

The Senate

Environment and Communications
References Committee

The Australian Broadcasting Corporation's
commitment to reflecting and representing
regional diversity

March 2013

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Abbreviations and acronyms

ABC	Australian Broadcasting Corporation
ABC Act	<i>Australian Broadcasting Corporation Act 1983</i>
AGPS	Australian Government Printing Service
ANZAC	Australian and New Zealand Army Corps
BAPH	Brisbane, Adelaide, Perth and Hobart
BBC	British Broadcasting Corporation
CGP	Commonwealth Government Printer
Charter, the	Section 6, <i>Australian Broadcasting Corporation Act 1983</i>
CLC	Communications Law Centre
Commission, the	The Australian Broadcasting Commission
Committee, the	Senate Environment and Communications References Committee
CPSU	Community and Public Sector Union
Dix Review	Committee of Review of the Australian Broadcasting Commission (1981)
MEAA	Media, Entertainment and the Arts Alliance
NSW	New South Wales
OB Van	Outside Broadcast Van
SBS	Special Broadcasting Service
SPAA	Screen Producers Association of Australia
WA	Western Australia

Chapter 1

Introduction

Conduct of the inquiry

1.1 On 27 November 2012 the Senate referred the matter of the Australian Broadcasting Corporation's (ABC) commitment to reflecting and representing regional diversity in Australia to the Environment and Communications References Committee (the committee) for inquiry and report.¹ The committee resolved to report to the Senate by 20 March 2013.

1.2 The terms of reference for the inquiry were:

- (a) the commitment by the ABC to reflecting and representing regional diversity in Australia;
- (b) the impact that the increased centralisation of television production in Sydney and Melbourne has had on the ABC's ability to reflect national identity and diversity; and
- (c) any related matters.²

1.3 In accordance with usual practice, the committee advertised the inquiry on its website and wrote to relevant organisations inviting submissions by 18 January 2013.³ The inquiry was advertised nationally in *The Australian* newspaper on 5 December 2012.

1.4 The committee received 65 submissions (for a list of submissions see Appendix 1). The committee also held two public hearings: the first in Hobart on 1 February 2013 and the second in Perth on 7 March 2013 (for a list of witnesses see Appendix 2).

1.5 The committee would like to thank all individuals and organisations that contributed to this inquiry.

Context of the inquiry

1.6 On 20 November 2012, ABC Managing Director, Mr Mark Scott AO, announced the ABC's intention to close its Hobart television production unit.⁴ It was announced that the Hobart production unit, which in recent years produced ABC

1 *Journals of the Senate*, 27 November 2012, p. 3418.

2 *Journals of the Senate*, 27 November 2012, p. 3418.

3 See Senate Environment and Communications Committee, *The Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity*, available: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/bc_production/index.htm (accessed 3 December 2012).

4 Matthew Denholm, 'Backlash for ABC on state closure', *The Australian*, 21 November 2012, available: <http://www.theaustralian.com.au/business/backlash-for-abc-on-state-closure/story-e6frg8zx-1226520713795> (accessed 28 February 2013).

shows *Collectors* and *Auction Room*, would be replaced by a production fund to engage independent production companies to create content from Tasmania.⁵ Closure of the production unit would result in the loss of 17 positions within ABC Hobart.⁶

1.7 Speaking to ABC Radio following the announcement of the closure, Mr Scott stated:

Tasmania is a very important part of the ABC. We've run an internal television production model for a number of years here.

But now we think we will be able to better reflect the Tasmanian story by working closer with the independent production sector.

We are committed to Tasmania; we are committed to telling Tasmanian stories. That's what our new production fund will be designed to ensure happens.

It's very difficult to have the volume of production that you need to make it economic to sustain that production unit.⁷

1.8 In response to the ABC's announcement, the Minister for Broadband, Communications and the Digital Economy, Senator the Hon Stephen Conroy, issued a press release stating that it 'is an extremely disappointing decision by the ABC'.⁸ The minister further called on the ABC Board to:

...ensure that the broadcaster upholds its clear obligations in relation to cultural diversity and local programming.

