG, *Submission 26*, p. 27.

43 AMPAG, *Submission 26*, p. 5.

children's chorus, as 'quite profound'.⁴⁴ Similarly, The Australian Ballet commented that:

For us, it is not just about performing in regional centres, and bringing the best of the national company's performances to regional audiences, but about connecting with those kids and those families who support those kids who love ballet. We know that by being in regional Australia many of the dancers who now find themselves inspired in the company were first introduced to the Australian Ballet, then aspired to do more with their dance classes and finally became dancers in the company.⁴⁵

2.49 Opera Australia observed that, in its experience, sales were highest when the venues are engaged and enthusiastic.⁴⁶

2.50 Regional Arts Victoria reflected on the limited opportunities for people in small communities to develop relevant technical and marketing skills when they may only be supporting eight to 10 performances a year. For example, in the Sydney Dance Company's 2015 visit to country South Australia, it hired an additional technical as the venues had advised in advance that it did not have the technical skills to support the performances.⁴⁷

2.51 Regional Arts Victoria saw this as example of areas in which arts groups could directly assist local people in developing skills in technical support and marketing. It noted that:

In our Victorian touring forum that we hosted with the Victorian Association of Performing Arts Centres in 2015 – I think it was the second year we had done that – collaboration around things like technical and marketing expertise was something that they were looking for, not just from outside their communities but in wider communities around their own. The ability to cluster some of their resources and expertise was something that came through loud and clear in what they were looking for and hoping to have facilitated by organisations like Regional Arts Victoria in the future.⁴⁸

44 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 5.

45 Ms Libby Christie, Executive Director, The Australian Ballet, *Committee Hansard*, Sydney, 8 March 2016, p. 37.

46 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 8.

47 Mr Dominic Chang, Producer, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 19.

48 Mr Joe Toohey, General Manager, Regional Arts Victoria, *Committee Hansard*, Melbourne, 22 March 2016, p. 10.

2.52 The Sydney Dancy Company indicated that its work with local people on these skills has been positive. It stated that:

We bring our show collateral and our marketing collateral to them and work with them. They know their audience and they know their community, but they are grateful that they do not have to start from scratch. Similarly, we have been quite active in upskilling the technical side of theatres in regional areas.⁴⁹

Touring challenges and funding arrangements

2.53 It was clear from the evidence received that MPAs face a number of challenges when undertaking tours in regional Australia. Key challenges included the:

- high costs
- revenue constraints
- venue infrastructure constraints
- travel distances
- need for longer (multi-year) planning to effectively delivery performances and associated activities.

2.54 The committee received evidence about the high costs of regional touring. For example, Live Performance Australia commented that:

High costs make commercial tours unviable, limit the ability of subsidised companies to tour and restrict the ability of local venues to program and present works created by local and regionally based companies or touring companies. Touring live productions is inhibited by the huge costs involved, including accommodation, travel allowances, weekly salaries, payment of more non-performing travel and rest days, and freight and transportation. The company has to provide every person on the tour – cast, crew and company management – with travel allowances of approximately \$1,000 per week per person to cover meals, incidentals and accommodation, in addition to their weekly wage.⁵⁰

49 Ms Chrissy Sharp, Acting Executive Director, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 19.

50 Ms Evelyn Richardson, CEO, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 1.

- 2.55 The committee heard that the MPAs play a significant role in subsidising regional tours and activities and that they receive some government funding support that help make the tours possible.⁵¹
- 2.56 Opera Australia advised that each year it ‘invests’ several hundred thousand dollars in regional touring due to the high costs of staging and presenting. It stated that:
- The amount that we are able to charge the venues for every show is also high – as far as the venues are concerned – but not high enough to cover the costs, and we receive funding from Playing Australia, but that is not enough to bridge the gap. We understand that investment is required from Opera Australia, and we acknowledge that.⁵²
- 2.57 In a country the size of Australia, it is inevitable that distance would pose a challenge for accessing live performances. As noted by The Australian Ballet, ‘touring the company physically around the country is a huge endeavour and quite expensive’.⁵³
- 2.58 The Australia Council plays an important role in managing the National Framework for Governments’ Support of the Major Performing Arts Sector (the MPA Framework), playing strategic and leadership roles in relation to the government’s policy, and administering government funding to Australia’s 28 MPAs (see list at Table 2.5) on behalf of the Australian and state governments, with funding levels agreed by federal and state arts ministers at the Meeting of Cultural Ministers forum.⁵⁴
- 2.59 The committee notes that the reform of the Australia Council grants model, arising from the 2012 review, led to the streamlined suite of grants programs introduced in January 2015. The new model allows greater flexibility for applicants, including removing the previous restriction on funding competitions and eisteddfods. In discussion on the subject at the public hearing on 8 March 2016, the Australia Council outlined that:
- When we went through the process of renewing our grants program and launched our new grants model, the only eligibility criteria for applying to the Australia Council is that you need to be an Australian citizen or resident if you are an individual applicant

51 See, for example, Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, pp. 11 and 17.

52 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 4.

53 Ms Libby Christie, Executive Director, The Australian Ballet, *Committee Hansard*, Sydney, 8 March 2016, p. 38.

54 Australia Council, *Submission 47*, p. 17.

or, if you are an international organisation, you can apply to the Australia Council if there is a direct benefit to an Australian artist and you do not owe the Australia Council money, because you have not acquitted a past grant. Then you have to be able to make the case in your application against the published criteria.⁵⁵

2.60 The Australia Council advised that under the current arrangements competitions could apply for funding provided that ‘the competition that applies can make a case against the criteria for assessment’.⁵⁶ The Australia Council also elaborated on the changes more broadly, observing that:

... it is important for the record to remind the committee of the reform that we undertook. In simple terms, 2½ years ago we had 154 grant categories with a range of criteria with closing dates right across the year. The sector found that confusing and exclusive. There were some small categories and some large categories. We have streamlined that down to four categories and three closing dates to provide the greatest access and opportunity for all artists wherever they live, whatever practice they are doing and whatever activity they are actually doing to apply. Having an open and accessible grants program has been our goal, and we have succeeded in that. It is also scalable. So, again, should additional funds become available, we have the resources and the model to expand it. With the additional resources that the minister made available to us last year, within one week that \$8 million had been applied to a grant round that was being processed at the time and those funds were distributed the following month.⁵⁷

2.61 The new Catalyst program is funded for \$12 million a year. It aims to complement, not duplicate the work of the Australia Council, but should also have the flexibility to provide funding for things that might fall in the gap. Catalyst includes three streams of activity:

- partnerships and collaboration
- innovation and participation

55 Mr Frank Panucci, Executive Director, Grants and Engagement, Australia Council, *Committee Hansard*, Sydney, 8 March 2016, p. 35.

56 Mr Frank Panucci, Executive Director, Grants and Engagement, Australia Council, *Committee Hansard*, Sydney, 8 March 2016, p. 35.

57 Mr Antony Grybowski, CEO, Australia Council, *Committee Hansard*, Sydney, 8 March 2016, p. 35.

- international and cultural diplomacy.⁵⁸
- 2.62 The Ministry for the Arts administers the program and gives priority to small-to-medium organisations and regional projects, with assessment criteria judged on the basis of quality and innovation.⁵⁹
- 2.63 The Department of Communications and the Arts advised that it has been promoting awareness of the new Catalyst program through social media, its website, word-of-mouth and through stakeholder networks.⁶⁰ However, Live Performance Australia asserted that there was a lack of clarity about the Australia Council and Catalyst funding arms, and stated that:
- ... with funding programs, the greater clarity that you can give to each funding pot, if you like, means you have less likelihood of duplication. If companies are looking for funding for a particular purpose, it is counterproductive, in terms of the time and energy that goes into the applications, to have to go to two or three different funding pools.⁶¹
- 2.64 Most regional touring tends to rely on, to varying extents, some level of government funding.⁶²
- 2.65 Opera Australia indicated that its per-seat subsidy from government was lower than other opera companies and the symphony orchestras in Australia. It stated that:
- The per-seat subsidy is probably the most sure comparative figure across all art forms. I am not sure how we rank against theatre, and I believe that we have a lower per-seat subsidy than the contemporary dance sector. The major difference with Opera Australia is that our reliance on box office is very high, and in any one year box office contributes over 70 per cent of our total income.⁶³

58 Ms Sally Basser, Executive Director, Ministry for the Arts, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 1.

59 Ms Sally Basser, Executive Director, Ministry for the Arts, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 1.

60 Ms Sally Basser, Executive Director, Ministry for the Arts, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 3.

61 Ms Evelyn Richardson, CEO, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 7.

62 AMPAG, *Submission 26*, p. 15.

63 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 2.

2.66 AMPAG advised that the Tasmanian Symphony Orchestra had the highest subsidy. Most MPAs operate somewhere along the spectrum from around 9 per cent to over 50 per cent, depending on the company. AMPAG noted that the average subsidy to MPAs was 29 per cent.⁶⁴ Further, it explained that:

MPAs do subsidise their tours and have further mitigated the cost gaps by providing marketing support for regional venues; attracting philanthropic support for engagement activities, such as school performances and workshops; developing alternative ways of accessing their work, including self-presenting and corporate sponsorship to provide regional community broadcasts; partnering with ABC TV and recording with ABC Radio; developing interactive digital assets, including arts education resources; and providing training opportunities for regional arts educators and artists to build capacity within their own regional community. They also create opportunities for regional schools, performing arts teachers and performers to attend city-based engagement workshops and performances.⁶⁵

2.67 The Australian Ballet noted that it raises income from ticket sales, sponsorship, philanthropy and government funding. However, it advised that in 2015 its average regional ticket price for a regional performance was 40 per cent less than received for a metropolitan performance.⁶⁶ It also explained that its funding is provided under the three year quadripartite agreement with Australia Council, Arts NSW and Creative Victoria, making up 20 per cent of its total income. It further observed that the funding arrangement does not require the company to perform in rural and regional Australia but to 'demonstrate commitment to engaging with audiences in regional communities'.⁶⁷

2.68 A number of groups called for increasing government funding for the arts generally, including for regional touring and engagement.⁶⁸ More specific recommendations relating to funding included incorporating a regional funding component into MPAs' core funding.⁶⁹

64 Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 17.

65 Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 11.

66 The Australia Ballet, *Submission 16*, p. 3.

67 The Australia Ballet, *Submission 16*, p. 4.

68 For example, see: AMPAG, *Submission 26*, p. 36; Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 16; Ms Evelyn Richardson, CEO, Live

- 2.69 Key stakeholders also stressed the importance of multi-year funding (through the National Touring Status arrangements) to aid in longer term planning of tours and regional activities.⁷⁰ Recommendations for changes in this area included lifting the funding gap for National Touring Status funding,⁷¹ and extending the program and making it available to a greater number of performing arts organisations.⁷²
- 2.70 In discussing the benefits of Playing Australia's National Touring Status arrangements, the Sydney Dance Company observed that:

One very important, somewhat minor rule but a very important rule for us with national touring status, as opposed to program-by-program funding, is the ability to take a transfer rather than a tour. Under the project-by-project funding, there is a rule that you must have a pre-existing product, a pre-existing production, and that is the production that will get funded to tour. With national touring status, Playing Australia has trusted us and our brand to work with our presenters – although some presenters will still want a tried and tested thing. For example, we have a rich touring history with regional WA and Queensland; they trust us. Two years ago, I was able to ring up and say, 'Listen, Joel,' in Bunbury, 'do you want our main stage work? It is one big national tour. It is what we are premiering in Sydney, Canberra and Melbourne and we want to bring it to you.' 'Bring it on,' they said. That is a really important point for us with national touring status.⁷³

Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, pp. 2 and 6; and Terrapin Puppet Theatre, *Submission 50*, p. 2.

69 Opera Australia, *Submission 48*, p. 10.

70 See, for example: Mr John Henderson, Deputy General Manager, Bell Shakespeare, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 13; Ms Chrissy Sharp, Acting Executive Director, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 18; Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, pp. 11 and 17; and Ms Evelyn Richardson, CEO, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 2.

71 Opera Australia, *Submission 48*, p. 10.

72 Sydney Dance Company, *Submission 21*, p. 12.

73 Mr Dominic Chang, Producer, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 18.

Small to medium arts groups

2.71 In addition to the major performing arts companies there is also ‘a vibrant performing arts touring sector operating across Australia working independently from the majors’.⁷⁴ Regional Arts Australia submitted that:

The Performing Arts Touring Alliance (PATA) brings together a range of national organisations such as the Australian Performing Arts Centres Association, RAA and other key interest groups. Performing arts showcases produced both at a state and a national level provide opportunities to build intrastate and interstate performing arts tours. Much has happened in recent times to enliven and modernise this sector. However, it is evident that as much as 90% of performing arts product is generated in metropolitan Australia and a minimal amount is produced in the regions for metropolitan tours. This means that regional Australia is often a net receiver of cultural product produced elsewhere, with limited capacity to produce and tour local work. Recognition needs to be given to the regional production companies working in this space. Examples include Jute Theatre, Dance North, Artback NT and the Sandtracks project, which works in the cross border regions of SA, WA and the NT. They all produce work that builds regional audiences in places where the majors rarely go because it is just too expensive for them to step off the bitumen.⁷⁵

2.72 The committee received evidence from a number of small to medium art organisations, which shared some of their experiences, concerns and innovative approaches to delivering tours and arts experiences to people in non-metropolitan areas. For example, Tasmania’s Terrapin Puppet Theatre has tours throughout Australia and internationally. It is a regional company that tours regional areas and employs regional people. However, it indicated that as is the case with ‘most regional companies, Terrapin struggles to secure a significant level of private and corporate support; a source of income which is more readily available in capital cities where major corporations are based and high-net-worth individuals reside’.⁷⁶ It observed that it would be difficult for regional companies to exist without substantial government support.⁷⁷ Other submitters echoed these funding concerns for the small to medium groups.⁷⁸

74 Regional Arts Australia, *Submission 27*, p. 3.

75 Regional Arts Australia, *Submission 27*, p. 3.

76 Terrapin Puppet Theatre, *Submission 50*, p. 1.

77 Terrapin Puppet Theatre, *Submission 50*, p. 1.

78 See Ms Jacqui Dawborn, *Submission 51*, p. 1.

Broadcasting and digital platforms for performances

2.73 While the value of experiencing high quality live performances should not be underestimated, there is also an important role for broadcasting and utilising new technology and digital platforms in delivering arts performances to people in rural and regional communities. These services should complement, rather than replace, live performance delivery to these communities.

Broadcasters and arts performances

2.74 The Australian Broadcasting Corporation (ABC) charter provides that one of the ABC's functions is to 'encourage and promote the musical, dramatic and other performing arts in Australia'.⁷⁹ The ABC Arts section works in conjunction with arts organisations across the country. In 2015 the ABC launched the Arts Channel on iView, and in 2016 will provide content commissions with a regional focus, including:

- *Slam TV* – a multi-platform documentary series of six episodes of five minute showcasing inspiring and challenging contemporary poets, writers and performers exploring their diverse cultural backgrounds, creative influences and the complex topics explored in their work
- *Arts News* – containing various regional content
- *On Assignment* – four episodes of six minute duration on photography
- *24 Frames* – a collection of short dance films featuring 24 artists, with 12 episodes filmed over a three year period.⁸⁰

2.75 The ABC also indicated that it is creating an Arts Reference Panel that will provide expert advice to the ABC Board and assist in developing a new pan-ABC Arts strategy. It outlined that regional perspectives would be represented, as:

Panel members will consist of arts industry leaders from across Australia, including regional areas. Regional Arts leaders invited to participate include Dalisa Pigram from the Marrugeku Dance Co. in Broome, Warwick Thornton from the Northern Territory, Stephen Williamson from the Araluen Arts Centre in Alice Springs, and Scott Rankin from Tasmania.⁸¹

79 *Australian Broadcasting Corporation Act 1983*, s. 6(1)(c).

80 *Australian Broadcasting Corporation (ABC), Submission 9*, pp. 16-17.

81 *ABC, Submission 9*, p. 17.

- 2.76 In relation to ABC arts programming, AMPAG commented that the ABC has invested in high quality unique work in partnership with MPAs including the new opera from Opera Australia, *The Divorce*, but submitted that there has been a decline in certain services, including that:
- ABC TV programming of arts content has declined between 2013–14 and 2014–15.
 - In 2015 ABC Radio reduced the number of orchestra and opera recordings it will undertake.⁸²
- 2.77 In expanding on the latter point, AMPAG observed that this does not affect all MPA classical music companies, and that while the long-term impact was yet to be known, the reduction in the national broadcast of these performances, by extension reduced regional audiences' access to classical musical performances.⁸³
- 2.78 The ABC advised that the reduction in certain content was due to 'cost, audience trends and a reduction in internal production capacity'.⁸⁴ The ABC submitted that ABC Classic FM is Australia's only dedicated classical music channel that is capable of serving city and regional audiences, and is a 'leading national venue for Australian classic music performances'.⁸⁵ Each year ABC Classic FM broadcasts 295 recordings.⁸⁶
- 2.79 Opera Australia maintained that the ABC plays a 'vital role in ensuring equitable access to high calibre arts access for all Australian audiences, artists and arts workers'.⁸⁷
- 2.80 Some MPAs have established relationships with the ABC for the broadcast of their performances. For example, Opera Australia highly values its relationship with the ABC, and emphasised that:
- Opera Australia has a long-term relationship with the ABC to record and broadcast our works, utilising the ABC's multiplatform media channels. These date right back to the Esso Nights at the Opera simulcasts, and now extend into cinema and digital engagement. As a result, we are able to reach metropolitan, regional and remote Australians who may otherwise not have the chance to experience our work firsthand...In summary, working

82 AMPAG, *Submission 26*, p. 19.

83 AMPAG, *Submission 26*, p. 19.

84 ABC, *Submission 9.1*, p. 1.

85 ABC, *Submission 9*, p. 13.

86 ABC, *Submission 9.1*, p. 1.

87 Opera Australia, *Submission 48*, p. 10.

closely with the national broadcaster is very important to us as the national opera company, to allow access, through the ABC, on television, radio or digitally.⁸⁸

- 2.81 However, the committee heard that the recording and broadcast of live performances come with its own challenges, such as the productions costs and rights issues associated with the broadcasts. For example, Opera Australia, when expanding on its experience with *The Divorce*, observed that:

Just on the money side, broadcast is, of course, very expensive. The up-front costs are very high and very difficult to fund. To be honest, the challenge we face as an opera company is that a lot of the agreements we have with performers and musicians are based on the live performance scenario and we have to kind of tweak them and twist them a bit to suit a broadcast platform. That was a challenge for *The Divorce*, so I would welcome some kind of flexibility in the structure so we are able to do more broadcast projects in the future.⁸⁹

- 2.82 In relation to radio, the ABC noted the important role that its radio networks play in the arts, for example, with ABC Radio covering regional performers and giving them 'unrivalled access and exposure to national audiences'.⁹⁰ It also noted that its triple j network supports up to ten tours or festivals each month, with 37 or a possible 120 partnerships a year including regional towns. In its submission, the ABC outlined the benefits of its One Night Stand annual free concert, which in 2014 was held in Mildura:

The initiative was of significant benefit to the Mildura community by: bringing a major cultural performance to a region; supporting local artists; 'exposing' the life and people of the region to a national audience; encouraging young people to get involved in their community in planning and putting on the event; providing a huge economic benefit to the region over the weekend of the concert and enhancing future tourism through promoting awareness of that particular region.⁹¹

88 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 2.