Cutting its production facilities in Tasmania could result in a dramatic reduction in the telling of Tasmanian stories, something that diminishes the ABC and short-changes the people of Tasmania.⁹

1.9 The minister also found it concerning that 'the ABC continues to centralise its production processes in Sydney and Melbourne'. The minister recommended that 'the ABC should immediately reconsider its decision'.¹⁰

5 Damien Larkins, *Mixed reaction to ABC Hobart TV cuts*, 936 ABC Hobart, 21 November 2012.

6 Matthew Denholm, 'Backlash for ABC on state closure', *The Australian*, 21 November 2012.

7 Damien Larkins, *Mixed reaction to ABC Hobart TV cuts*, 936 ABC Hobart, 21 November 2012.

8 Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, 'ABC should reconsider decision to close Tasmanian production unit', Media release, 20 November 2012, available: http://www.minister.dbcde.gov.au/media/media_releases/2012/188 (accessed 28 February 2012).

9 Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, 'ABC should reconsider decision to close Tasmanian production unit', Media release, 20 November 2012.

10 Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, 'ABC should reconsider decision to close Tasmanian production unit', Media release, 20 November 2012.

Structure of the report

1.10 Chapter 2 of this report provides background detail on the ABC as the national broadcaster and its history in broadcasting and reflecting regional Australia. The chapter also gives an overview of past reviews conducted into the ABC.

1.11 Chapter 3 discusses some of the key issues raised during the course of the inquiry, namely the ability of the ABC to reflect regional Australia, the effect of the centralisation of ABC production in Sydney and Melbourne and the impact of the closure of the Perth and Hobart production units.

Chapter 2

Background

2.1 The Australian Broadcasting Corporation (ABC) is Australia's primary public broadcaster, providing content via radio, television and online. It is established as a statutory corporation under the *Australian Broadcasting Corporation Act 1983* (the ABC Act). The ABC Act, which includes the ABC Charter, sets out the basic functions and duties of the Corporation.

2.2 The ABC Board of Directors is responsible for the ABC's operations. Up to seven directors are appointed by the Governor-General on the recommendation of the Commonwealth government. A managing director is appointed by the board.

2.3 As at June 2012, the ABC employed over 4600 full-time equivalent staff.¹ The ABC operates from 60 locations around Australia and 12 overseas bureaux.²

2.4 In 2011–12 ABC Radio broadcast 8784 hours of content and ABC1³ broadcast 930 hours of first-release Australian television content during prime time.⁴ The ABC's digital television services were available to 97.97 per cent of Australia's population from 354 transmitter locations.⁵

Origins and growth of national broadcasting in Australia

2.5 Radiotelephony was first demonstrated in Australia in 1919.⁶ For approximately the first two years of broadcasting, experimental activities were conducted by amateurs. In 1923, following interest from commercial and professional interests to broadcast services, the Postmaster-General convened a conference of specialists to make proposals for the regulation of the industry.⁷

2.6 Australia's first broadcasting regulations were issued on 1 August 1923 and comprised the Commonwealth government's first formal involvement in broadcasting.⁸ The need for government regulation of the use of electromagnetic wave

1 Australian Broadcasting Corporation (ABC), *Annual Report 2012*, p. 232, available: <http://about.abc.net.au/wp-content/uploads/2012/10/ABC-AR-2012-combined-web-revised-17-Oct.pdf> (accessed 12 December 2012).

2 ABC, *Annual Report 2012*, p. 8.

3 ABC1 is the ABC's primary digital television multi-channel.

4 ABC, *Annual Report 2012*, p. 11.

5 ABC, *Annual Report 2012*, p. 11.

6 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, Australian Government Publishing Service (AGPS), Canberra, 1981, p. 54.

7 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 54.

8 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 54.

spectrum was already acknowledged internationally due to the physical scarcity of the airwaves and to prevent users from interfering with each other's signals.⁹

Dual regulation system

2.7 The regulations created a dual system of broadcasting with A-class and B-class stations. A-class stations received government funding and were able to take limited advertising.¹⁰ Licence numbers were limited to two in New South Wales (NSW) and Victoria and one in each of the other states. A-class stations also had to establish additional stations (including relay or rebroadcasting stations) at their own cost in locations where the Postmaster-General determined the existence of public demand. B-class stations received no government funding but instead were funded by advertising.¹¹

2.8 Each licensed broadcaster was offered a particular frequency on the spectrum and allowed to collect a licence fee from anybody who chose to listen to the stations.¹² Radio receivers were "sealed" so that owners could pick up only the station or stations for which they had paid to hear.¹³

2.9 According to a 1981 review of the Australian Broadcasting Commission (the Dix Review),¹⁴ the dual regulations 'heralded the beginnings of the Commonwealth government's concern to see broadcasting in Australia achieve particular policy objectives'.¹⁵ For example, the Dix Review observed that:

The provisions relating to transmitter power and setting up relays reflected a desire to extend the facility of broadcasting to places outside the capital cities, especially to distant country listeners.¹⁶

2.10 The Dix Review also noted that at the time there were rising expectations about the role broadcasting could play in relieving some of the longstanding

9 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p.7.

10 ABC, *History of the ABC: 1930s*, p. 1, available: <http://www.abc.net.au/corp/history/75years/timeline/1930s.pdf> (accessed 18 December 2012).

11 ABC, *History of the ABC: 1930s*, p. 1.

12 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p.7.

13 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p.7.

14 The Dix Review is discussed in greater detail later in this chapter.

15 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 56.

16 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 56.

disadvantages country people suffered by comparison with their city counterparts.¹⁷ According to the Dix Review:

The contemporary marvel of radio was expected to bring social and economic benefits to the huge and sparsely populated areas of Australia, curtail the trend towards migration of country populations to the cities, and act as an incentive for newly arrived overseas migrants to join the rural workforce rather than gravitate to the cities.¹⁸

The Australian Broadcasting Company

2.11 In 1920, deficiencies in the dual regulation system precipitated the Commonwealth government appointing a Royal Commission on broadcasting. Complaints had been made that the current system concentrated broadcasting resources in the cities and in Victoria and NSW, rather than states with fewer people.¹⁹

2.12 To address this issue, the Royal Commission recommended that licence fees be cross-subsidised with equal minimum payments of license fee revenues to each A-class station.²⁰ However owners of city stations in NSW and Victoria were reluctant to amalgamate and spread their resources, whilst those stations outside these states were critical of having to take programmes from the big cities on relay rather than being given a larger portion of revenue from licence fees to spend as they judged best.²¹

2.13 In July 1928 the Commonwealth government adopted a new approach to broadcasting regulation—and one that was explicitly rejected by the Royal Commission—and nationalised A-class stations.²² As the five-year licences granted to A-class stations expired between 1929–30, licenses were then offered by tender for three years to a single nationwide company which would be responsible for providing all programming content, while the Postmaster-General's department would provide all technical services.²³ The regulation of B-class stations remained unchanged.

2.14 The successful bidder to run the new National Broadcasting Service stations (as the A-class stations were henceforth known) until June 1932 was the Australian

17 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 57.

18 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 57.

19 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p. 11.

20 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 58.

21 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p. 11.

22 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 58.

23 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p. 11.

Broadcasting Company, a consortium of theatrical, cinema and music interests formed specifically for that purpose.²⁴

Australian Broadcasting Commission Act 1932

2.15 At the expiration of the contract to provide programming to the national broadcasting service stations, the Commonwealth government decided against tendering for the management and programming of the stations and opted to establish a public corporation to operate the national broadcast service—similar to the British Broadcasting Corporation (BBC).²⁵

2.16 In May 1932, the Commonwealth government passed the *Australian Broadcasting Commission Act 1932*. The Act created the Australian Broadcasting Commission (the Commission) which commenced broadcasting to radio stations in all capital cities and to relay stations in some states on 1 July 1932.²⁶ The Commission was charged with broadcasting 'adequate and comprehensive programmes' and taking in 'the interests of the community all such measures as, in the opinion of the Commission are conducive to the full development of suitable broadcasting programmes'.²⁷

2.17 The Commission consisted of five commissioners appointed by the Governor-General, was financed by a portion of licence fees paid by receivers and was not allowed to broadcast advertisements.²⁸ Technical services continued to be provided by the Postmaster-General's department.