89 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 4.

90 ABC, *Submission 9*, p. 11.

91 ABC, *Submission 9*, p. 12.

2.83 The Special Broadcasting Service (SBS) charter⁹² covers points in relation to services to inform, education and entertain, and to reflect Australia's multicultural society, but does not specify any functions for the broadcaster in relation to broadcast of the arts. In its submission the SBS noted that it has a 'long history of providing support for the arts' through a range of initiatives across various platforms including:

- promotional support for key arts and performing arts companies
- partnerships with major film festivals
- support for local and international arthouse and independent cinema across multiple platforms
- initiatives to support early career Australian film and TV professionals.⁹³

2.84 It also advised that it has launched a new arts programming strategy aimed at delivering high quality arts programming to a broad audience, and supporting growing arts companies through providing on air promotional support to them with commercials for ticket sales. It noted that:

In October 2015, SBS launched a new Monday to Friday arts programming strip carried on SBS television. This followed the cessation by Foxtel of SBS's arts subscription TV channel STUDIO. The TV programming strip is between 2.00 and 3.00 PM Monday to Friday and delivers a range of local productions and high quality international programming including music, theatre, and photography and more. Programming includes *The Century of Cartier Bresson* and the global classical music phenomenon of *Andre Rieu*, amongst others.⁹⁴

2.85 The committee also heard that SBS's National Indigenous Television channel also broadcast Opera Australia's successful *Yarrabah!* performance.⁹⁵

2.86 Commercial and community broadcasters also provide services in relation to the broadcasting of certain arts content and promotion of community arts activities. They can also play a useful role in supporting arts in

92 *Special Broadcasting Services Act 1991*, s. 6.

93 Special Broadcasting Service Corporation (SBS), *Submission 43*, pp. 10-11.

94 SBS, *Submission 43*, p. 11.

95 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 5.

communities by providing free air time to promote tours and regional activities.⁹⁶

- 2.87 The Community Broadcasting Association of Australia (CBAA) highlighted the sector's role is catering to the needs of communities not adequately serviced by the other broadcasting sectors.⁹⁷

Cinematic and digital platforms for arts groups

- 2.88 The committee heard that alternative and innovative ways of bringing the arts to broader audiences, through cinematic and digital platforms, was particularly important for rural and regional communities. For example, the Alliance see a role for digital media and information technology capacities and platforms in helping to ensure that people in rural and regional communities have access to the arts.⁹⁸

- 2.89 Opera Australia indicated that while its live performances come with very high costs, at least with broadcasting of performances they could typically aim to break-even.⁹⁹

- 2.90 The Australian Ballet also commented that due to the costs and challenges of regional touring, it has been looking at alternative ways for distributing its content. It stated that:

The digital environment that we are now operating in is of incredible value to us. It is wonderful that the NBN is being rolled out to regional Australia so comprehensively, because that means our audiences in regional Australia can connect through high-speed digital connections. We are increasingly recording in digital quality the performances that we give to main stage audiences.¹⁰⁰

- 2.91 The Australian Ballet advised that given the scale of its *Sleeping Beauty* production, it would not have been able to take that to regional Australia, and so has recorded it and are in 'the process of negotiating distribution

96 For example, Mr Grant Johnstone, Head of Content, ACE Radio, *Committee Hansard*, Melbourne, 22 March 2016, pp. 27-29.

97 Community Broadcasting Association of Australia (CBAA), *Submission 35*, p. 1.

98 Mr Gordon Gregory, CEO, National Rural Health Alliance, *Committee Hansard*, Canberra, 1 March 2016, p. 4.

99 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 4.

100 Ms Libby Christie, Executive Director, The Australian Ballet, *Committee Hansard*, Sydney, 8 March 2016, p. 38.

agreements with cinemas so that it can be broadcast through regional New South Wales, regional Australia, and in fact around the world'.¹⁰¹

- 2.92 Live Performance Australia expressed interest in exploring broadcast options. However, as flagged by Opera Australia when discussing challenges associated with broadcast of *The Divorce*, it also noted the challenges to be addressed when seeking to record and broadcast live performances. Live Performance Australia outlined that:

Our companies also look internationally. We are trying to learn from our colleagues internationally, particularly in terms of digital broadcast through cinemas or through regional areas. The technology, the licensing and the broadcasting arrangements are expensive, so all those things have to be negotiated and worked through. We are very much in the early trialling stage of this new technology. I think it will take us at least another 10 years to see how that plays out. Companies are certainly focused on looking at how they can leverage it, but you need significant resources to explore it as new channels.¹⁰²

- 2.93 Live Performance Australia noted the Sydney Theatre Company's recording and screening of *The White Guard* performance a number of years ago, which was not a financial success for the company. Live Performance Australia noted that in the context of broadcast rights arrangements:

STC would have to obtain the rights to actually undertake such a venture and then they would have to have the ability to exploit that product. The way the rights work is that they may have only had a certain period of time to exploit that. Also they may have had only a certain area within the world to exploit that material. The rights issue is a minefield because those that hold the rights can actually control what can be presented when and where. We are not privy or that close to that.

...

101 Ms Libby Christie, Executive Director, The Australian Ballet, *Committee Hansard*, Sydney, 8 March 2016, p. 38.

102 Ms Evelyn Richardson, CEO, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 3.

[Performers]...may get residual rights every time it is played, et cetera, they may get some royalty, the same as with the creatives. It can be quite complex.¹⁰³

- 2.94 The Australian Ballet similarly noted the challenges associated with broadcast and distribution rights, and stated that:

I would have to say that understanding how to negotiate distribution rights with media companies is something that most arts companies are not particularly skilled and expert at, and in the past we have probably been somewhat naive in some of the content distribution deals that we have done with media companies. It is expensive for us to record a production like *The Sleeping Beauty* – several hundred thousand dollars – so if a media company comes to us and says they will record it for us but we have to give them all the distribution rights, in the past we have said okay – we would rather have people seeing our productions than not. So, we have often given away rights. I think we have learnt over the last couple of years that we need to negotiate with a view to the value of our content, but it has taken us quite some time to develop and access the skills and expertise to do that.¹⁰⁴

- 2.95 The London National Theatre Live and the New York Metropolitan Opera broadcasts to cinemas of live theatre productions and operas, respectively, are examples of how screening live productions in cinemas can work. These companies broadcast their performances to nation and international cinemas, including to Australian cinemas. Research from the United Kingdom suggests that the digital revolution confirms the importance of the live performance for audiences, whether that be in a theatre or cinema. A report by the National Endowment for Science, Technology and the Arts (NESTA) concluded that the research:

... suggests an appetite for cultural experiences that are live, going against the prevailing logic of ‘consumption on demand’, where individuals are free to choose the place and time where they access content, but do so detached from the unique circumstances where it was produced in the first place.¹⁰⁵

103 Mr David Hamilton, Director, Workplace Relations, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 4.

104 Ms Libby Christie, Executive Director, The Australian Ballet, *Committee Hansard*, Sydney, 8 March 2016, pp. 38-39.

105 National Endowment for Science, Technology and the Arts (NESTA), *Beyond live: Digital innovation in the performing arts*, Research briefing: February 2010, p. 2.

- 2.96 Further NESTA research found ‘no evidence of cannibalisation on theatre attendance at a broad spread of English venues since the National Theatre Live programme was instituted in 2009’, and concluded that the National Theatre Live broadcasts had complemented and encouraged audiences to try live performances.¹⁰⁶
- 2.97 The committee heard from the Australian National Theatre Live (ANT Live) about its new business to record, produce and screen Australian theatre performances to cinemas and locations across Australia. ANT Live’s aims are:
- To enable all Australians to enjoy, criticise and participate in the development of our artistic heritage and to give everyone an equal opportunity to share great Australian stories and witness great Australian performances without the restrictions of time, money or distance.
 - To inspire, encourage and promote artistic achievement at every level of our society and in every location, be it in major metropolitan centres of the bush.¹⁰⁷
- 2.98 ANT live noted that it will operate on the principles of the National Theatre Live and Metropolitan Opera performances that screen in Australia, but with a different business model, focusing on a smaller scale and on Australian theatrical talents.¹⁰⁸ ANT Live advised that it will launch with screenings in Melbourne and Sydney in April 2016 the David Williamson play *Emerald City*.¹⁰⁹ In describing its planned operations and reach, ANT Live outlined that:

Essentially we have discovered a whole new digital distribution system that did not exist five years ago, and we are trying to take advantage of that opportunity. The film industry tends to lock up cinemas and write contracts that commit them to showing certain films a certain number of times. We have discovered these arts centres and community halls and RSL clubs have something similar, and are able to do deals. It is really just a question of us ringing them up and doing a deal with them.¹¹⁰

106 NESTA, *Estimating the impact of live simulcast on theatre attendance: An application to London’s National Theatre*, Nesta Working Paper No. 14/04, June 2014, p. 14.

107 Australian National Theatre Live (ANT Live) website at: < <http://www.antlive.com.au/>>, accessed 16 March 2016.

108 ANT Live, *Submission 52*, pp. 1-2.

109 Mr Grant Dodwell, Director, ANT Live, *Committee Hansard*, Melbourne, 22 March 2016, p. 14.

110 Mr Peter Hiscock, Director, ANT Live, *Committee Hansard*, Melbourne, 22 March 2016, p. 19.

2.99 This has considerable potential for bringing quality Australian theatre performance to people in rural and regional communities who may not otherwise have been able to access those performances. ANT Live also indicated there was scope for it to cater more specifically to certain communities with particular shows. For example, it has been contacted by a CEO for cinemas in Northern New South Wales and South East Queensland who are interested in filming the Indigenous play *Stolen* in certain cinemas. ANT Live also suggested that there could be a value add to such screenings to rural and regional communities, and described that:

The vision is, with certain productions in certain remote areas, to say: okay, can we take the writer or the director or even two of the actors into that region while the digital tour is happening and have them do a workshop with the students, or a lecture from the director or the actor to the students so that it is not just a stand-alone digital experience but that we follow that up with a live experience to go with it.¹¹¹

2.100 ANT Live advised that it had successfully negotiated contracts for the residual rights in relation to a number of performances. It commented that:

We have sorted that with the national performance committee, through the MEAA. That was the 18-month process of sitting down and saying: 'What would be fair recompense? When would the residual kick in? What investment is required from us before we start paying residual payments?' On each contract for each play there is a starting point, and that is the start. And once we get agreement with all of the artists, then we say: 'Okay; cameras up. Let's do it.' We have a template contract in place, and we negotiate from that point.¹¹²

2.101 ANT Live further explained that it was an agreed Media, Entertainment and Arts Alliance actors' equity guideline and involved one agreement:

That is our standard contract. Everyone is paid. We have paid everyone – crew, cast. Cast get an up-front payment. They also get a payment for metro screenings, which is all worked. It is up to an agent to negotiate more if they wish, depending on the status of the particular actor and the worth of publicity et cetera. That is part of our negotiation.¹¹³

111 Mr Raj Sidhu, Director, ANT Live, *Committee Hansard*, Melbourne, 22 March 2016, p. 15.

112 Mr Raj Sidhu, Director, ANT Live, *Committee Hansard*, Melbourne, 22 March 2016, p. 17.

113 Mr Grant Dodwell, Director, ANT Live, *Committee Hansard*, Melbourne, 22 March 2016, p. 19.

- 2.102 ANT Live also flagged the possibility of partnering with performance groups, and suggested that rather than individual MPAs keeping a small production inhouse, which could cost around \$160,000 a year and only comprise a producer, marketer and director, it could work with ANT Live a few times a year on the recording and screening of particular performances.¹¹⁴
- 2.103 In evidence to the committee, the Department of Communications and the Arts acknowledged the merit in arts groups exploring options for partnering with broadcast or film partners to record and broadcast performances. It observed that:
- Most companies, of course, do not film their productions; they leave that to broadcasters or others to provide. But I think it is a really interesting model. I am not saying it should replace live performance, but it is a fantastic adjunct if you can get those things done.¹¹⁵
- 2.104 Some MPAs are particularly taking the initiative to engage more extensively with the developing technologies and platforms. For example, The Australian Ballet shared its dream with the committee of being able to make their dance programs more available online and to have a live online education stream. It is currently in the process of scoping a project to ‘raise the roof’ at its Southbank headquarters in Melbourne. The project would include building new ballet and orchestral studios, and a recording and broadcast studio, so that The Australian Ballet can record its work and use the recordings for content distribution and as part of its education programs.¹¹⁶
- 2.105 The Sydney Dance Company also aims to develop a digital delivery strategy that would include online delivery of workshops and professional dance resources. It maintains that this would broaden the range of high quality educational opportunities for engagement with rural and regional communities. Much like other groups, it sees these digital initiatives as complementing rather than replacing physical tours.¹¹⁷

114 Mr Raj Sidhu, Director, ANT Live, *Committee Hansard*, Melbourne, 22 March 2016, p. 24.

115 Ms Nerida O’Loughlin, Deputy Secretary, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 4.

116 Ms Chrissy Sharp, Acting Executive Director, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, pp. 20 and 40.

117 Sydney Dance Company, *Submission 21*, p. 12. See also Ms Chrissy Sharp, Acting Executive Director, Sydney Dance Company, *Committee Hansard*, Sydney, 8 March 2016, p. 20.

2.106 While digital platforms and broadcast, including cinematic broadcast, options are important developments in delivering arts to rural and regional Australia, and should be explored, it was clear that these are valuable complements to, but cannot replace, live performance.¹¹⁸ For example, AMPAG argued that:

... these alternative ways to access live performance do not replace the real value and impact of live performance with high production values in your own community. It brings communities together, generates economic activity and stimulates ideas and a community sense of direct contact with other regions and major cities, and the MPAs are committed to regional engagement.¹¹⁹

Local production

2.107 Some submitters also noted the significance of local productions for arts engagement and enabling people in rural and regional communities to find and express their own voices, beyond the at times passive consumption of visiting productions. For example, the Alliances stressed that:

Given the diversity of the rural and remote communities out there, I also agree with promoting the importance of enabling communities to find their own expressions. I think there is an expression that says, 'If you've seen one rural community, you've seen one'. That is very true and adds weight to enabling communities to find their own expression, giving them that capacity, and helping them create a vibrancy and engagement within the community.¹²⁰

2.108 Creative Regions similarly emphasised the value of local production in addition to touring. It outlined:

... the social and cultural importance – the pride established and the contribution to national culture – in having a new work reflect regional stories; the economic development potential in terms of flow-on benefits to local businesses from making creative work

118 See, for example, Ms Evelyn Richardson, CEO, Live Performance Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 2.

119 Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, Sydney, 8 March 2016, p. 11.

120 Mrs Jennifer Freeman, Website Content Manager, National Rural Health Alliance, *Committee Hansard*, Canberra, 1 March 2016, p. 3.

(our company has a net benefit of \$8 for every \$1 of government investment); the value to schools in having professional artists working in their communities; benefits to volunteer and amateur artists' networks in accessing professional artists in their own communities; the benefit of increased participation in the arts. There are so many reasons to consider a greater investment in making new work in the regions to balance work touring to the regions.¹²¹

- 2.109 Regional Arts Victoria also reflected on its experiences and observed that while 'local productions are high impact', their 2015 member survey revealed that in consuming arts, people in the local arts sectors were also looking for inspiration. Regional Arts Victoria stressed the importance of local people having access to visiting professions, and stated that:

As much as they were excited by local work, working with artists and arts companies from outside of their community did provide inspiration for the work that they might either develop themselves or that they might want to participate in in some other way.¹²²

- 2.110 People in rural and regional communities benefit from both experiencing high quality professional performances and from exercising their own creativity by engaging in local production and arts activities.

Conclusions

- 2.111 The live performance industry in Australia each year reaches millions of people, enriching their lives and providing a host of community and health benefits, as well as contributing millions of dollars to the economy. In 2012, the live performance industry generated \$2,546 million (value adding \$1,529 million to the Australian economy) and employed 18,964 people. As a group, Australia's major performing arts companies reached 16 million people in 2014-15, through live performances and broadcasts or recordings of their work. In 2015, the major performing arts companies delivered live performances and arts programs to close to four million people in metropolitan and regional locations.

121 Creative Regions, *Submission 8*, p. 2.

122 Mr Joe Toohey, General Manager, Regional Arts Victoria, *Committee Hansard*, Melbourne, 22 March 2016, p. 10.

- 2.112 The committee notes that the level of attendance at live performances does not decline at times of reduced consumer confidence and general declines in consumer spending, and so can be seen as an important cultural activity. In particular, the committee notes with interest the figures from Live Performance Australia showing that in 2014 tickets issued for attendances at live arts performances exceeded tickets for attendances at major sporting codes in a similar period, with 18,536,434 tickets for attendances at live arts performances in contrast to 13,744,662 for five major sporting codes. In Australia, which prides itself on being a sporting nation, the tickets numbers for attendances for live arts performances reflect that the arts are also highly valued.
- 2.113 Access to arts experiences, in particular live performances and regional engagement opportunities with performing arts companies, can provide significant social, wellbeing and economic benefits to rural and regional communities.
- 2.114 Touring is one of the key ways in which people in rural and regional communities can access quality live performances without having to visit a capital city or larger metropolitan area, which may be at a considerable distance and expense. The committee appreciates that Australia's geography, with its often vast distances between rural and regional locations and metropolitan areas, places significant challenges on people trying to access quality live performances and for groups delivering these performances to rural and regional communities. The committee recognises that regional engagement activities delivered by the major performing arts companies also positively impact on, and are highly valued by, people in these communities.
- 2.115 The committee notes that key barriers to regional touring include the high costs associated with moving the shows over often considerable distances, venue infrastructure constraints (as locations often do not have venues that can accommodate major shows), and revenue constraints (as it is generally not possible to sell enough tickets or at a high enough price to recoup the costs of a tour).
- 2.116 The committee heard that regional touring does not tend to be undertaken by major commercial providers, as these providers get the best return from keeping a show in a capital or major city. Rather, regional touring is generally undertaken by Australia's major performing arts companies and some small to medium arts groups, and is usually subsidised to some degree by the company. These touring and regional engagement activities typically receive some level of government funding support, in particular through the Playing Australia funding program, which is administered by

the Australia Council. The Department of Communications and the Arts administered Catalyst and Creative Partnerships Australia programs are also key sources from which arts groups can seek funding support for delivering arts programs and events in rural and regional Australia.

- 2.117 The committee also acknowledges the important role played by the small to medium arts organisations, including regional based groups, in delivering live performance and arts activities to rural and regional Australia. These groups provide valuable employment opportunities, including for people in non-metropolitan areas, and through their shows and activities provide perspectives that enrich people’s cultural experiences.
- 2.118 The committee notes that a number of submitters raised concerns about the amount and types of funding that is available to the arts groups delivering services in rural and regional Australia. As is the case across the board with agency and program funding, groups are increasingly operating in times of financial constraint. In this context, the committee believes it is worthwhile to reiterate Aurora Community Television’s comment that 21st century innovation is sometimes just about being cost-effective and doing more with less.
- 2.119 The performing arts groups do an outstanding job of delivering tours and regional engagement activities to rural and regional communities. There is demand for these shows and engagement, and they are highly valued by people in these communities. The committee commends these groups for their high quality performances and their innovate approaches in delivering services to rural and regional Australia, including streamlining touring productions, building relationships with vendors and communities, leveraging philanthropic relationships, and embracing new technology and digital platforms to complement physical touring activities.
- 2.120 The major performing arts companies, including Opera Australia, The Australia Ballet, Bell Shakespeare, Music Viva, the orchestra companies, and the many state based companies delivering opera, dance, theatre and music, play a crucial role in shaping and reflecting Australia’s cultural identity. Australia’s major performing arts companies are:
- Adelaide Symphony Orchestra
 - Australian Brandenburg Orchestra
 - Australian Chamber Orchestra
 - Bangarra Dance Theatre
 - Orchestra Victoria
 - Queensland Ballet
 - Queensland Symphony Orchestra
 - Queensland Theatre Company

- Bell Shakespeare
- Belvoir
- Black Swan State Theatre Company
- Circus Oz
- Malthouse Theatre
- Melbourne Symphony Orchestra
- Melbourne Theatre Company
- Musica Viva Australia
- Opera Australia
- Opera Queensland
- State Opera South Australia
- State Theatre Company of South Australia
- Sydney Dance Company
- Sydney Symphony Orchestra
- Sydney Theatre Company
- The Australian Ballet
- Tasmanian Symphony Orchestra
- West Australian Ballet
- West Australian Opera
- West Australian Symphony Orchestra

2.121 Australia's major performing arts companies recognise the importance of enabling everyone, regardless of how far they may live from a major metropolitan centre, access to the very best Australia has to offer; providing people with the opportunity to be culturally enriched by high quality operatic, musical, dance and theatrical performances. The committee was impressed by the strong commitment by many of the major companies to ensuring that people in rural and regional communities do not miss out on these culturally enriching experiences. These companies are committed to their touring and regional engagement activities and work hard to overcome the challenges inherent in reaching communities across the vast Australian continent.

2.122 The committee notes that while regional tours often run at a loss, with groups regularly subsidising their touring activities, they tend to regard it as an 'investment' rather than a loss. The committee feels strongly that governments must see it in a similar light, with government grants and subsidies to these groups for regional touring and engagement playing a crucial role in assisting groups to deliver arts to the regions.

Recommendation 1

- 2.123 **The committee recommends that the Australian Government, through the Australia Council for the Arts and its other funding programs, continue to provide funding to Australia's major performing arts companies, including, but not limited to, Opera Australia, The Australian Ballet and Bell Shakespeare, to assist these groups to continue to deliver quality productions and regional engagement activities to communities in rural and regional Australia.**

The committee notes that in 2014 there were 18,536,343 tickets for attendances at live arts performances, exceeding the sporting code attendances of 13,744,662 that year. This is a 3.4 per cent increase on 2013 attendances at live arts performances.

- 2.124 The committee believes that in providing funding support to these groups for regional tours and activities, wherever possible, it should be structured to allow groups the flexibility to undertake necessary longer-term planning so they can better capitalise on existing demand and relationships in regional areas. The National Touring Status arrangements under the Playing Australia program, which provide three year funding for groups that have attained that status, have been very beneficial to these groups. Being able to undertake multi-year planning has helped these groups to better leverage vendor, community and sponsorship relationships and put worthwhile touring programs in place. The committee strongly encourages the government to retain initiatives like the National Touring Status arrangements that allow groups greater flexibility in planning their regional touring activities, which are generally sizable undertakings.

Recommendation 2

- 2.125 **The committee strongly recommends that the Australian Government maintain adequate levels of funding for the Australia Council for the Arts' Playing Australia program.**
- 2.126 The committee heard evidence that the major performance companies that have attained National Touring Status have benefited from these arrangements, as they allow the company greater flexibility to develop their regional touring programs and capitalise on existing relationships.

The committee believes this could lead to better value for money in the provision of these grants, as the evidence suggests that these arrangements are providing greater certainty and enabling groups to realise significant planning efficiencies.

Recommendation 3

- 2.127 **The committee recommends that the Australia Council for the Arts, through its Playing Australia program, retain and extend the National Touring Status arrangements, to additional companies, which in accordance with evidence taken results in greater certainty and planning efficiencies.**
- 2.128 The committee also observed during the conduct of the inquiry that the live performance industry comprises an array of art forms, including: ballet and dance; opera; theatre; children's/family entertainment; circus and physical theatre; classical music; contemporary music; comedy performances; festivals (either single or multi-category events); musical theatre; and special events. Groups in the live performance sphere add to Australia's cultural life.
- 2.129 The committee feels it is important that this diversity be reflected in the Australian Government's grants programs for the arts. It is worthwhile reiterating Opera Australia's reminder about the importance of challenging interpretations of what constitutes a given art form. For example, when people seek to delineate between operatic and other musical theatre performances. Opera Australia comments on this point focus on the debates that surrounds amplification of opera performances and its extended repertoire that includes musicals:

The Rabbits was amplified and people said, 'If it is amplified is it really opera?' and our response was, 'Yes, it is opera. It is sung through, it is composed and it is performed by an orchestra with a chorus and opera singers.' Similarly, opera in Sydney Harbour is amplified because of the nature of being outdoors. *The Divorce* was written by a composer who is very well regarded, Elena Kats-Chernin, and Joanna Murray-Smith was the librettist. We say it is an opera. I guess the debate could rage on and on and on. One could argue that *Les Misérables* is an opera. Or is it a musical? We perform operas and musicals, and we like the fact that there is a debate about what opera is, and it is good if we can challenge the definition again and again. I would worry that if we were stuck in

a 19th-century form with opera we would be part of the past rather than part of the future.¹²³

- 2.130 In examining the discussion paper for the National Opera Review currently underway, it seems that in calculating the opera audiences other musical performance offerings of the major opera companies are not counted.

Recommendation 4

- 2.131 **The committee recommends that the Australian Government, when assessing the effectiveness of its funding for the industry, take into account the dynamic and changing nature of the arts. For instance, the Chief Executive Officer of Opera Australia explained how he sees the legitimate changing nature of repertoire in the following ways:**
- *The Rabbits* was amplified and people said, 'If it is amplified is it really opera?' and our response was, 'Yes, it is opera. It is sung through, it is composed and it is performed by an orchestra with a chorus and opera singers.' Similarly, opera in Sydney Harbour is amplified because of the nature of being outdoors. *The Divorce* was written by a composer who is very well regarded, Elena Kats-Chernin, and Joanna Murray-Smith was the librettist. We say it is an opera. I guess the debate could rage on and on and on.
 - One could argue that *Les Misérables* is an opera. Or is it a musical? We perform operas and musicals, and we like the fact that there is a debate about what opera is, and it is good if we can challenge the definition again and again. I would worry that if we were stuck in a 19th-century form with opera we would be part of the past rather than part of the future.
 - Having the different style for performances in its repertoire allows for cross-fertilisation of talent. Musicals like the *South Pacific* season, are were very well attended by our subscribers and also brought a new audience to us. It is healthy, I think, for the future of the form that we stretch it and challenge and expand as much as we possibly can.

123 Mr Craig Hassall, CEO, Opera Australia, *Committee Hansard*, Sydney, 8 March 2016, p. 2.

- 2.132 In addition to the importance of the experience for the audience – and participants in cases of local participation in shows or in associated activities – the local performers and technical staff also benefit from the major groups visiting their communities. Not only do these tours inspire and open opportunities for local performers, other local people involved in the technical support and marketing areas for shows can also benefit from learning from touring professionals. The committee encourages continuing these local skilling practices, and for groups to consider formalising, for example mentoring arrangements with local people and groups such as Regional Arts Australia or specific major performing companies that may already have existing links with a given community.

Recommendation 5

- 2.133 **The committee recommends that the Australia Council for the Arts, through its Playing Australia program, explore ways to encourage and formalise mentoring arrangements between performing arts companies or related peak body groups, and the presenter groups and individuals in rural and regional communities involved in the delivery and support of live performances in these communities.**

Recommendation 6

- 2.134 **The committee recommends that in evaluating the effectiveness of funding for the major performing arts companies, the Australian Government, should highlight and encourage the important educative role that these companies play. The committee notes for instance, the interaction with schools by The Australian Ballet and Bell Shakespeare, which has reached tens of thousands of students and teachers. These groups bring excellence to the one third of Australians who live in rural and regional communities.**
- 2.135 The committee notes the new funding program for the arts, Catalyst Australian Arts and Culture Fund, which is administered by the Ministry for the Arts, aims to complement rather than duplicate the work of the Australia Council. Given the Catalyst fund's important role in addressing some of the gaps in areas of arts funding, it is vital that the program operates effectively in supporting innovative projects and initiatives by arts and cultural organisations. While the committee appreciates that the Catalyst fund is new, it is important the Department evaluate and report

on the effectiveness of the program, so that the Government, key stakeholders and the public can be confident that Catalyst is fulfilling its role.

Recommendation 7

- 2.136 **The committee recommends that the Department of Communications and the Arts evaluate and report on the effectiveness of the new Catalyst Australian Arts and Culture Fund. An assessment should be included in the Department's annual report and separate publication made available on the Department's website, from time to time, to heighten awareness of the fund.**
- 2.137 The committee recognises that volunteers often play an important role in supporting regional performances and activities, and commends the work of these dedicated people, who make valuable contributions to the cultural life of their and other communities around Australia.
- 2.138 The committee was pleased to hear about the innovative work being done by existing groups in the digital sphere, which is an important avenue for companies to enhance access to the arts by people in regional areas. It looks forward to seeing groups continue to progress in this area, for example with The Australian Ballet's ambitious 'raising the roof' project in which it is scoping building its own studio at its Melbourne headquarters.
- 2.139 The committee was also very interested to hear about the entrepreneurial Australian National Theatre Live (ANT Live), which follows the examples of the London's National Theatre Live and New York Metropolitan Opera's cinema screening, in aiming to screen quality Australian theatre performances to cinemas, clubs and venues across Australia. It is clear the digital initiatives and services are an important complement to the delivery of live performances. Based on the evidence received during the course of the inquiry, the committee sees the importance of Australian groups pursuing digital opportunities, particularly in areas that will help to expand access to quality Australian performances to wider audiences.

Recommendation 8

2.140 **The committee recommends that the Australian Government consider, as parts of its grants programs strategies to promote and support digital developments for arts delivery and engagement, providing funding and support for innovation in this area by:**

- **existing major companies, for example, The Australian Ballet’s ambitious ‘raising the roof’ project in which it is scoping building its own studio at its Melbourne headquarters, and**
- **emerging groups with innovative models, for example, Australian National Theatre Live, which is a new enterprise aiming to record, produce and screen quality Australian theatre performances to cinemas and locations across Australia.**

2.141 The committee also notes the Australia Council’s more streamlined new grants model that has simplified the eligibility criteria for grants. In particular, the committee commends the Australia Council for removing the restriction on providing grants for competitions and eisteddfods. Competitions are an important element in the professional life of artists, serving as a worthwhile platform for the artists and for the community to enjoy both up and coming artists and established professionals, including taking Australia’s best into the international sphere. The committee believes competitions and eisteddfods should also be eligible under the Catalyst fund. Given that the fund is new and that the guidelines at this time seem to be fluid, the committee strongly encourages that as the Department of Communications and the Arts further develops its criteria, it should ensure that it allows for funding of arts competitions and eisteddfods.

Recommendation 9

2.142 **The committee commends the Australia Council for the Arts for removing the restriction on providing grants for competitions and eisteddfods, and notes that competitions are an important element in the professional life of artists.**

The committee recommends that in its application of the Catalyst fund, the Department of Communications and the Arts similarly ensure that the criteria allows for grants funding for arts competitions and eisteddfods.

- 2.143 While during the course of the inquiry the committee heard much about the important role of broadcasters in delivering news services to Australian communities – which will be covered in detail in the next chapter – broadcasters’ services in delivering the arts should not be overlooked. For example, the committee was pleased to hear about, and commends, the SBS for its role in delivering the arts to audiences across Australia, through its regular arts programming and the broadcast of special events such as Opera Australia’s very successful production *Yarrabah!*, which involved the participation of people in non-metropolitan Australia, and was broadcast on SBS’s National Indigenous Television enabling significantly wider audience access to this unique performance.
- 2.144 The committee also notes ABC’s recent broadcast of *The Divorce*, which had a cumulative reach of 1.1 million viewers when broadcast on ABC1 (including a regional viewership of approximately 311,000 people), and a further 126,000 on iView. It recognises that companies like Opera Australia value their ongoing relationship with SBS and ABC in providing an avenue to broadcast its works to a wider audience.
- 2.145 Further, in relation to promoting and marketing regional performances and activities to specific communities, after hearing from various groups, the committee feels that arts groups and local presenters are missing out on opportunities for free services by broadcasters to promote shows and activities. The committee encourages groups to utilise free air time provided by commercial and community broadcasters, in particular on radio, to promote performances or engagement activities to people in the local community and region.
- 2.146 Developments in technology and associated digital platforms have opened up further options for enabling people in rural and regional communities to access quality arts performances and engagement activities delivered by the arts groups. The committee believes these options, for example online platforms and cinematic broadcast, are valuable complements to live performance and should be explored, but can never replace experiencing a high quality live production.

Broadcasting services

- 3.1 During the inquiry, the committee heard about the challenges facing Australian broadcasters in the provision of services in rural and regional areas, and opportunities for innovation in digital media, new technologies and ways of working more efficiently with existing resources. It also considered ways to strengthen the quality of information and services provided to rural and regional communities, in particular by its public broadcasters.
- 3.2 The ways in which Australians are consuming audio-visual content is changing, making it necessary for content providers to be agile in how they respond to consumer demand. Today, a range of content providers are competing in a marketplace previously dominated by traditional broadcasters. These traditional broadcasters have also increasingly moved into the digital space through internet 'catch up' television services such as ABC iView, SBS on Demand, TenPlay, Plus7 and 9Jumpin. The new competitors include subscription television on-demand services, Internet Service Providers (ISPs) offering ISPTV and on-demand video services and consumer electronics companies offering content libraries (including Apple TV and iTunes, and Google Chromecast).¹
- 3.3 As noted in chapter 1, broadcast television remains the main entertainment medium for Australian audiences. However the use of online video content services was increasing, with 52 per cent of

1 Australian Communications and Media Authority (ACMA), 'Supply and demand: catch up TV leads Australia's online video use', 10 February, 2015, <<http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Supply-and-demand-Catch-up-TV-leads-Australians-use-of-catch-up>>, accessed 15 April 2016.