Landmarks in legislation after 1932

2.18 The functions of the Australian Broadcasting Commission remained relatively unchanged between 1932 and 1942.²⁹ In 1942 legislative changes were enacted to provide the Commonwealth Parliament with more oversight of the Commission and a minimum quota for Australian content in broadcast programmes was introduced.³⁰ In 1946 the Commission was required to establish its own independent news service.³¹ In

24 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 58.

25 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, pp 12–13.

26 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 60.

27 *Australian Broadcasting Commission Act 1932*, section 16.

28 Ken Inglis, *This is the ABC: The Australian Broadcasting Commission 1932–1983*, Black Inc., Melbourne, 2006, p. 18.

29 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 62.

30 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 62.

31 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 62.

1948 legislative changes severed the link between the Commission's revenue and the licence fee of radio listeners.³² Funding was directly drawn from the Commonwealth consolidated revenue.

The introduction of television

2.19 In 1953 the Menzies government appointed a Royal Commission to investigate the feasibility of establishing a national television service.³³ The Royal Commission recognised that the expense of erecting television infrastructure would mean that 'the benefits of television will be enjoyed chiefly by viewers resident in, or adjacent to, the capital cities and other large centres of population'. This conclusion, according to the Royal Commission, 'is as inescapable as it is socially unfortunate'.³⁴ The Royal Commission therefore recommended that:

...despite the practical difficulties to be overcome, we regard the early extension of television services to country areas as a matter of prime importance. We consider it fundamental that when the Australian Broadcasting Control Board formulates a plan for the allocation of frequency channels, adequate reservations should be made to ensure the widest possible coverage to country areas when financial and other considerations make this possible.³⁵

2.20 Following the recommendations of the Royal Commission, on 5 November 1956 the Australian Broadcast Commission transmitted its first television service. The first services were in Sydney and Melbourne, with state capital cities and large urban areas following later. Legislation was passed giving the Australian Broadcast Commission the same powers in relation to television as it did with radio.³⁶

Australian Broadcasting Corporation Act 1983

2.21 In 1979, the Commonwealth government announced an independent review of the ABC, headed by businessman Alex Dix, which would review ABC programs and policies.³⁷ The Dix Review made 273 wide-ranging recommendations on the future objectives, powers and policies of the national broadcaster.³⁸ The recommendations

32 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 63.

33 Royal Commission on Television, *Report of the Royal Commission on television*, Commonwealth Government Printer (CGP), Canberra, 1954, pp 1–2.

34 Royal Commission on Television, *Report of the Royal Commission on television*, CGP, Canberra, 1954, p. 119.

35 Royal Commission on Television, *Report of the Royal Commission on television*, CGP, Canberra, 1954, p. 119.

36 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 63.

37 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 63.

38 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, pp 6–43.

included implementation of a second regional radio network and the replacement of the Commission with a board of directors. The Dix Review further called for additional regional identification in television programming and the decentralisation of editorial responsibility to state television managers.³⁹

2.22 In expressing a future vision for the national broadcaster, the Dix Review stated:

We *recommend* that the ABC should provide a national service for all Australians, balancing as best it can the need to provide quality mass appeal programming with the demand for a wide range of special or minority interest broadcasts...It should continue to develop an emphasis on its news and information service. It should continue to develop a concern for appropriate services to people in country localities and isolated areas where choice of programs is severely restricted. It should be sensitive to the need for innovation and enrichment of Australia's cultural life, through the reflection of minority cultural interests as well as general artistic achievement.⁴⁰

2.23 Many of the recommendations from the Dix Review were incorporated into new legislation: the *Australian Broadcasting Corporation Act 1983* (the ABC Act). The ABC Act established the national broadcaster as a corporation, created a board of directors (instead of commissioners), established the position of managing director and required that the Corporation report annually to Parliament. The ABC Act further specified the 'Duties of the Board' and established a 'Charter of the Corporation'.⁴¹

The ABC Charter

2.24 The Charter of the Corporation (the Charter) is set out in section 6 of the *Australian Broadcasting Corporation Act 1983*. The Charter has not been substantively amended since the enactment of the legislation.⁴²

2.25 The Charter establishes that the functions of the Corporation are:

- to provide within Australia innovative and comprehensive broadcasting services of a high standard;

39 Recommendations 42, 44 and 45, Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, pp 11–12.

40 Committee of Review of the Australian Broadcasting Commission, *The ABC in review: National broadcasting in the 1980s*, AGPS, Canberra, 1981, p. 52.