Australia's adult internet users having viewed television programs or films online.²

- 3.4 A recent OzTAM Australian Multi-Screen Report, which illustrates how Australian audiences consume audio-visual content, included the following key points:
- Australians are increasingly using internet-connected devices to enjoy their favourite television programs.
 - The television set remains the primary screen used to view content, accounting for about 85 per cent of all video content, and around 99 per cent of all broadcast television content.
 - There are 87.4 per cent of Australians watching broadcast television each week.
 - About half of all Australian households have at least one tablet.
 - Eighty per cent of Australians aged 14 years and over have a smartphone.
 - Twenty-two per cent of Australian homes have an internet capable television.
 - There are 80 per cent of Australian homes with an internet connection.³
- 3.5 While there are benefits for Australian consumers in being able to access more diverse content through greater competition, the committee heard that these same factors present increasing challenges for the Australian media industry, including regional broadcasters. For example, the ABC noted that the media industry has been the sector 'most disrupted by convergence and new digital technologies and that within that sector, it has been regional markets that have been hardest hit'.⁴
- 3.6 Commercial Radio Australia asserted that, in the current regulatory environment, 'rural and regional Australians are digitally disadvantaged when it comes to more diversity and content via free to air broadcast radio', which risks creating 'a "digital divide" across the nation, where those outside the major metropolitan cities do not have access to new technologies and content'.⁵

2 ACMA, 'Supply and demand: catch up TV leads Australia's online video use', 10 February, 2015, <<http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Supply-and-demand-Catch-up-TV-leads-Australians-use-of-catch-up>>, accessed 15 April 2016.

3 OzTAM, *Multi Screen Report Q4 2015*, <<http://www.oztam.com.au/documents/Other/Australian%20Multi%20Screen%20Report%20Q4%202015%20FINAL.pdf>>, accessed 14 April 2016, pp. 2-3.

4 Australian Broadcasting Corporation (ABC), *Submission 9*, pp. 18-19.

5 Commercial Radio Australia, *Submission 22*, p. 2.

3.7 Dr Harry Criticos noted that the centralisation of broadcasting operations has resulted in a reduction in local content in many areas, and stated that this is:

... not only seen in newsrooms around the country but also in a loss of local presenters. As networking has increased, the connectedness between the broadcaster and the licence area has diminished. Centralised broadcasting cannot discuss in detail the issues that are pertinent to individual areas. Towns and cities in regional Australia have their own identities and access to this identity can only be garnered from living within the community.⁶

Selected issues in rural and regional broadcasting

3.8 In conducting the inquiry, the committee heard from a range of witnesses, who provided valuable evidence that helped improve the committee's understanding and appreciation of the importance of quality and reliable broadcasting to rural and regional communities, and the challenges and opportunities for innovation in the regional, and wider, broadcasting industry. Key themes that emerged included:

- The funding constraints on broadcasters, for example, with funding cuts to public broadcasters⁷ and reduced advertising revenue to commercial broadcasters.⁸
- The challenges inherent in Australia's changing media landscape, including digital disruption and convergence.⁹
- The importance of the Indigenous media sector, including the national free-to-air Imparja Television and remote Indigenous media organisations such as the Central Australian Aboriginal Media Association, which play a vital role in ensuring that Indigenous

6 Dr Harry Criticos, *Submission 12*, p. 1.

7 See, for example: ABC, *Submission 9*, pp. 2-3; Screen Producers Australia (SPA), *Submission 13*, p. 6; Queensland Government, *Submission 11*, p. 2; Northern Territory Government, *Submission 34*, p. 5;

8 APN News & Media, *Submission 39*, p. 2; Deakin University, *Submission 19*, p. 2; Free TV Australia, *Submission 37.1*, p. 3.

9 Deakin University, *Submission 19*, p. 3; Queensland Government, *Submission 11*, p. 2; Indigenous Remote Communications Association (IRCA), *Submission 28*, p. 11; and ABC, *Submission 9*, p. 18.

audiences receive diverse broadcast content and provide essential services in regional and remote locations.¹⁰

- The importance of Australian content more generally, including the production of films, drama and children’s programming.¹¹

3.9 However, in order to provide a timely report, the committee has focused its discussion and conclusions on selected key areas in which further action could help enhance the broadcast services provided to rural and regional communities. The following discussion covers:

- The importance of local content, including news and emergency information, that is specifically relevant to rural and regional communities.
- Innovation in the delivery of content, including through addressing imbalances between the services available in metropolitan areas and rural and regional communities.
- Opportunities for improving the services provided by the ABC to rural and regional audiences, including through enhancing the ABC’s accuracy and accountability, and rural and regional representation in decision-making.

The importance of Australian content

3.10 While the committee’s focus was on the quality and reliability of broadcast services to people in rural and regional communities, including that they receive news and information that is of regional and local relevance, it also received evidence more broadly about the importance of Australian content.

3.11 In addition to the obligations of regional broadcasters to provide local content to regional audiences, as outlined in Chapter 1, there are also obligations on television broadcast licensees to broadcast minimum quotas of Australian content.¹² Commercial free-to-air licensees are required to broadcast a minimum of 55 per cent of Australian program between 6 am and midnight on their primary channel, and to provide a minimum of 1,460 hours of Australian programming on non-primary channels. The

10 Central Australian Aboriginal Media Association, *Submission 17*, pp. 1-2; IRCA, *Submission 28*, pp. 6-7; Aboriginal Resource and Development Services Aboriginal Corporation, *Submission 33*, p. 2; Department of the Prime Minister and Cabinet, *Submission 20*, pp. 1-2.

11 See: SPA, *Submission 13*, pp. 2-3; Australian Children’s Television Foundation (ACTF), *Submission 29*, p. 2; Australian Council on Children and the Media, *Submission 30*, pp. 2-3.

12 *Broadcasting Services Act 1992*, s. 121G (Australian content – transmission quota). See also Mr James Cameron, Acting Deputy Chair, ACMA, *Committee Hansard*, Canberra, 15 March 2016, p. 12.

Australian Content Standard 2016 sets out the specific minimum annual sub-quotas for Australian drama, documentary and children's programs.

- 3.12 The importance of continued support for Australian produced content was emphasised by a number of stakeholders.¹³ For example, the Australian Children's Television Foundation (ACTF) commented that:

Certainly children demonstrated very strong sense of place, often coming from understanding where a television program was made. They enjoy programs from all over the world but get a very strong sense of connection when they recognise the location, the accents and the sense of humour. Children really respond to that.¹⁴

- 3.13 Screen Producers Australia raised concerns that current Australian content requirements allow material produced in New Zealand to be recognised as Australian content for the purposes of a broadcaster's regulatory obligations.¹⁵ The Department of Communications and the Arts indicated that it is aware of these concerns and is in the process of examining the issue.¹⁶

The importance of regional/local content

- 3.14 The committee appreciates that in considering the needs of rural and regional communities, this can mean very different things, as no two places are the same. Accordingly, in addition to providing news programming to keep rural and regional audiences in touch with international, national and state or territory developments, receiving targeting local content about their region and communities is highly valued by these people and help contribute to community cohesion.
- 3.15 As outlined in Chapter 1, there is no strict definition of 'local' content, and as reflected on the Australian Communications and Media Authority (ACMA) licence areas maps, the coverage areas for commercial broadcasters to meet local content obligations can be quite expansive. In this discussion, the terms 'regional' and 'local' content are used interchangeably. In some cases 'local content' may mean a specific community or town, or could refer to a large regional area, and must be

13 See, for example: Ms Jenny Buckland, Chief Executive Officer (CEO), ACTF, *Committee Hansard*, Melbourne, 22 March 2016, p. 36; Ms Fiona Cameron, Chief Operating Officer, Screen Australia, *Committee Hansard*, Melbourne, 22 March 2016, p. 52; and SPA, *Submission 14*, p. 5.

14 Ms Jenny Buckland, CEO, ACTF, *Committee Hansard*, Melbourne, 22 March 2016, p. 36.

15 Mr Matthew Deaner, CEO, SPA, *Committee Hansard*, Sydney, 8 March 2016, p. 43. Mr Matthew Hancock, Manager, SPA, *Committee Hansard*, Sydney, 8 March 2016, p. 44; SPA, *Submission 14*, p. 5.

16 Ms Nerida O'Loughlin, Deputy Secretary, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 12.

considered in context, for example, for emergency services broadcasting that is vital information for one town or area may only constitute an interesting update for another.

- 3.16 The availability of diverse local content in rural and regional communities, including news and emergency information, is critical for community identity and cohesion, for the engagement of individuals in democracy, and for people to be well informed about issues that impact upon their lives.¹⁷
- 3.17 Rural and regional broadcasters also contribute substantially to their local economies, providing employment as well as opportunities for businesses to advertise directly to their local customers.¹⁸
- 3.18 Locally-based broadcasters also have the opportunity to capitalise on their local connections to improve the quality of their local content. Dr Harry Criticos remarked that producers of content who reside within a licence area are able to connect with their local communities, and that 'access to, and use of, this local knowledge can have an effect on a broadcast, content and the audience'.¹⁹
- 3.19 Community broadcasters provide important and diverse local voices in addition to commercial and public broadcasters.²⁰ The Community Broadcasting Association of Australia (CBAA) argued that community radio stations play an important role in catering for the needs of, and providing a voice for, communities not adequately serviced by other broadcasting sectors, and contribute to the community by:
- sharing a diverse range of viewpoints that enrich the social and cultural fabric of Australian society and contribute to public interest outcomes
 - promoting the identities of local communities and contribute to social inclusion
 - providing opportunities for participation in free-to-air public broadcasting and content production
 - contributing to media diversity generating a high level of local content
 - providing a unique range of services and programs.²¹

17 See, for example: Australian Capital Territory (ACT) Government, *Submission 41*, p. 1; and Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 31.

18 Commercial Radio Australia, *Submission 22*, p. 2.

19 Dr Harry Criticos, *Submission 12*, p. 1.

20 ACT Government, *Submission 41*, p. 3.

21 Community Broadcasting Association of Australia, *Submission 35*, p. 1.

- 3.20 For example, Aurora Community Television, told the committee that as a community broadcaster, it felt it was well placed to tell Australian stories, and saw itself as contributing to the Australian cultural landscape:
- ...through the content that we disseminate, created by independent Australian producers at no cost to the Australian taxpayer. Our producers come from all over Australia, with just over a third of our programs produced in regional locations.²²
- 3.21 Pay TV plays an important role in contributing to the diversity of local news and other broadcast content, as well as providing a platform for not-for-profit media organisations to reach a wide audience. For example, Aurora Community Television receives a subscription television licence from Foxtel at no cost, which enables them to broadcast unique Australian content to all Foxtel subscribers. This allows Aurora Community Television to reach approximately one million people each month through the Foxtel channel 183.²³
- 3.22 In terms of the provision of local news, concerns were raised that there is a trend towards the centralisation of news gathering, and that more journalists living in rural and regional areas are needed.²⁴
- 3.23 Not only is the centralisation of media in cities affecting rural and regional communities, a lack of journalists outside of metropolitan areas means that important stories from rural and regional areas that have a national impact risk not being told. For example, the Australian Capital Territory (ACT) Government expressed concern that:
- ... the more that we have a media regime where essentially the nation's journalists are based in the largest cities, the harder it is for anybody to know about things that are happening in smaller places that might be of broader interest.²⁵
- 3.24 The ABC noted that having journalists with flexible working arrangements, such as home-based reporters, was one way to maintain local news gathering staff with local connections. The ABC maintains home based reporters in locations such as Nowra, New South Wales, and

22 Mrs Phyllisse Stanton, CEO, Aurora Community Television, *Committee Hansard*, Sydney, 7 March 2016, p. 65.

23 Mrs Phyllisse Stanton, CEO, Aurora Community Television, *Committee Hansard*, Sydney, 7 March 2016, pp. 65-66.

24 See, for example: Dr Karl Alderson, Deputy Director-General, Policy and Cabinet, ACT Government, *Committee Hansard*, Canberra, 1 March 2016, p. 9; Dr Lisa Waller, Senior Lecturer in Communications, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 33; and Mr Grant Johnstone, Head of Content, ACE Radio, *Committee Hansard*, Melbourne, 22 March 2016, p. 28.

25 Dr Karl Alderson, Deputy Director-General, Policy and Cabinet, ACT Government, *Committee Hansard*, Canberra, 1 March 2016, p. 10.

Port Augusta in South Australia, in order to maintain a 'reporting presence at that location but with significantly lower costs associated with doing that'.²⁶

- 3.25 Local content requirements to rural and regional communities are administered by ACMA, which designates geographical licence areas of Australia that are covered by Licence Area Plans (LAPs). Licence areas define where a commercial or community broadcaster, or a service licensed under the *Broadcasting Services Act 1992* (BSA), is allowed to operate. The number and type of services in a particular licence area are defined in a LAP.²⁷
- 3.26 As outlined in the first chapter, broadcasters in the regional markets of northern New South Wales, southern New South Wales, regional Queensland, regional Victoria and Tasmania are subject to a licence condition that requires them to broadcast minimum levels of material of local significance, under a scheme where each broadcaster must satisfy the condition by complying with a points quota system. According to ACMA, 'the points system provides an incentive for licensees to broadcast local news above other material, while also recognising that other types of material of local significance may be of interest to local audiences'.²⁸
- 3.27 In relation to the local content requirements, regional broadcasters emphasised that they have consistently met or exceeded their quotas.²⁹
- 3.28 Evidence to the committee suggested that the designation of licence areas can be too geographically broad to adequately service individual communities with their local content needs. For example, Deakin University commented that, in the case of the South West Victoria licence area, which includes Ballarat and Warrnambool, located about 200 km apart (see Figure 3.1):

You could find that a commercial network broadcasting out of Ballarat has some people on the ground in Ballarat, but they may not have in Warrnambool – and what they might be broadcasting to Warrnambool quite often it will be something to do with Ballarat. I think if you go and ask the people in Warrnambool

26 Mr Leigh Radford, Head, Rural and National Programs, ABC Regional, Australian Broadcasting Corporation, *Committee Hansard*, Sydney, 8 March 2016, p. 23.

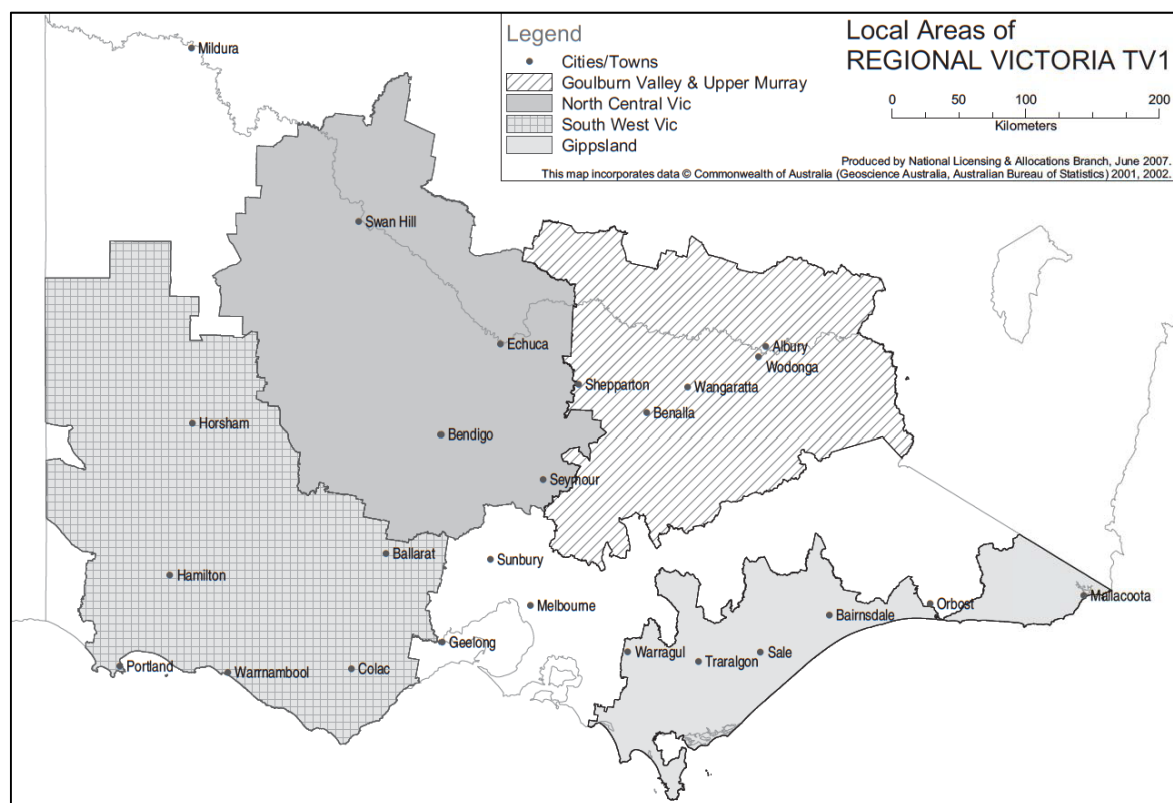
27 ACMA, 'About Licence Areas', 7 December 2015, <<http://www.acma.gov.au/Industry/broadcast/Spectrum-for-broadcasting/Spectrum-radio-broadcasting/about-licence-areas-spectrum-for-broadcast-acma>>, accessed 11 April 2016.

28 ACMA, 'Material of local significance', 8 April 2015, <<http://www.acma.gov.au/Industry/Broadcast/Television/Local--regional-content/material-of-local-significance-local-regional-tv-content-i-acma>>, accessed 11 April 2016.

29 Prime Media, WIN Network and Southern Cross Austereo, *Submission 36*, p. 3; Mr Grant Johnstone, Head of Content, ACE Radio, *Committee Hansard*, Melbourne, 22 March 2016, p. 26.

whether they think that is their local news the answer is probably, 'No'.³⁰

Figure 3.1 Broadcast licencing: local areas of regional Victoria



Source ACMA, National Licensing & Allocations Branch, Local Areas of Regional Victoria TV1.