41 Sections 6 and 8, *Australian Broadcasting Act 1983*

42 The Charter has had several minor amendments to update terminology, such as replacing the 'public sector' with the 'community sector' in 1992 as a result of the *Broadcasting Services (Transitional Provisions and Consequential Amendments) Act 1992*; and replacing the 'Australian Broadcasting Authority' with the 'Australian Communications and Media Authority' in 2005 as a result of the *Australian Communications and Media Authority (Consequential and Transitional Provisions) Act 2005*.

- to transmit to countries outside Australia programs of news, current affairs and entertainment; and
- to encourage and promote the musical, dramatic and other performing arts in Australia.⁴³

2.26 The key charter function relevant to this inquiry is that requiring the ABC to broadcast programs 'that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community'.⁴⁴

2.27 The full ABC Charter is reproduced at Appendix 3.

Committee comment

2.28 As the national broadcaster, the ABC fulfils an important role in providing news, information and entertainment to Australians. From its early beginnings, national broadcasting has been used as a method of bridging the divide between regional and metropolitan audiences. Programming offered to city audiences could equally be provided to audiences located outside of the capital cities. Likewise, the growth and development of the national broadcaster has allowed for regional communities to be represented and reflected back to the nation.

2.29 Since the creation of the Australian Broadcasting Commission in 1932, the aims and operations of the national broadcaster have been reviewed and revised. In particular, following the implementation of the *Australian Broadcasting Act 1983*, there has been a considered effort to ensure that the ABC is capable of reflecting and representing Australian identity. This is best shown in the adoption of the ABC Charter which requires the ABC to 'reflect the cultural diversity of the Australian community'.⁴⁵

2.30 The committee acknowledges that the ABC is a beloved institution to many Australians and that it has provided a valuable service to regional and metropolitan audiences.

Reviews of the ABC and its operations

2.31 Over the past three decades there have been a number of reviews into the operation of the ABC. Some of these are briefly summarised in the following sections.

The Palmer Inquiry

2.32 In 1994, the Palmer Inquiry was initiated by the ABC Board as a result of allegations of outside influence on ABC program content. The ABC Board concluded that four programs were found to have been influenced by outside financial contributions. Actions to rectify policies and procedures were taken by the ABC in

43 Section 6, *Australian Broadcasting Corporation Act 1983*.

44 Subparagraph 6(1)(a)(i), *Australian Broadcasting Corporation Act 1983*.

45 Subparagraph 6(1)(a)(i), *Australian Broadcasting Corporation Act 1983*.

light of the findings and co-produced programs of the kind investigated were abandoned due to the risk to 'program independence'.⁴⁶

Senate Select Committee on ABC Management and Operations

2.33 As a result of the Palmer Inquiry, the Senate Select Committee on ABC Management and Operations was established in 1994 with broad ranging terms of reference. Amongst other issues, the Select Committee considered the operational goals and direction of the ABC, budget funding, the ABC's increased dependence on external funding and the subsequent impact on editorial independence. The select committee's report, *Our ABC*, made 23 recommendations including making amendments to editorial guidelines, commissioning regular audits of the impact of external funding on program selection and, significantly, that 'the Board should reverse the current trend towards the concentration of ABC activities in Sydney'.⁴⁷

The Mansfield Review

2.34 In 1996, the Commonwealth government commissioned Mr Bob Mansfield to conduct an independent review of the ABC. The Mansfield Review examined the future role and functions of the ABC in light of the Howard government's policy of creating a more focused role for the ABC. The Mansfield Review focused on funding and the ABC's independence. It recommended that the principal function of the ABC should be defined as broadcasting for general reception within Australia.⁴⁸ The review also recommended that arrangements for triennial funding should be resumed; that the Corporation should not be allowed to take advertisements or sponsorship; and that the ABC should outsource the majority of non-news and current affairs television production.⁴⁹