- 3.29 An example of where an area is less than effectively served in terms of broadcast of local content is the remote area of Kimba, located on the West coast of South Australia. The District Council of Kimba expressed concern that instead of receiving local news and content from Adelaide, they receive broadcast content from Queensland and the Northern Territory. It noted that this is because Kimba is located in the Remote Central and Eastern Australia licence area, which encompasses parts of the Northern Territory and all states other than Western Australia.³¹
- 3.30 Deakin University suggested that licence areas should be gridded so that broadcasters receive 'points for going a bit further afield than just the regional centre, to serve rural people'. It emphasised that 'local voices are not just in the regional centre – they are in the whole area', and that there

30 Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 32.

31 Correspondence from the District Council of Kimba to the Standing Committee on Communications and the Arts, dated 20 January 2016.

should be incentives for 'work that burns up a bit of petrol and a bit of shoe leather'.³²

Emergency broadcasting

3.31 One of the crucial services rural and regional broadcasters provide to local communities is accurate and timely information during emergency situations.

3.32 During times of emergency, the ABC is an important link between authorities and the public, and is committed to maintaining emergency coverage across Australia. The ABC stated that:

The Corporation trains employees in emergency broadcasting and has staff dedicated to monitoring the environment and working alongside emergency agencies to refine and develop communication systems. The ABC is the only radio broadcaster in rural and regional Australia undertaking this task and dedicating staff to it. It is an essential part of the Corporation's commitment to servicing rural and regional Australians. The ABC has a long history of assisting emergency agencies by broadcasting education material.³³

3.33 However, evidence to the committee showed that the ABC is not alone in the provision of emergency information to rural and regional communities. ACE Radio Network outlined its coverage of emergency situations in Victoria, focusing on the recent Great Ocean Road bushfires in December 2015. It stated that in addition to broadcasting all warnings issued by the Country Fire Authority (CFA), it recorded 14 interviews with the CFA Incident Controller which aired on both its AM and FM stations, and were shared on a Soundcloud account and via Facebook. It stated that in four days the interviews were accessed by the community 7,002 times on the Soundcloud account.³⁴

3.34 ACE Radio Network stressed the importance of only broadcasting official information during emergency situations, rather than broadcasting people calling in. It described its approach as 'we just stick to the information we are given and read it out in a timely manner based on the information and the severity of the situation, and just continue to do that'.³⁵

32 Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 35.

33 ABC, *Submission 9*, p. 7. For more information, see ABC, 'About ABC Emergency', <<http://www.abc.net.au/news/emergency/about/>>, accessed 21 December 2015.

34 ACE Radio Network, *Submission 15*, p. 4.

35 Mr Grant Johnstone, Head of Content, ACE Radio, *Committee Hansard*, Melbourne, 22 March 2016, p. 26.

- 3.35 In the ACT, the territory government facilitates the engagement of all local electronic media outlets through a Memoranda of Understanding to ensure the 'timely and accurate dissemination of emergency information and warnings 24 hours a day, seven days a week'. In addition, the ACT Emergency Services Agency (ESA) provides ongoing liaison with and training for local journalists in 'basic bushfire awareness as well as offering the provision of refresher training and familiarity with the media facilities at the ACT ESA Headquarters'.³⁶

Possible effects of media reforms on rural and regional services

- 3.36 Evidence to the committee suggested that significant reforms to the Australian media industry's regulatory environment would affect the broadcasting sector, including services to rural and regional communities. Industry stakeholders generally supported changes for significant reform, for example reduction in the licences fees, and removal of the 'reach rule' and 'two-out-of-three rule', and argued that this would provide broadcasters with greater flexibility to deliver its services. However, other submitters expressed concern that likely resulting media mergers could disadvantage rural and regional audiences if broadcasters become increasingly metropolitan-centric.
- 3.37 Media diversity arrangements are typically aimed at enabling people to access a variety of media content without any controlling interest exerting too much influence over the available content or perspectives put forward for people to consume. This is particularly relevant to the production, distribution and consumption of news, because of its ability to inform and shape community views on various issues, including politics.³⁷ Currently, Australia's media ownership is among the most concentrated in the world, and has been historically dominated by the three media dynasties of Packer, Fairfax and Murdoch.³⁸
- 3.38 As mentioned in chapter 1, the Government has recently announced a suite of reforms that will abolish the 'reach rule' and the 'two-out-of-three rule', and will impose additional local content obligations on regional

36 ACT Government, *Submission 41*, p. 3.

37 Department of Communications, *Media control and ownership*, Policy Background Paper No. 3, 2014, p. 4. See also, R Finkelstein, *Report of the independent inquiry into the media and media regulation*, February 2012, pp. 114-17.

38 M Pusey and M McCutcheon, 'The Concentration of Media Ownership in Australia - from the media moguls to the money men?', *Media International Australia*, Incorporating Culture & Policy, Issue 140, 2011, p. 22.

television networks if they are acquired by or merge with another company.³⁹

- 3.39 The committee heard evidence that these reforms are necessary because of challenges facing rural and regional broadcasters in the present regulatory environment. For example, Free TV Australia argued that the current regulatory framework was impeding competition:

Unshackle us. Don't make us compete with our hands tied behind our backs and chains around our ankles. We will go out there and do what we need to do, and we will service our communities, because that is what we do, but don't make it harder for us.⁴⁰

- 3.40 In contrast, Deakin University expressed concern that the proposed reforms could further restrict 'media diversity and the plurality of reporting in rural and regional areas' by allowing acquisitions and mergers.⁴¹ It argued that:

While there is continued demand for local news and information, news gaps are widening in many of Australia's communities. The key to success in digital times lies in ensuring regional and rural news rooms are adequately resourced and have intimate local knowledge and appreciation of their communities. Provisions should also be in place to protect local newsrooms and to encourage diversity of voices in rural and regional areas.⁴²

- 3.41 In a joint submission, the three major regional television networks Prime Media, WIN Network and Southern Cross Austereo outlined how economies of scale make it difficult for regional networks to compete with metropolitan networks and that there is also greater capacity for metropolitan networks who own regional licences to produce more local content than the major regional providers. They argue that this pressure is 'exacerbated by the fact that the regional broadcasters merely act as a broadcast transmitter for the metropolitan networks, who otherwise retain all the rights and revenue to exploit and monetise their content' through live streaming and catch-up TV services.⁴³

39 Senator the Hon Mitch Fifield, Minister for Communications and the Arts, 'Modernising Australia's Media Laws', *Media Release*, 1 March 2016.

40 Ms Julie Flynn, CEO, Free TV Australia, *Committee Hansard*, Sydney, 7 March 2016, p. 14.

41 See: Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 31; and Deakin University, *Submission 19*, p. 3.

42 Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 31.

43 Prime Media, WIN Network and Southern Cross Austereo, *Submission 36*, pp. 4-5.

3.42 A number of organisations argued that commercial broadcasting licence fees were too high and were making it difficult for broadcasters to pay for local content.⁴⁴ For example, Seven West Media stated that commercial television broadcasters in Australia pay up to 4.5 per cent of their gross revenue in licence fees. It argued that:

Broadcasting licence fees were originally set for analogue, single channel free-to-air television services. A plethora of domestic and international players are now delivering content to consumers in a range of ways, driven by new technology, business models and consumer behaviour. Urgent action is required to remove broadcasting licence fees to reflect these market changes and rebalance the regulatory playing field.⁴⁵

3.43 Free TV Australia submitted that licence fees for Australian commercial television broadcasters are the highest in the developed world, with Australian broadcasters also bearing 'content obligations that are at least as onerous as any comparable market'.⁴⁶

3.44 Similarly, Aurora Community Television argued that the abolition of the 'two-out-of-three rule', along with the removal of television licence fees would result in greater competition, which 'will push broadcasters to expand their services/content and thereby increase viewing'.⁴⁷ It cautioned, however, that 'whilst the ABC is a virtual monopoly in some markets we may never see a challenge to the status quo'.⁴⁸

Innovation and technology

3.45 While the changing media landscape in Australia is creating further challenges for rural and regional broadcasters, digital technologies and innovation in the way that information is shared provide exciting opportunities for bridging the so-called 'digital divide'⁴⁹ between metropolitan and rural and regional communities. However, as Aurora Community Television remarked, 'innovation in the 21st century is not

44 See: Ms Julie Flynn, CEO, Free TV Australia, *Committee Hansard*, Sydney, 7 March 2016, p. 14; Seven West Media, *Submission 42*, p. 16; Free TV Australia, *Submission 37*, p. 5; and Aurora Community Television, *Submission 40*, p. 1.

45 Seven West Media, *Submission 42*, p. 16.

46 Free TV Australia, *Submission 37*, p. 5.

47 Aurora Community Television, *Submission 40*, p. 1.

48 Aurora Community Television, *Submission 40*, p. 1.

49 Ms Joan Warner, CEO, Commercial Radio Australia, *Committee Hansard*, Sydney, 7 March 2016, p. 17.

always about being newer or more clever; sometimes it is just about being cost-effective and doing more with less'.⁵⁰

- 3.46 The Department of Communications and the Arts indicated that the rollout of the National Broadband Network (NBN) and the utilisation of both new and existing satellite technologies will be crucial for supporting equitable media access in rural and regional areas in the near future.⁵¹
- 3.47 Reliable and fast internet has the potential to connect communities in ways that traditional television and radio broadcasts cannot, increasing the reach of, and competition between, network providers, and provides opportunities for new competitors such as subscription video on demand services.
- 3.48 The National Rural Health Alliance stressed the importance of 'fast, efficient broadband as a cornerstone of rural and remote sustainability', emphasising that 'good communications underpin all aspects of contemporary life – health, education, the economy and culture'.⁵²
- 3.49 The committee heard that there were some reservations about the shift towards online content, because while there are potential benefits for rural and regional communities, accessing these services is contingent on the physical availability of broadband infrastructure, which in some regional locations may not be reliable.⁵³ Furthermore, the increasing trend towards online content and digital streaming means that regional networks, who purchase broadcast content from metropolitan networks, may be undermined when the same content is streamed via the internet.⁵⁴
- 3.50 National and State Libraries Australasia outlined the important role that public libraries play in providing digital access and teaching digital literacy, including training to use online government services.⁵⁵ It saw the role of libraries as particularly important for people in communities in rural and regional locations, and commented that:

Significantly, in rural and regional areas there are often no bookshops and no newsagents anymore. There are certainly no

50 Mrs Phyllisse Stanton, CEO, Aurora Community Television, *Committee Hansard*, Sydney, 7 March 2016, p. 65.

51 Ms Nerida O'Loughlin, Deputy Secretary, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, pp. 8-9.

52 Mr Gordon Gregory, CEO, National Rural Health Alliance, *Committee Hansard*, Canberra, 1 March 2016, p. 2.

53 See: National Rural Health Alliance, *Submission 44*, p. 7; and Deakin University, *Submission 19*, p. 3.

54 Deakin University, *Submission 19*, p. 3.

55 Ms Jane Cowell, Member, National and State Libraries Australasia, *Committee Hansard*, Melbourne, 22 March 2016, p. 45.

JB Hi-Fis for access to digital content. So a key aspect of strategies across the nation is for public libraries to be that place where you can access new digital tools, where you can see their use and you can also have basic instruction in how to use them and how to connect them. Digital literacy is a core aspect of what public libraries are delivering across the nation, especially in our Indigenous communities and our rural and regional communities, because there is no alternative.⁵⁶

- 3.51 National and State Libraries Australasia noted that, in Queensland, public libraries are trialling loaning Wi-Fi modems and data to the home to assist people, including school students and pensioners, with access to the internet outside of library opening times.⁵⁷
- 3.52 National and State Libraries Australasia also highlighted the importance of the National Library of Australia's Trove archive, which enables people to access historical rural and regional newspapers and other content online. It noted however that, as a consequence of funding reductions, the Trove archive will not be ingesting any new material from outside of the library.⁵⁸
- 3.53 The Viewer Access Satellite Television (VAST) network provides digital television to viewers in rural and remote areas where reception through normal TV antennae is unavailable.⁵⁹ The Department of Communications and the Arts highlighted that the VAST network was helping to bridge the gap between the content available in the cities, with that of rural and regional communities, and that this 'is really the first time we have been able to achieve that in broadcasting'.⁶⁰
- 3.54 Optus outlined the VAST services that it provides via the Optus Satellite Aurora Digital platform, on behalf of the national and regional commercial broadcasters as well as several narrowcasters.⁶¹ It advised that the services its satellites provide to rural and regional communities can be expanded in the future, depending on the type of services that are

56 Ms Jane Cowell, Member, National and State Libraries Australasia, *Committee Hansard*, Melbourne, 22 March 2016, p. 40.

57 Ms Jane Cowell, Member, National and State Libraries Australasia, *Committee Hansard*, Melbourne, 22 March 2016, p. 40.

58 Ms Jane Cowell, Member, National and State Libraries Australasia, *Committee Hansard*, Melbourne, 22 March 2016, p. 41.

59 Viewer Access Satellite Television (VAST), <<https://www.myvast.com.au/>>, accessed 13 April 2016.

60 Ms Nerida O'Loughlin, Deputy Secretary, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 9.

61 'Narrowcasters' transmit programmes to a comparatively localised or specialised audience.

available in urban areas.⁶² Optus commented that it is 'moving more and more to an internet-based society where everything seems to be coming through the internet', and emphasised that satellites can provide internet access to areas not presently serviced by broadband.⁶³

3.55 Mobile technologies in rural and regional areas were also identified as important in providing both communication and access to the internet. The ABC stated that smartphones and tablets are the 'preferred modes of communication in remote areas',⁶⁴ noting that the proportion of exclusively mobile users is 50 per cent higher in regional areas than in capital cities.⁶⁵ The ABC further noted that content output for regional ABC stations has increased by 46 per cent over two years and that the ABC's audio streaming services for 16 regional radio stations have had more than 1.5 million plays and nearly 780, 000 visits since July 2015.⁶⁶

3.56 These technologies are also changing the way that journalists report on and capture content for stories in rural and regional areas. The ABC outlined how innovation in the use of mobile technology was leading to efficiencies in news gathering, making things more cost-effective and easier for reporters. For example, the ABC explained that it was:

... sourcing video from our locations around the country and on an increasing scale. It is very much front and centre of our strategic objectives to be capturing more video out of regional Australia. We are now embarking on a process of training for staff to be able to do this, even just using iPhones. It is absolutely amazing what you can do with an iPhone.⁶⁷

3.57 Aurora Community Television outlined how mobile technology provides opportunities for people to tell their own stories. It stated that:

We believe there is a sustainable business model in developing a national, regional community television network where content is sourced from the ground up, allowing everyday Australians to tell their stories in their own way. Shooting with mobile phones or ipads content can be uploaded, refined by Aurora and then

62 Mr Paul Sheridan, Vice-President, Satellite, Optus, *Committee Hansard*, Sydney, 7 March 2016, p. 63.

63 Mr Peter Williams, Director, Satellite Sales, Optus, *Committee Hansard*, Sydney, 7 March 2016, p. 64.

64 Ms Fiona Reynolds, Director Regional, ABC, *Committee Hansard*, Sydney, 7 March 2016, p. 4.

65 ABC, *Supplementary Submission 9.1*, p. 1.

66 ABC, *Supplementary Submission 9.1*, p. 1.

67 Mr Leigh Radford, Head, Rural and National Programs, ABC Regional, ABC, *Committee Hansard*, Sydney, 8 March 2016, p. 24.

broadcast across Australia. With MPEG-4 compressed technology, the delivery becomes even more cost-effective.⁶⁸

- 3.58 Deakin University provides a similar example from the United Kingdom of what it called ‘hyperlocal’ news:

You have a hub where you might employ a couple of professional journalists and then, basically, you are relying on citizens to go out and actually gather the news and bring it back and be involved in producing the news for the local community.⁶⁹

- 3.59 The committee also heard that the development in digital radio technology, referred to as DAB+, provides new opportunities for broadcasting information to people in rural and regional areas that would be unavailable using traditional radio technology. Commercial Radio Australia described the benefits of DAB+ radio as including enabling broadcasters to deliver new functionality, such as text or graphical messages during emergency situations, as well as being more spectrum efficient.⁷⁰

- 3.60 Commercial Radio Australia outlined that, where available, digital radio is being rapidly taken up across Australia and that there are nearly half a million cars on the road equipped with DAB+.⁷¹ It recommended that:

... the government considers a funding scheme, as had been provided to television, to enable DAB+ digital technology to be rolled out in regional Australia to ensure that all Australians will have access to a wide range of radio services, including those transmitted via new technologies, irrespective of where they live.⁷²

- 3.61 In February 2016 the Broadcasting Legislation Amendment (Digital Radio) Bill 2015 was passed. It is designed to reduce regulatory complexity and to facilitate the rollout of digital radio in regional Australia.⁷³ The government’s Digital Radio website indicates that there are no plans for a switchover to digital-only radio.⁷⁴

68 Mrs Phyllisse Stanton, CEO, Aurora Community Television, *Committee Hansard*, Sydney, 7 March 2016, p. 65.

69 Dr Lisa Waller, Senior Lecturer in Communications, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 33.

70 Commercial Radio Australia, *Submission 22*, p. 10.

71 Ms Joan Warner, CEO, Commercial Radio Australia, *Committee Hansard*, Sydney, 7 March 2016, p. 21.

72 Commercial Radio Australia, *Submission 22*, p. 2.

73 Broadcasting Legislation Amendment (Digital Radio) Bill 2015, Explanatory Memorandum, p. 2.

74 Department of Communications and the Arts, ‘Digital Radio’, <<https://www.communications.gov.au/what-we-do/radio/digital-radio>>, accessed 13 April 2016.