Convergence Review

2.35 In 2008 the Commonwealth government released a discussion paper, *ABC and SBS: Towards a digital future*, which formed the basis of a public consultation and review of the two national broadcasters.⁵⁰ In 2009 the government released its response to the discussion paper titled *Strengthening our national broadcasters*.⁵¹ In the discussion paper the government outlined its commitment to provide additional

46 ABC, *Annual Report 1994–95*, p. 63.

47 Senate Select Committee on ABC Management and Operations, *Our ABC*, March 1995, pp xi–xiv.

48 Bob Mansfield, *The Challenge of a Better ABC*, Volume 2, p. 9.

49 Bob Mansfield, *The Challenge of a Better ABC*, Volume 2, p. 9.

50 Department of Broadband, Communications and the Digital Economy, Discussion Paper, *ABC and SBS: Towards a digital future*, October 2012, available: http://www.dbcde.gov.au/_data/assets/pdf_file/0005/87674/0043002001_ABC-SBS_WEB.pdf (accessed 13 March 2013).

51 Department of Broadband, Communications and the Digital Economy, *Strengthening our national broadcasters*, May 2009, available: http://www.archive.dbcde.gov.au/_data/assets/pdf_file/0016/112192/Strengthening_our_National_Broadcasters_web.pdf (accessed 6 March 2013).

funding to the ABC and SBS to expand their range of programming and introduce a dedicated children's channel.⁵²

2.36 In 2010, the Commonwealth government appointed the independent Convergence Review to consider broad issues surrounding the role of broadcasters in the contemporary media. The Convergence Review report was presented in March 2012 and made several wide-ranging recommendations.⁵³ Of relevance to the broadcasting industry, the Convergence Review recommended that the ABC Charter should be updated to reflect the range of services it provides (including online activities) and that Australian content quota obligations should apply to the ABC.⁵⁴

2.37 The government has announced it will draft legislation to implement changes recommended by the Convergence Review by March 2013.⁵⁵

Environment and Communications References Committee

2.38 In 2011, this committee examined recent programming decisions made by the ABC. The committee examined decisions by the ABC to significantly cut the number and amount of internally-produced ABC programs.⁵⁶ The committee recommended, amongst other things, that the ABC ensure that it maintains an effective capacity to produce quality programming across the regions in addition to news, sport and current affairs.⁵⁷

52 Department of Broadband, Communications and the Digital Economy, *Strengthening our national broadcasters*, 12 May 2009, p. 1.

53 Convergence Review, *Final Report*, March 2012, available: http://www.dbcde.gov.au/_data/assets/pdf_file/0007/147733/Convergence_Review_Final_Report.pdf (accessed 28 February 2013).

54 Convergence Review, *Final Report*, March 2012, p. 84.

55 Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, 'Government moves to ensure that quality Australian content stays on Australian television', Media Release, 30 November 2012, available: http://www.minister.dbcde.gov.au/media/media_releases/2012/193 (accessed 28 February 2013).

56 Senate Environment and Communications References Committee, *Recent ABC programming decisions*, October 2011, p. 1, available: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/completed_inquiries/2010-13/abc/report/index.htm (accessed 28 February 2013).

57 Senate Environment and Communications References Committee, *Recent ABC programming decisions*, October 2011, p. 21.

Chapter 3

Key issues

Introduction

3.1 The committee received submissions from a wide range of interested parties: individuals, past and present employees of the Australian Broadcasting Corporation (ABC), television production bodies, community organisations, peak groups, the Tasmanian government and the ABC.¹

3.2 Although the committee had wide-ranging terms of reference to inquire into the commitment of the ABC to reflecting and representing regional Australia, the ABC's presence in Tasmania and Western Australia was a recurring point of discussion.

3.3 This chapter will firstly consider the overarching issues of the ABC's ability to meet its charter obligations in representing regional Australia and the trend towards centralising television production in Sydney and Melbourne. The chapter then examines issues associated with the effects of the closure of the Perth production unit and with the announced closure of the Hobart production unit.

The ABC's responsibility to reflect and represent regional diversity

3.4 The ABC Charter requires that, as one of its functions, the ABC provide within Australia innovative and comprehensive broadcasting services of a high standard as part of the Australian broadcasting system.² This includes:

...broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community...³

3.5 The committee received evidence from a number of academics highlighting the importance of regional identities in shaping the overarching national identity. For example, Professor Jeff Malpas from the University of Tasmania explained that:

Identity, including national identity, is always based in the regional and the local, at the same time as regional identity and difference is essential to the formation of national identity.⁴

1 For a list of submission see Appendix 1.

2 Section 6, *Australian Broadcasting Corporation Act 1983*.

3 Subparagraph 6(1)(a)(i), *Australian Broadcasting Corporation Act 1983*.

4 Professor Jeffery Malpas, *Submission 9*, p. 2.

3.6 Furthermore, Professor Malpas highlighted the role of contemporary media in creating national identity:

In contemporary societies, the media and communications industries play a crucial role in reinforcing and maintaining regional identity, just as they also contribute to the formation and maintenance of regional communities, and in so doing contribute to identity and community at the national level.

In a world in which the media and information industries are increasingly driven by a need for differentiated content, regional diversity has a key role to play in both supporting new and innovative production, and in providing sources of distinctive content.⁵

3.7 The Communications Law Centre (CLC) at the University of Technology Sydney advised the committee that 'the provision of local content is essential for participatory democracy in regional communities'.⁶ According to the CLC, radio and television remain the most immediate (and hence effective) media to disseminate information in dispersed regional communities.⁷ The CLC recognised that the 'ABC has a role to play in correcting market failure in local content production'.⁸ The CLC therefore argued against the closure of the Hobart production unit:

In spite of the challenges faced by the ABC, the CLC does not support the total closure of the Tasmanian production unit. The maintenance of internal production facilities allows the ABC to have a greater local presence in each state, which in turn, allows more thorough coverage of matters of local significance.⁹

3.8 It was suggested to the committee that closure of ABC production units means the ABC is failing to meet its charter obligations.¹⁰ In particular, the closure of production units in Perth and Hobart led submitters to question whether the ABC has the capacity to adequately reflect Australia's cultural diversity in the absence of dedicated production units in these states.¹¹ When asked if the ABC is currently failing to meet its charter obligations, Professor Malpas stated:

If you want me to be honest, yes. I think it is also missing opportunities for itself. In that respect I think with this question about economics, about how

5 Professor Jeffery Malpas, *Submission 9*, p. 2.

6 Communications Law Centre (CLC), University of Technology Sydney (UTS), *Submission 29*, p. 1.

7 CLC, UTS, *Submission 29*, p. 1.

8 CLC, UTS, *Submission 29*, p. 1.

9 CLC, UTS, *Submission 29*, p. 1.

10 For example see: Mr Andrew Wilkie, *Submission 27*, p. 1; Friends of the ABC Tasmania, *Submission 33*, pp 1–2; Ms Cassy O'Connor, *Submission 39*, p. 1; Mr Darrell Meagher, *Submission 42*, p 1; and Friends of the ABC, *Submission 61*, p. 1.

11 For example see: Friends of the ABC Western Australia (WA), *Submission 1*, p. 1; and Friends of the ABC, *Submission 61*, p. 1.

much money the ABC has to put into these sorts of things, there are different sorts of efficiencies and economies that you can assess against one another. I think one of the things that has been missed here is that maybe, if you really focus on developing a stronger brand that is Australian and reflects Australia's regionality, if you start to draw on the resources you have in the regions you can start projecting a different sense of brand and identity, in the way that the BBC does. Maybe that might actually be a more viable option financially and economically than centralising production and losing the capacity to develop distinctive content—which is what I think will happen and what I think has been happening—and relying increasingly on other people giving you distinctive content.