Public broadcasting

- 3.62 Commercial, community and public broadcasters each have important roles to play in providing diverse content to rural and regional audiences. However, the committee received evidence about several issues relating to public broadcasters, in particular the ABC, including accuracy and accountability, and rural and regional programming decisions. These issues are examined in the following sections of this chapter.

Accountability of public broadcasters

- 3.63 Given the unique and significant role public broadcasters play in delivering content to Australian audiences, particularly those in rural and regional communities, it is important to have mechanisms to ensure that content is accurate and that broadcasters are accountable for what they broadcast.
- 3.64 The committee notes that the ABC has the largest broadcasting footprint in rural and regional Australia across radio, television and online content.⁷⁵ The sheer size of the ABC's reach means that the ABC has a heightened obligation to provide the Australian public with accurate and accountable broadcast content. The ABC claimed that:
- Australians overwhelmingly regard the ABC as the most accurate news organisation around. They trust the ABC and they think it provides the best mix and it certainly delivers on its editorial controls. Consistently that is shown in the independent polling we do. I think Australians do regard the ABC as performing highly on its editorial objectives. That is not to say that we hit the mark every time, but in all of those instances there have been reviews done and the ABC is acting on the result of those reviews.⁷⁶
- 3.65 The broadcast content of commercial free-to-air television broadcasters in Australia is regulated by the Commercial Television Industry Code of Practice (the code of practice). It covers the points set out in the BSA as well as other matters relating to program content that may be of concern to the community.

75 ABC, *Submission 9*, p. 4.

76 Mr Michael Millet, Director, Corporate Affairs, ABC, *Committee Hansard*, Sydney, 7 March 2016, p. 6.

- 3.66 It operates alongside the Australian Communications and Media Authority's (ACMA) standards that regulate children's programming and the Australian content of programs and advertisements.⁷⁷ Matters covered by the code of practice include:
- programs, commercials, and program promotion classification
 - advertising times on television
 - accuracy, fairness and privacy in news and current affairs
 - disclosure of commercial arrangements in factual programming
 - loudness of advertisements
 - complaints handling
 - dislike, contempt, or ridicule on the grounds of age, colour, gender, national or ethnic origin, disability, race, religion or sexual preference.⁷⁸
- 3.67 While public broadcasters are not regulated by the commercial television code of practice, both the ABC and the SBS have developed their own versions that are similar.⁷⁹ The current ABC Code of Practice 2011 (revised 2014)⁸⁰ contains standards dealing with:
- accuracy
 - corrections and clarifications
 - impartiality and diversity of perspectives
 - fair and honest dealing
 - privacy
 - harm and offence
 - classification and consumer advice

77 ACMA, TV content regulation, *Commercial television code of practice*, 9 December 2015, <[http://www.acma.gov.au/ Industry/Broadcast/Television/TV-content-regulation/commercial-television-code-of-practice-tv-content-regulation-i-acma](http://www.acma.gov.au/Industry/Broadcast/Television/TV-content-regulation/commercial-television-code-of-practice-tv-content-regulation-i-acma)>, accessed 24 March 2016.

78 ACMA, TV content regulation, *Commercial television code of practice*, 9 December 2015, <[http://www.acma.gov.au/ Industry/Broadcast/Television/TV-content-regulation/commercial-television-code-of-practice-tv-content-regulation-i-acma](http://www.acma.gov.au/Industry/Broadcast/Television/TV-content-regulation/commercial-television-code-of-practice-tv-content-regulation-i-acma)>, accessed 24 March 2016.

79 The SBS Code of Practice 2014 (revised March 2016) includes similar standards to the ABC code, and provisions about the placement of advertisements and hourly time limits on advertisements. See: ACMA, 'Broadcasting codes and schemes index', <<http://www.acma.gov.au/theACMA/About/The-ACMA-story/Regulating/broadcasting-codes-schemes-index-radio-content-regulation-i-acma>>, accessed 1 April 2016.

80 ACMA, 'Broadcasting codes and schemes index', <<http://www.acma.gov.au/theACMA/About/The-ACMA-story/Regulating/broadcasting-codes-schemes-index-radio-content-regulation-i-acma>>, accessed 1 April 2016.

- due care for children and young people.⁸¹
- 3.68 ACMA advised that, unlike codes of practice developed by other broadcasting sectors (such as, the subscription, commercial and community sectors), the ABC Code is not registered by ACMA, rather being 'formally notified' to ACMA.⁸²
- 3.69 In evidence to the committee, ACMA explained that if a commercial broadcaster breaches the code of practice, ACMA can impose a standard on their broadcast license in which any further breaches can result in the loss of that licence. However, in the case of public broadcasters it has a limited role. For example, as the ABC does not hold a broadcast licence, ACMA cannot impose an analogous sanction or compel the ABC to take or refrain from certain actions.⁸³
- 3.70 Discussion of a 2015 incident on the ABC's Q&A program highlighted this limitation of ACMA's powers over public broadcasters.⁸⁴ The Department of Communications and the Arts explained that:
- The Zaky Mallah issue was investigated by the department. We provided a thorough report to the minister on the circumstances behind that. In terms of the ABC: as Mr Cameron said, the ACMA does have a role but it is quite a limited role. With the ABC: given its independence from government, if the ACMA finds that there are issues of breaches it can provide advice back to the ABC, but it cannot use the powers that it can use for commercial broadcasters with regard to the ABC.⁸⁵
- 3.71 The Department outlined the process for complaints handling, as well as relevant editorial policy and codes of practice that applied to the case:
- ABC Editorial Policies and the ABC Code of Practice apply to all ABC radio and television programming.

81 ACMA, *Submission 54*, p. 1.

82 ACMA, *Submission 54*, p. 1. This also applies to the SBS code of practice. See: ACMA, 'Broadcasting codes and schemes index', <<http://www.acma.gov.au/theACMA/About/The-ACMA-story/Regulating/broadcasting-codes-schemes-index-radio-content-regulation-i-acma>>, accessed 1 April 2016.

83 Mr James Cameron, Acting Deputy Chair, ACMA, *Committee Hansard*, Canberra, 15 March 2016, pp. 12-13.

84 The incident involved the appearance of Mr Zaky Mallah on a live broadcast of the Q&A program on 22 June 2015. Mr Mallah had previously been found guilty of charges relating to threats to kill officers of the Australian Security and Intelligence Organisation and the Department of Foreign Affairs and Trade. Department of Communications and the Arts, 'Q&A Investigation', 3 July 2015, <<https://www.communications.gov.au/departmental-news/qa-investigation>>, accessed 24 March 2016. See also Mr Michael Millet, Director, Corporate Affairs, ABC, *Committee Hansard*, Sydney, 7 March 2016, p. 7.

85 Ms Nerida O'Loughlin, Deputy Secretary, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 12.

- In the first instance, complaints about the ABC's programming content should be sent to the broadcaster.
 - If the complainant does not receive a response in 60 days or is unhappy with the response they may then complain to ACMA.
 - If ACMA finds the complaint is justified it can recommend action be taken by the ABC to address the issue raised in the complaint.⁸⁶
- 3.72 ACMA advised that if the ABC does not act on ACMA recommendations, it may provide the Minister a written report that must be tabled by the Minister in both houses of Parliament within seven sitting dates from the report being received.⁸⁷
- 3.73 At the public hearing on 15 March 2016, the committee discussed the possibility of financial penalties being used as a sanction against the ABC if it does not abide by an ACMA ruling. The Department advised that there may be 'constitutional reasons' preventing the utilisation of financial penalties, but suggested that 'there could be an alternative enforcement, shall I say; a different way of doing it'.⁸⁸
- 3.74 Figures on television investigations and breaches between 2005 and 2015 conducted by ACMA are compiled in Table 1. While the ABC and SBS were subject to a substantial number of investigations over the decade examined, the majority of breaches related to instances of poor captioning. In comparison to other broadcasters, the ABC and SBS had significantly fewer breaches ruled against them by ACMA overall, and only three breaches for accuracy since 2005, two for the ABC and one for the SBS.⁸⁹

86 Department of Communications and the Arts, 'Q&A Investigation', 3 July 2015, p. 3. Available at: <<https://www.communications.gov.au/departamental-news/qa-investigation>>, accessed 24 March 2016.

87 ACMA, *Submission 54*, p. 2.

88 Ms Nerida O'Loughlin, Deputy Secretary, Department of Communications and the Arts, *Committee Hansard*, Canberra, 15 March 2016, p. 13.

89 ACMA, 'Television Investigations, 2005-2016', <<http://www.acma.gov.au/theACMA/ACMAi/Investigation-reports/Television-investigations/television-operations-investigations>>, accessed 31 March 2016. From 1998 until the end of 2013, ACMA found 15 breaches in its investigations relating to ABC radio. The majority of these breaches were for complaints handling. See ACMA, 'ABC radio investigations', <<http://vision2020.acma.gov.au/theACMA/ACMAi/Investigation-reports/Radio-investigations/radio-operations-abc-radio-investigations>>, accessed 4 April 2016.

Table 3.1 Selected data on ACMA investigations into Australian television broadcasters

Year	Total annual investigations	Total annual investigations resulting in \geq 1 breach*	ABC investigations	ABC breaches	ABC breaches - accuracy	SBS investigations	SBS breaches	SBS breaches - accuracy
2015	37	5	15	0	0	0	0	0
2014	66	11	29	1	0	2	0	0
2013	109	10	40	1	0	2	0	0
2012	127	26	48	3	0	6	1	0
2011	83	30	23	6	0	3	1	0
2010	87	27	9	1	0	4	0	0
2009	71	37	6	1	0	3	0	0
2008	52	34	0	0	0	1	0	0
2007	18	17	1	1	1	2	2	0
2006	15	13	2	2	1	0	0	0
2005	25	25	1	1	0	2	2	1
Total	690	235	155	17	2	25	6	1

Source Compiled from ACMA Television Investigations, 2005 to 2015, <<http://www.acma.gov.au/theACMA/ACMAi/Investigation-reports/Television-investigations/television-operations-investigations>>, accessed 31 March 2016

* In some investigations several breaches were reported.

3.75 Another incident discussed at public hearings was the ABC's erroneous reporting in February 2016 about the alleged rape of a child on Nauru. The ABC advised that it had subsequently made a correction in relation to the story.⁹⁰

3.76 The committee also notes the case of the ABC's *Catalyst* science program, which in October 2013 broadcast episodes titled 'Heart of the matter', which were critical of HMG-CoA reductase inhibitors (known as statins). A study published in the Australian Medical Journal reported that, in the week the *Catalyst* program was aired, there was a 28.8 per cent increase in discontinuation of statin use, which decayed by 9 per cent per week in the following weeks. It described 'significant and sustained changes in statin dispensing following the airing of the *Catalyst* program' and estimated that:

- 28,784 people had ceased statin treatment up to 30 June 2014
- 60,897 people were affected as a result of increased discontinuation, decreased initiation and/or poor adherence to statin treatment.⁹¹

90 Mr Michael Millet, Director, Corporate Affairs, ABC, *Committee Hansard*, Sydney, 7 March 2016, p. 7.

91 Statins is a commonly used prescription medicine for the prevention of cardiovascular issues. It is used by over 30 per cent of the Australian population aged 50 years or older. A Schaffer, N Buckley, T Dobbins et al, 'The crux of the matter: did the ABC's *Catalyst* program change statin use in Australia?', *Medical Journal of Australia*, 2015; vol. 202, no. 11, p. 593.

- 3.77 The ABC received 91 code complaints about the program and conducted an internal investigation. As a consequence of the ABC's investigation report, which found that the second broadcast breached standard 4.5 of the ABC Code of Practice in unduly favouring the anti-statin perspective, the ABC took steps to 'mitigate the risk of serious threats to individual or public health'.⁹² These steps included publishing statements on the *Catalyst* webpage and the ABC's Corrections and Clarifications webpage, and removing the broadcasts from the ABC's website.⁹³
- 3.78 This example illustrates that where an error is made, the ABC will publish its explanation and correction to the ABC's Corrections and Clarifications webpage, as well as providing links to the original material so that the public can view the changes that have been made.⁹⁴
- 3.79 Corrections or clarifications made by the ABC are based on Standards 3.1 of the ABC Code of Practice, which states that the ABC must:
- Acknowledge and correct or clarify, in an appropriate manner as soon as reasonably practicable:
 - a. significant material errors that are readily apparent or have been demonstrated; or
 - b. information that is likely to significantly and materially mislead.⁹⁵
- 3.80 The matters discussed above are examples of how the actions of a broadcaster can have significant impact on audiences, and is an important remainder of how crucial it is that broadcasters are accurate and balanced in their programming, and can be held accountable on occasions when they fail to meet their obligations.

ABC rural and regional services

- 3.81 In many areas of rural and regional Australia, ABC television and radio are the mainstay of news and other broadcast content, including emergency information. The committee was interested in hearing about how the ABC is responding to evolving challenges in the provision of

92 ACMA, *Investigation Report – Catalyst broadcast by the ABC on 24 and 31 October 2013*, File no. ACMA2014/651, 24 December 2014, pp. 2-3.

93 ACMA also investigated complaints about the program and found that it had not breached any of the other relevant ABC code of practice standards. See ACMA, *Investigation Report – Catalyst broadcast by the ABC on 24 and 31 October 2013*, File no. ACMA2014/651, 24 December 2014, p. 3.

94 ABC, *Corrections and Clarifications*, <<http://www.abc.net.au/news/corrections/>>, accessed 27 April 2016.

95 ACMA, 'Broadcasting codes and schemes index', <<http://www.acma.gov.au/theACMA/About/The-ACMA-story/Regulating/broadcasting-codes-schemes-index-radio-content-regulation-i-acma>>, accessed 1 April 2016.

broadcast content to rural and regional Australia, and whether improvements can be made to those services.

- 3.82 While the ABC's Charter does not detail a specific ABC role in rural and regional Australia, or specify a quota for rural and regional programming, the ABC has indicated that as a national broadcasting service it has a responsibility to provide 'a balance between broadcasting programs of wide appeal and specialized broadcasting programs', as well as reflecting 'the cultural diversity of the Australian community'.⁹⁶
- 3.83 The importance of the ABC in meeting the information needs of people in rural and regional areas was emphasised by Deakin University, which remarked that:
- Australians have always looked to the ABC – Australians throughout the land – to meet their news needs in particular. We cannot emphasise enough that that role is increasingly important.⁹⁷
- 3.84 Deakin University contended that, as a consequence of the ABC's vital role in addressing content gaps in the coverage provided by commercial networks in rural and regional areas, the ABC should be 'mandated to provide those services on behalf of the citizens of this country, who pay for the service'.⁹⁸
- 3.85 In contrast, the ABC argued that in 'light of its funding constraints, it is unrealistic to expect the ABC to provide new services in regional markets beyond those already resourced, or to totally restructure its approach to remedy market gaps'.⁹⁹ The ABC expressed concern about the funding cuts imposed in 2014, which amounted to a \$250 million reduction in ABC funding over a five-year period and a further \$50 million per annum on-going reduction.¹⁰⁰
- 3.86 The ABC stressed that the argument that 'the ABC can and should simply redirect funds away from "non-core" digital activities in Sydney to address commercial broadcasting market failure pockets in rural and regional Australia is fundamentally flawed'.¹⁰¹
- 3.87 In 2014 the ABC created a separate Regional Division comprising 424 staff (out of a total 4,186 full-time equivalent staff) located in 48 regional

96 *Australian Broadcasting Corporation Act 1983 (Cth)*, s. 6.

97 Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 32.

98 Dr Lisa Waller, Senior Lecturer in Communication, Deakin University, *Committee Hansard*, Melbourne, 22 March 2016, p. 32.

99 ABC, *Submission 9*, p. 19.

100 ABC, *Submission 9*, p. 3.

101 ABC, *Submission 9*, p. 17.

locations as well as the capital cities, and has an operational budget of \$52 million.¹⁰² The ABC emphasised that this figure does not represent the ABC's full commitment to servicing rural and regional audience, which it estimates as \$387 million.¹⁰³ The ABC also noted that the Regional Division was quarantined from the funding cuts over the five year period.¹⁰⁴

3.88 According to the ABC, the Regional Division was created to:

- Give a stronger voice to the one-third of Australians living outside the capital cities;
- Contribute to a sense of national identity and reflect Australia's diversity, in accordance with the ABC Charter; and
- Provide a response to the reduction in services by the commercial media sector in regional Australia, who cannot maintain their operations, as servicing these audiences is not economically sustainable.¹⁰⁵

3.89 Some submitters were apprehensive that the ABC's changes to its rural and regional programming may have an adverse impact on people in these communities.¹⁰⁶ For example, Deakin University was concerned that:

The ABC's structural reforms in regional areas bring threats to community ties and local employment, with programming cuts potentially creating news and information content gaps in rural and regional Australia, such as occurred when Bush Telegraph was axed in late 2014.¹⁰⁷

3.90 The ABC responded to claims by the Northern Territory Government¹⁰⁸ that a morning local news program had been cut, and had impacted on local communities, stating that:

There has been no cut to radio programming across Australia. We have changed the schedule and we have placed greater emphasis on the early part of the day when, as we do know, most people are engaged with radio. We are putting the majority of our resources between quarter past six in the morning, when the rural report starts, and 10 o'clock for an extended breakfast program. Then between 10.00 and 11.00 we are doing a new program that is very much about looking at that local part of Australia. But we have not

102 ABC, *Submission 9*, pp. 4-5.

103 ABC, *Submission 9*, p. 5.

104 Mr Leigh Radford, Head, Rural and National Programs, ABC Regional, ABC, *Committee Hansard*, Sydney, 8 March 2016, p. 27.

105 ABC, *Submission 9*, p. 4.

106 See: Northern Territory Government, *Submission 34*, p. 5; and Deakin University, *Submission 19*, p. 2.

107 Deakin University, *Submission 19*, p. 2.

108 Northern Territory Government, *Submission 34*, p. 5

actually cut back local broadcast hours at all; we have reordered them.¹⁰⁹

- 3.91 While commercial, public and community broadcasters all play significant roles in delivering services to rural and regional communities, it should be noted that in some locations with diversity of services and limited broadband access infrastructure, the public broadcasters, in particular the ABC, remains a key source for news and emergency broadcasts.

SBS rural and regional services

- 3.92 As noted in chapter 1, the SBS charter does not explicitly direct it to provide specific services to rural and regional communities, with the focus on SBS programming being on meeting the needs of, and encouraging understanding and acceptance of Australia's multicultural society.¹¹⁰
- 3.93 However, the committee heard that SBS was playing a vital role in delivering television, radio and online content to rural and regional Australia. Further, that migration to areas outside of the major cities has increased the need for the SBS to be responsive to the content needs of increasingly multicultural rural and regional communities.¹¹¹
- 3.94 SBS operates four television channels (SBS, SBS 2, NITV and Food Network) and eight radio channels incorporating 74 language programs each week, including SBS World News and Living Black Radio, and four music channels, as well as providing the SBS On Demand video streaming service.¹¹² SBS broadcasts over a 'hundred hours of international news bulletins that WorldWatch offers on SBS ONE and SBS TWO in 24 languages, originating from 26 countries each week'.¹¹³
- 3.95 SBS outlined the significant reach the SBS has in rural and regional Australia, stating that:
- ... of our regional viewers we know that in any given month we have, roughly, four million viewers who tune in to SBS on a regional or remote basis outside the capital cities. That four million represents roughly five per cent market share of the free-to-air TV sector.¹¹⁴

109 Mr Leigh Radford, Head, Rural and National Programs, ABC Regional, ABC, *Committee Hansard*, Sydney, 8 March 2016, p. 27.

110 *Special Broadcasting Service Act 1991* (Cth), s. 6. The full charter is reproduced in Appendix C.

111 SBS, *Submission 43*, p. 5.

112 SBS, *Submission 43*, p. 3, p 7.

113 SBS, *Our Story, 'Television'*, < <http://www.sbs.com.au/aboutus/ourstory/index/id/5/h/Television>>, accessed 28 April 2016.

114 Mr Michael Ebeid, Managing Director, SBS, *Committee Hansard*, Sydney, 7 March 2016, p. 23.

- 3.96 SBS television now services around 97 per cent of the Australian population. SBS Radio transmits in capital cities and regional centres using analogue and digital transmissions. SBS Radio services are also available on the Digital Television and the VAST (satellite) platform.¹¹⁵
- 3.97 In addition, SBS operates a Self-help Retransmission Subsidy Scheme to provide financial assistance to eligible communities to set up radio transmission facilities (100 per cent of the installation costs) and digital television facilities (75 per cent of the installation costs). The scheme was available for analogue televisions services up until 2010 when digital switchover started rolling out. As at June 2015 there were 190 self-help digital TV transmitters and 162 self-help analogue radio transmitters in regional and remote Australia.¹¹⁶
- 3.98 In relation to emergency broadcasting, SBS noted that while it may not provide the timeliest source of this information, it does provide information relating to emergency situations during its regularly scheduled in-language broadcasts.¹¹⁷
- 3.99 The SBS regularly broadcasts programs that are relevant to rural and regional Australians, including the following recent examples:
- *The Logan Project*, which charts the journey of the city's aspiring singers and musicians as they work together to create a new, positive narrative for their city.
 - Dean Semler's *Road To Hollywood*, which traces the cinematographer's journey from Hollywood back to his roots in Renmark, South Australia.
 - The documentary series *First Contact*, which explored the divide between Indigenous and non-Indigenous Australians.
 - Two upcoming documentaries: *Testing Teachers*, about a school in Tennant Creek, Northern Territory; and *Untold Australia*, a series of four documentaries that profiles diverse contemporary communities in Australia including Norfolk Island.¹¹⁸
- 3.100 In evidence to the committee, the SBS noted comments made by outgoing ABC Managing Director, Mr Mark Scott, in February 2016,¹¹⁹ suggesting that the ABC and the SBS could be merged. However, SBS observed that

115 SBS, *Submission 43*, p. 4.

116 SBS, *Submission 43*, p. 4.

117 Mr Michael Ebeid, Managing Director, SBS, *Committee Hansard*, Sydney, 7 March 2016, p. 27.

118 SBS, *Submission 43*, p. 7.

119 Mr Mark Scott, Managing Director, ABC, Senate Environment and Communications Legislation Committee Estimates, Communications and the Arts Portfolio, *Committee Hansard*, 9 February 2016, p. 64.

'the only people talking about an ABC and SBS merger are the ABC'.¹²⁰ SBS explained that:

We have a very unique culture within the organisation. We do things at a fraction of the cost of the ABC. Economically, the idea of a merger just does not stack up in any way, shape or form. I would say that some of the figures that Mr Scott gave at the National Press Club, as far as we are concerned, are incorrect and that the economics do not work.¹²¹

Conclusions

- 3.101 The committee valued the input by all its submitters and witnesses, who made worthwhile and thought provoking points on the challenges and opportunities facing government, broadcasters, communities and other stakeholders. It was pleased to hear about the innovation and efficiencies that broadcasters have been able to achieve by harnessing digital developments and technology, and by doing more with less. A range of issues were raised, but in seeking to provide a timely report, the committee has focused its discussion and recommendations on selected areas in which further action could help enhance the broadcast services provided to rural and regional communities.
- 3.102 In examining the evidence, the committee was mindful that a third of all Australians live in rural and regional areas.¹²² These communities must be able to enjoy the same quality and diversity of broadcast content as their counterparts in metropolitan and urban areas.
- 3.103 The committee was also acutely aware of the importance of the ABC in rural and regional areas. While acknowledging that the ABC's commitment to rural and regional communities is commendable, the committee emphasises that the sheer size of the ABC's reach, in which it connects with 7.7 million Australians living outside the major capital cities,¹²³ means that it has a heightened obligation to deliver accurate, timely and accountable services.
- 3.104 Audiences in rural and regional communities are generally well served by broadcasters for news services. While these communities are kept well informed of international, national and state news, the committee felt

120 Mr Michael Ebeid, Managing Director, SBS, *Committee Hansard*, Sydney, 7 March 2016, p. 27.

121 Mr Michael Ebeid, Managing Director, SBS, *Committee Hansard*, Sydney, 7 March 2016, p. 27.

122 Australian Bureau of Statistics (ABS), *Regional Population Growth*, Australia, 2013-14, 3219.0.

123 ABC, *Submission 9*, p. 1.

- closer consideration of the provision of more regionally and locally specific news and related services was warranted.
- 3.105 The changing nature of the way Australians consume audio-visual content requires that broadcasters and other content providers be agile in responding to consumer demand. The committee notes that the evolving digital space is providing new challenges that may threaten old business models, and drive the innovation of new ones.
- 3.106 The committee sees increased competition in the market for Australia's audiences as ultimately promoting better services, improving content and generating increased efficiencies. This applies equally to metropolitan and rural and regional markets.
- 3.107 The committee notes that the government is currently considering media reforms and stresses the importance of ensuring that Australia's regulatory environment keeps pace with the changing media and communications landscape.
- 3.108 The committee notes that traditional broadcasters, in particular commercial television, continues to dominate with audiences – that is, most people still get their news from television – but that there is rapid uptake of online content, for example with catch-up free-to-air television services and paid streaming services.
- 3.109 The committee commends the important work of free-to-air, commercial and community broadcasters, including community radio, in the provision of services to rural and regional Australia and recognises that these services can be costly to deliver.
- 3.110 The committee acknowledges that broadcast licence fees represent a significant cost to rural and regional broadcasters, which may undermine their capacity to deliver quality local content. One practical way that the government can support the continued provision of local content by rural and regional broadcasters is by reducing their broadcast licence fees.

Recommendation 10

- 3.111 **The committee recommends that the Minister for Communications and the Arts and the Australian Communications Media Authority work together to reduce broadcast licence fees for free-to-air and community broadcasters.**

The committee recognises the important role that commercial and community broadcasters play in delivering news and other content to rural and regional audiences, and that the evidence shows that most people still get their news from television. The committee heard concerns from commercial and community broadcasters about the need for reform of the current high licensing fees.

- 3.112 The committee observes that legitimate stakeholder concerns have been raised about the proposed media reforms, and considers that in framing the legislation the government must take reasonable action to mitigate against any negative impacts on broadcasting and news services in rural and regional Australia. These potential impacts may include a loss of media diversity and a reduction in local news content.

Recommendation 11

- 3.113 **The committee recommends that, in undertaking any reforms to media ownership relating to the 'reach rule' and the 'two-out-of-three cross-media control rule', the Australian Government consider the implications of the legislation on broadcasting and news services in rural and regional Australia. A statement on what actions have been taken to mitigate any negative impacts on rural and regional communities should be articulated by the Minister for Communications and the Arts in the presentation of the legislation.**

- 3.114 The committee feels strongly that adequate communications infrastructure must be in place to help ensure that rural and regional communities are not disadvantaged in their capacity to access broadband and relevant digital services. People in these communities should have equitable access to fast and reliable broadband and related services.

- 3.115 In providing these services, the committee encourages the government to be forward looking. Progress with the national broadband network remains important, as is harnessing digital opportunities such as with digital radio (DAB+). The committee sees satellite technology as having

promising further possibilities for delivery to areas where standard broadcast options are limited.

- 3.116 It is clear to the committee that the ability to access diverse local content, including news and emergency information, is vitally important to Australians living outside of the major metropolitan centres. It also notes that Australian Communications and Media Authority (ACMA) administers certain obligations for broadcasters in relation to material of local significance, and is concerned that the central concept of what constitutes 'local' may not be adequately defined.
- 3.117 The committee sees merit in the idea raised by Deakin University to encourage broadcasters to access and provide local content, including news, and that this may be achieved through making finer distinctions between geographical areas than are currently made through the broadcasting licence areas.
- 3.118 The committee believes a review of the existing broadcast licencing system is warranted, with a view to providing incentives for those broadcasters who do deliver more targeted content relevant to a region or locality. This review could consider incorporating 'gridding' within broadcast licence areas and particular license areas, and allocating more points to content relevant to areas outside of regional centres.

Recommendation 12

- 3.119 **The committee recommends that the Department of Communications and the Arts and the Australian Communications and Media Authority review the existing broadcast licencing system to consider the adequacy of the concept of 'local' and the provision of incentives for broadcasters who deliver more targeted local content to rural and regional audiences. Broadcasters who deliver more targeted local content could be rewarded through the points system for determining licence fees.**
- 3.120 The committee notes the important role the ABC plays in providing emergency information to the Australian public, particularly in rural and regional areas, and recognises that commercial and community broadcasters are also playing their part in serving their communities through emergency broadcasting.
- 3.121 The committee notes the Australian Capital Territory arrangements that facilitate the engagement of all local electronic media providers by way of a Memorandum of Understanding and ongoing training and liaison with local journalists. Other jurisdictions could benefit from this approach in

order for accurate and timely information to improve reach during emergency situations.

- 3.122 The committee is encouraged by the ABC's recognition of the importance of rural and regional services, and its commitment to delivering services to these communities through the establishment of the new ABC Regional Division.
- 3.123 The committee acknowledges the importance of the ABC's independence and for the ABC to be able to effectively manage its operations and service delivery. However, as a public broadcaster, and as a key player in news content delivery, the committee takes the view that there is a greater onus on the ABC to ensure that rural and regional communities are well served with accurate and timely news and emergency services.
- 3.124 The committee feels that a mechanism that would help ensure that appropriate priority is given to services to rural and regional Australia is to have regional representation on the ABC Board.
- 3.125 The committee recognises that the Government already has the capacity to choose ABC Board members, and will have the opportunity to do so in mid-2016 when the tenure of two Board members expires.
- 3.126 The committee notes that, in another forum, the ABC has challenged the need to change existing arrangements around regional representation on the ABC Board and its Advisory Council.¹²⁴ However, the committee believes it is necessary for the Government to introduce legislation, which amends the *Australian Broadcasting Corporation Act 1983* to ensure that both the ABC Board and its Advisory Council have at least two rural or regional based members in order for the Board to be appropriately advised on matters relating to the provision of ABC services to rural and regional Australians.

124 Senate Environment and Communications Legislation Committee, *Inquiry into the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015*, Submission 16, ABC, p. 10.

Recommendation 13

3.127 **The committee recommends that the Government introduce legislation to amend the *Australian Broadcasting Corporation Act 1983* to ensure that:**

- **the ABC Board is more representative of the Australian community, and has at least two rural or regional based members, and**
- **the ABC Advisory Council has at least two rural or regional based members.**

3.128 The committee understands that, as independent public broadcasters, the ABC and the SBS should be able to determine and produce content to meet their charter obligations, and that editorial decisions are the responsibility of management and should not be influenced by the government of the day.

3.129 The committee acknowledges the unique role the ABC plays in providing content to Australian audiences that commercial broadcasters may be unable or unwilling to provide, particularly in relation to rural and regional content. This role, however, entails a set of important responsibilities to the Australian public and the government. Foremost among these responsibilities is for broadcasters to be accurate and accountable for what they broadcast.

3.130 The committee notes that commercial broadcasters in Australia are regulated by ACMA, which can ultimately decide to revoke a broadcaster's licence if they are in breach of the code of practice. In the case of public broadcasters, no analogous penalty applies. While the committee understands that the role of ACMA in supervising public broadcasters is limited, the committee believes that existing accountability mechanisms should be strengthened.

3.131 The committee notes information from the Department of Communications and the Arts that introducing a financial penalty as a way of enforcing the ABC to comply with an adverse ACMA ruling may be problematic. It also notes the Department alluded to the possibility of alternative enforcement options. Due to time constraints, the committee was unable to explore these options further during the course of this inquiry, but feels that action is needed to bring the ABC in line with commercial and community broadcasters in terms of their accountability under the broadcasting regulator. The government should explore these options in detail, at the earliest opportunity.

- 3.132 The committee emphasises that, as a point of principle, the government should always be held more accountable than private citizens through an effective system of checks and balances. By extension, the ABC as a statutory government body should be held to a higher standard than commercial broadcasters. Appropriate checks and balances on the ABC's conduct are necessary. However, currently there are no enforceable consequences, for example license related consequences enforceable by ACMA, if the ABC acts contrary to its Code of Practice. The committee believes that more meaningful checks and balances are required.
- 3.133 The committee notes that in cases where inaccurate information is broadcast, timely retractions and corrections to the record are essential. However, these remedial actions do not change the fact that the incorrect information has been broadcast and is in the public domain. This applies equally to commercial and community broadcasters.
- 3.134 The committee acknowledges that Standard 3.1 of the ABC Code of Practice sets out the importance of timely and appropriate corrections to be made in cases where the ABC is in error. However, this standard does not necessarily require the ABC to publish a correction or clarification on the program in which the error was made, and that such corrections are normally compiled and published on the ABC's Corrections and Clarifications webpage. This process is inadequate, given the reach, prominence and trust placed in the ABC, and the serious consequences that may follow from the broadcast of an erroneous story or fact.
- 3.135 The committee sees scope in improving the accuracy and accountability of the ABC through revising the ABC Code of Practice to include a stipulation that any errors, corrections and clarifications must be made on the relevant program where applicable, in addition to being compiled and published on the Corrections and Clarifications webpage. For example, if an error of fact is made on a news program, then it would be prudent for a correction to be made on a subsequent news broadcast.

Recommendation 14

- 3.136 **The committee recommends that the Australian Broadcasting Corporation (ABC) Code of Practice be revised to include a requirement that any correction or clarification must be made on the relevant program in which an error has been made, in addition to being published on the ABC website.**

- 3.137 Given the extensive reach of the ABC as a trusted national public broadcaster, the committee believes that this entails heightened responsibilities for accuracy and accountability. It is the committee's view that the mechanism for improving the accountability of the ABC is to ensure that its charter is binding, and that appropriate and meaningful consequences apply for breaches of the ABC Code of Practice, which should be enforced by ACMA. The Department should work with ACMA to find a suitable sanction for the ABC that will provide a level playing field with the commercial and community broadcasters that are regulated by ACMA.

Recommendation 15

- 3.138 **The committee recommends that the Minister for Communications and the Arts and the Australian Communications and Media Authority (ACMA) develop a framework to enhance the accuracy and accountability of the Australian Broadcasting Corporation (ABC).**

The committee's view is that all broadcasters should adhere to ACMA standards for broadcasting. In relation to the ABC in particular, given its extensive reach as a trusted national public broadcaster, on which many communities rely for their news, the committee believes that this entails heightened responsibilities for accuracy and accountability.

- 3.139 Lastly, the committee was concerned by comments made by outgoing ABC Managing Director Mr Mark Scott, which suggested that the ABC and the SBS could be merged. However the committee was relieved to hear that these comments are not reflective of a broader sentiment within government or SBS. The committee is strongly of the view that the SBS and the ABC should remain separate entities.

Recommendation 16

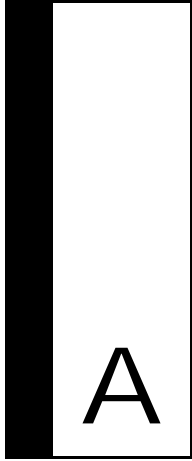
3.140 The committee recommends that the Special Broadcasting Service Corporation (SBS) and the Australian Broadcasting Corporation remain separate entities.

The committee commends the SBS for its important work in providing specialised multicultural broadcasting according to its charter, and in broadening its audience through general interest programming. The committee believes the SBS addresses a fundamental content gap within the Australian broadcasting space, while operating as a highly efficient organisation.

Hon Bronwyn Bishop MP

Chairman

2 May 2016

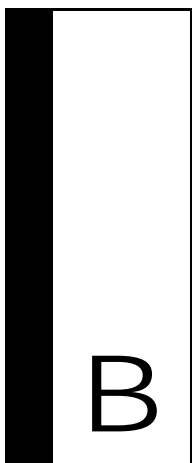


Appendix A – List of submissions

- 1 Regional Arts Victoria
- 2 Local Government Association of Queensland
- 3 Name withheld
- 4 Ms Bronte Morris
- 5 Council of the Shire of Wyalkatchem
- 6 Performing Arts Touring Alliance
- 7 Dr Sasha Mackay
- 8 Creative Regions
- 9 Australian Broadcasting Corporation
- 9.1 Australian Broadcasting Corporation (supplementary)
- 10 Western Australian Local Government Association
- 11 Queensland Government
- 12 Dr Harry Criticos
- 13 Optus
- 13.1 Optus (supplementary)
- 14 Screen Producers Australia
- 14.1 Screen Producers Australia (supplementary)
- 15 ACE Radio
- 16 The Australian Ballet
- 17 Central Australian Aboriginal Media Association
- 18 Bathurst Broadcasters
- 19 Deakin University

- 20 Department of the Prime Minister and Cabinet
- 21 Sydney Dance Company
- 22 Commercial Radio Australia
- 23 Country Arts WA
- 24 Country Arts SA
- 25 Live Performance Australia
- 25.1 Live Performance Australia (supplementary)
- 26 Australian Major Performing Arts Group
- 27 Regional Arts Australia
- 28 Indigenous Remote Communications Association
- 29 Australian Children's Television Foundation
- 30 Australian Council on Children and the Media
- 31 Australian Performing Arts Centres Association
- 32 Mr Neil Hartley, CEO, Shire of Ashburton
- 33 Aboriginal Resource and Development Services (Aboriginal Corporation)
- 34 Northern Territory Government
- 35 Community Broadcasting Association of Australia
- 35.1 Community Broadcasting Association of Australia (supplementary)
- 36 Prime Media, the WIN Network and Southern Cross Austereo
- 37 Free TV Australia
- 37.1 Free TV Australia (supplementary)
- 38 National and State Libraries Australasia
- 38.1 National and State Libraries Australasia (supplementary)
- 39 APN News and Media
- 39.1 APN News and Media (supplementary)
- 40 Aurora Community Television
- 41 Australian Capital Territory Government
- 42 Seven West Media
- 43 Special Broadcasting Service Corporation
- 43.1 Special Broadcasting Service Corporation (supplementary)
- 44 National Rural Health Alliance
- 44.1 National Rural Health Alliance (supplementary)
- 45 Arts Council Toowoomba
- 46 ADJ Consultancy Services

-
- 47 Australia Council for the Arts
 - 47.1 Australia Council for the Arts (supplementary)
 - 48 Opera Australia
 - 48.1 Opera Australia (supplementary)
 - 49 Arts OutWest
 - 50 Terrapin Puppet Theatre
 - 51 Ms Jacqui Dawborn
 - 52 Australian National Theatre Live
 - 53 Volunteering Tasmania
 - 54 Australian Communications and Media Authority
 - 55 Department of Communications and the Arts



Appendix B – Hearings and Witnesses

Tuesday, 1 March 2016—Canberra

ACT Government

Dr Karl Alderson, Deputy Director-General, Policy and Cabinet, Chief Minister,
Treasury and Economic Development Directorate

Mr Darren Cutrupi, Manager, Emergency Media and Broadcasting Service, ACT
Emergency Services Agency

National Rural Health Alliance

Mr Gordon Gregory, Chief Executive Officer

Mr Peter Brown, Manager, Australian Journal of Rural Health

Mrs Jennifer Freeman, Website Content Manager

Monday, 7 March 2016—Sydney

Australian Broadcasting Corporation

Mr Michael Millett, Director Corporate Affairs

Ms Fiona Reynolds, Director Regional

Free TV Australia

Ms Julie Flynn, Chief Executive Officer

Ms Sarah Waladan, Manager, Media Policy and Regulatory Affairs

Commercial Radio Australia

Ms Joan Warner, Chief Executive Officer

Ms Sarah Kruger, Head of Legal and Regulatory Affairs

Special Broadcasting Service Corporation

Mr Michael Ebeid, Managing Director

Ms Tureia Sample, Director, Corporate Affairs

Prime Media, WIN Network and Southern Cross Austereo

Mr Ian Audsley, Chief Executive Officer, Prime Media Group

Mr Andrew Lancaster, Chief Executive Officer, WIN Television

Mr Rick Lenarcic, Head of Regional Media, Southern Cross Austereo

Seven West Media

Mr Ben Roberts-Smith VC MG, General Manager, Seven Queensland

Ms Bridget Fair, Group Chief, Corporate and Regulatory Affairs

Mr Tim Worner, Chief Executive Officer

APN News and Media

Mr Bryce Johns, Editorial Director

Community Broadcasting Association of Australia

Mr Phillip Randall, President

Mr Joel Pringle, Policy and Research Advisor

Mr David Sice, Technical Consultant

Optus

Mr Paul Sheridan, Vice President, Satellite

Mr Peter Williams, Director Satellite Sales, Satellite

Aurora Community Television

Mrs Phyllisse Stanton, Chief Executive Officer

Tuesday, 8 March 2016—Sydney**Opera Australia**

Mr Craig Hassall, Chief Executive Officer

Mr Joe Martorana, Chief Operating Officer

Australian Major Performing Arts Group

Ms Bethwyn Serow, Executive Director

Mr Michael Sollis, Artistic Director, Education, Musica Viva

Mr John Henderson, Deputy General Manager, Bell Shakespeare

Sydney Dance Company

Ms Chrissy Sharp, Acting Executive Director

Mr Dominic Chang, Producer

ABC Regional

Mr Leigh Radford, Head, Rural and National Programs

Australia Council for the Arts

Mr Tony Grybowski, Chief Executive Officer

Mr Frank Panucci, Executive Director, Grants and Engagement

The Australian Ballet

Ms Libby Christie, Executive Director

Screen Producers Australia

Mr Matthew Deaner, Chief Executive Officer

Mr Matthew Hancock, Manager, Strategy and Operations

Tuesday, 15 March 2016—Canberra**Department of Communications and the Arts**

Ms Sally Basser, Executive Director, Ministry for the Arts

Mr Rohan Buettel, Assistant Secretary, Content Branch

Ms Ann Campton, Assistant Secretary, Media Branch

Ms Nerida O'Loughlin, Deputy Secretary

Australian Communications and Media Authority

Ms Jenny Brigg, Manager, Diversity, Localism and Accessibility Section

Mr James Cameron, Acting Deputy Chair

Mr Jason Ives, Senior Investigations and Compliance Officer

Tuesday, 22 March 2016—Melbourne**Live Performance Australia**

Ms Evelyn Richardson, Chief Executive Officer

Mr David Hamilton, Director, Workplace Relations

Regional Arts Victoria

Mr Joe Toohey, General Manager

Australian National Theatre Live

Mr Grant Dodwell, Director

Mr Peter Hiscock, Director

Mr Raj Sidhu, Director

ACE Radio

Mr Grant Johnstone, Head of Content

Deakin University

Dr Lisa Waller, Senior Lecturer in Communication

Australian Children's Television Foundation

Ms Jenny Buckland, Chief Executive Officer

Mr Andrew Ma, Legal and Policy Manager

National and State Libraries Australasia

Ms Jane Cowell, Member

Screen Australia

Mr Graeme Mason, Chief Executive Officer

Ms Fiona Cameron, Chief Operating Officer



Appendix C—ABC and SBS charters

Australian Broadcasting Corporation Act 1983

Part II— Establishment, functions and management of the Corporation

6 Charter of the Corporation

(1) The functions of the Corporation are:

- (a) to provide within Australia innovative and comprehensive broadcasting services of a high standard as part of the Australian broadcasting system consisting of national, commercial and community sectors and, without limiting the generality of the foregoing, to provide:
 - (i) broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community; and
 - (ii) broadcasting programs of an educational nature;
- (b) to transmit to countries outside Australia broadcasting programs of news, current affairs, entertainment and cultural enrichment that will:
 - (i) encourage awareness of Australia and an international understanding of Australian attitudes on world affairs; and
 - (ii) enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs; and
- (ba) to provide digital media services; and
- (c) to encourage and promote the musical, dramatic and other performing arts in Australia.

Note: See also section 31AA (Corporation or prescribed companies to be the only providers of Commonwealth-funded international broadcasting services).

(2) In the provision by the Corporation of its broadcasting services within Australia:

- (a) the Corporation shall take account of:
 - (i) the broadcasting services provided by the commercial and community sectors of the Australian broadcasting system;

- (3) The functions of the Corporation under subsection (1) and the duties imposed on the Corporation under subsection (2) constitute the Charter of the Corporation.
- (4) Nothing in this section shall be taken to impose on the Corporation a duty that is enforceable by proceedings in a court.
 - (ii) the standards from time to time determined by the ACMA in respect of broadcasting services;
 - (iii) the responsibility of the Corporation as the provider of an independent national broadcasting service to provide a balance between broadcasting programs of wide appeal and specialized broadcasting programs;
 - (iv) the multicultural character of the Australian community; and
 - (v) in connection with the provision of broadcasting programs of an educational nature – the responsibilities of the States in relation to education; and
- (b) the Corporation shall take all such measures, being measures consistent with the obligations of the Corporation under paragraph (a), as, in the opinion of the Board, will be conducive to the full development by the Corporation of suitable broadcasting programs.

Special Broadcasting Service Act 1991

Part 2 – Establishment, functions and management of the SBS

6 Charter of the SBS

- (1) The principal function of the SBS is to provide multilingual and multicultural radio, television and digital media services that inform, educate and entertain all Australians, and, in doing so, reflect Australia's multicultural society.
- (2) The SBS, in performing its principal function, must:
 - (a) contribute to meeting the communications needs of Australia's multicultural society, including ethnic, Aboriginal and Torres Strait Islander communities; and
 - (b) increase awareness of the contribution of a diversity of cultures to the continuing development of Australian society; and
 - (c) promote understanding and acceptance of the cultural, linguistic and ethnic diversity of the Australian people; and
 - (d) contribute to the retention and continuing development of language and other cultural skills; and
 - (e) as far as practicable, inform, educate and entertain Australians in their preferred languages; and
 - (f) make use of Australia's diverse creative resources; and
 - (g) to the extent to which the function relates to radio and television services – contribute to the overall diversity of Australian television and radio services, particularly taking into account the contribution of the Australian Broadcasting Corporation and the community broadcasting sector; and
 - (h) to the extent to which the function relates to radio and television services – contribute to extending the range of Australian television and radio services, and reflect the changing nature of Australian society, by presenting many points of view and using innovative forms of expression.
- (3) The principal function of the SBS under subsection (1) and the duties imposed on the SBS under subsection (2) constitute the Charter of the SBS.
- (4) Nothing in this section imposes on the SBS a duty that is enforceable by proceedings in a court.
- (5) A subsidiary function of the SBS is to carry on, within or outside Australia, any business or other activity incidental to the fulfilment of the Charter.



Appendix D—Commercial television local areas and licensees

The local content licence condition requires all regional commercial television licensees in the five aggregated markets to broadcast material of local significance.

✓ Area served
 N/A Not applicable
 X Area not served

Licence Area – Regional Qld					
Local Area Served	NBN	Prime	WIN	SCB	7 Qld
Capricornia	N/A	N/A	✓	✓	X
Central Coast & Whitsundays	N/A	N/A	X	✓	✓
Darling Downs	N/A	N/A	✓	✓	X
Far North Queensland	N/A	N/A	✓	✓	✓
North Queensland	N/A	N/A	✓	✓	✓
Sunshine Coast	N/A	N/A	✓	X	✓
Wide Bay	N/A	N/A	X	X	✓

Licence Area – Nthn NSW					
Local Area Served	NBN	Prime	WIN	SCB	7 Qld
Central Coast	✓	X	N/A	X	N/A
Hunter	✓	✓	N/A	✓	N/A
Nthn Rivers & Mid Nth Coast	✓	✓	N/A	✓	N/A
Nth West Slopes & Plains	✓	✓	N/A	✓	N/A
Richmond/Tweed	X	✓	N/A	✓	N/A
Licence Area – Sthn NSW					
Local Area Served	NBN	Prime	WIN	SCB	7 Qld
ACT & Sthn Tablelands	N/A	✓	✓	✓	N/A
Central Tablelands & Central West Slopes	N/A	✓	✓	✓	N/A
Sth West Slopes & East Riverina	N/A	✓	✓	✓	N/A
Illawarra & Sth Coast	N/A	✓	✓	✓	N/A
Licence Area – Regional Vic					
Local Area Served	NBN	Prime	WIN	SCB	7 Qld
Gippsland	N/A	✓	✓	✓	N/A
Nth Central Victoria	N/A	✓	✓	✓	N/A
South West Victoria	N/A	✓	✓	✓	N/A
Upper Murray & Goulburn Valley	N/A	✓	✓	✓	N/A

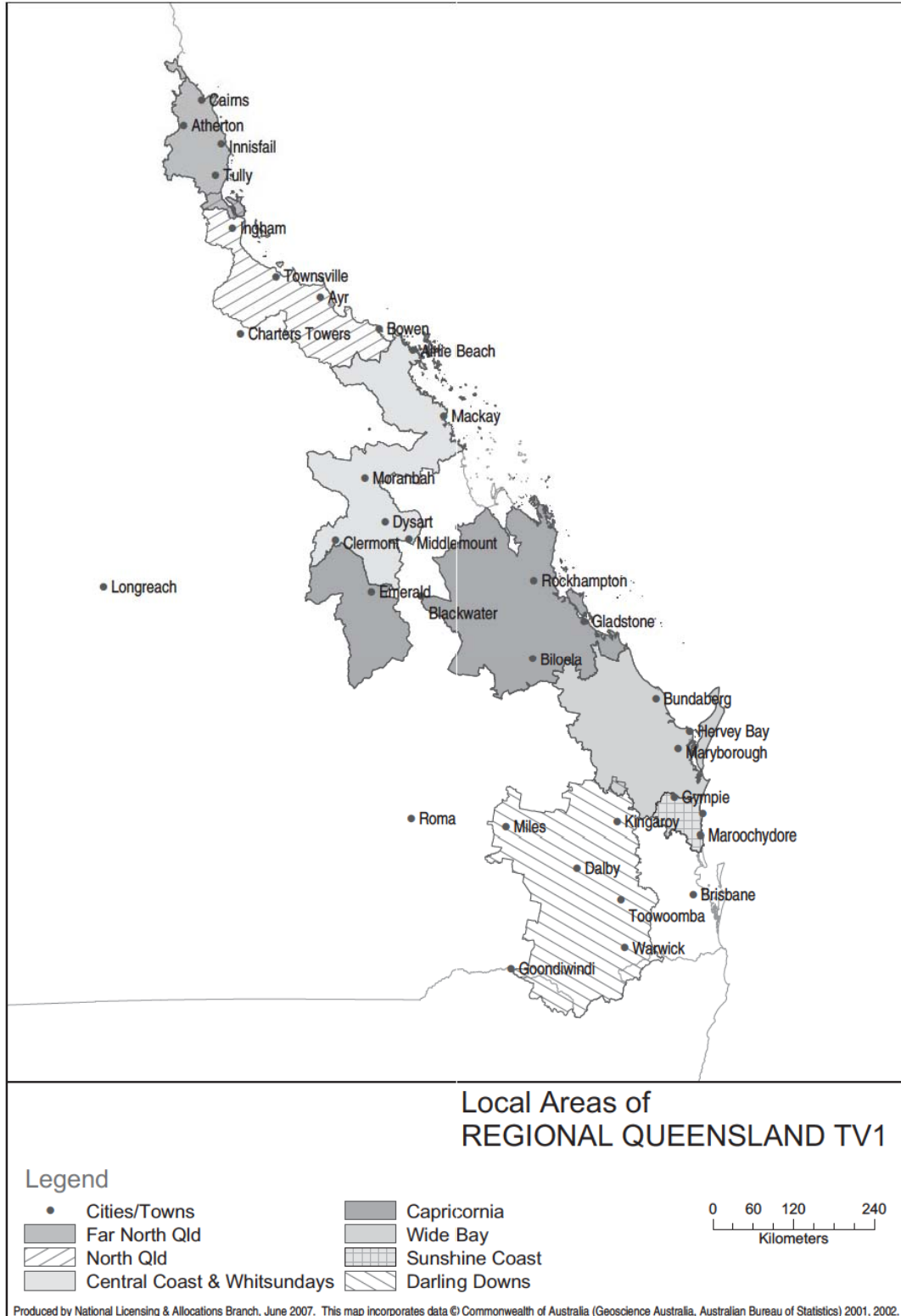
Licence Area - Tasmania					
Local Area Served	NBN	Prime	WIN and TDT *	SCB and TDT *	7 Qld
Tasmania	N/A	N/A	✓	✓	N/A

*Tasmanian Digital Television (TDT) is jointly owned by WIN and Southern Cross (SCB)

Last updated: 08 April 2015

Source: <<http://www.acma.gov.au/Industry/Broadcast/Television/Local--regional-content/local-areas-and-licensees-local-regional-content-i-acma>>, accessed 13 April 2016.

ACMA local area maps





**Local Areas of
NORTHERN NEW SOUTH WALES TV1**

Legend

- Cities/Towns
-  Richmond/Tweed
-  North West Slopes & Plains
-  Northern Rivers & Mid-North Coast
-  Hunter
-  Central Coast