I also think that is likely to have unfortunate consequences elsewhere in terms of the way in which we think about Australia, and so on. So there is a bigger picture there. I think that is a really important point to bear in mind. What we are actually talking about is how you generate distinctive content, and I do not think you do that by simply centralising in one place your production facilities and decision making.¹²

3.9 Other submitters and witnesses were similarly concerned. The Media, Entertainment and the Arts Alliance (MEAA) argued that funding cuts and centralisation of the ABC made it increasingly difficult for ABC employees to uphold the charter obligations.¹³ With specific reference to the proposed closure of the Hobart production unit, the Federal Member for Denison, Mr Andrew Wilkie MP, submitted that:

The ABC charter clearly states the national public broadcaster must serve all regions of Australia. Closing down TV production in Tasmania would be contrary to this charter and the ABC must reverse its apparent decision and guarantee internal television production in Tasmania.¹⁴

3.10 The Tasmanian Minister for Community Development, the Hon Cassy O'Connor, echoed these sentiments stating that 'this move is short-sighted and contrary to the ABC's Charter to serve rural and regional Australia'¹⁵ while Wide Angle Tasmania was concerned that:

...the proposal is a further reduction in the ABC's capacity to meet its charter obligation to contribute to a sense of national identity and to reflect the cultural diversity of the Australian community.¹⁶

12 Professor Jeffery Malpas, *Proof Committee Hansard*, 1 February 2013, p. 20.

13 Ms Katelin McInerney, National Lead Organiser, Media, Entertainment and the Arts Alliance (MEAA), *Proof Committee Hansard*, 1 February 2013, p. 3.

14 Mr Andrew Wilkie, *Submission 27*, p. 1.

15 Ms Cassy O'Connor, *Submission 39*, p. 1.

16 Ms Sharon Connolly, Secretary and Public Officer, Wide Angle Tasmania, *Proof Committee Hansard*, 1 February 2013, p. 23.

3.11 However, the ABC argued that it is meeting its charter obligations.¹⁷ At the public hearing in Hobart, Mr Mark Scott, Managing Director of the ABC stated:

In a convergent world, the ABC, like all media organisations, must adapt to remain relevant. To view the corporation through one prism and one platform is to misconstrue its charter obligations, to undervalue its service as a whole and to understate its impact and its effectiveness in informing, entertaining and educating Australians. The charter demands the ABC provide programming of specialist interest and wide appeal, and which reflect the cultural diversity of the Australian community. I believe we are fulfilling this brief.

I think it is very important to understand that the charter does not go as far as to stipulate how we should meet that goal. Instead, the ABC is entrusted with the responsibility to deliver whilst managing its resources as efficiently as possible. This is an obligation we take very seriously, and it is central to the business that we do. The responsibility ultimately rests with the ABC board, accountable to the parliament through our own act. The board is acutely aware of the need to balance the various obligations set out in the act, including cultural diversity and sound financial management.¹⁸

3.12 The ABC stressed that 'the ABC's commitment to regional audiences' should be assessed in:

...the context in which the Corporation provides its services. The Committee should also consider the range of local, regional and national services offered by the ABC across its various platforms.¹⁹

3.13 The range of local and regional services offered by the ABC include ABC Local Radio, ABC Rural, ABC Open, news coverage, emergency broadcasting, Heywire and the triple j One Night Stand concerts.²⁰

3.14 The ABC further remarked that 'the Charter of the ABC does not require it to maintain an internal production capacity in every state and territory'.²¹ According to the ABC:

The requirement, as stated in the *ABC Act*, is to provide comprehensive broadcasting services which contribute to a sense of national identity and that inform, entertain and reflect the cultural diversity of the Australian community. In providing those services, the ABC must also provide a

17 Australian Broadcasting Corporation (ABC), *Submission 34*, p. 2.

18 Mr Mark Scott, Managing Director, ABC, *Proof Committee Hansard*, 1 February 2013, pp 42–43.

19 ABC, *Submission 34*, p. 2.

20 ABC, *Submission 34*, pp 3–11.

21 ABC, *Submission 34*, p. 15.

balance between programs that are specialised and programs of wide appeal.²²

3.15 The ABC further contended that it is committed to maintaining its representation of regional Australia:

The number of programs commissioned from outside New South Wales and Victoria has remained steady over the last five years and increased in 2011–12. Since 2007–08, the ABC has maintained an average production output in the states outside New South Wales and Victoria, of 48 commissions per year. In 2011–12 the ABC commissioned 57 productions in states other than NSW and Victoria.²³

Committee comment

3.16 The requirement that the ABC broadcast programs that 'contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community' is a key tenet of the ABC Charter. The committee is aware that whilst the charter places an obligation on the ABC to reflect the cultural diversity of Australia, which would encompass the diversity of our states and regions, it does not stipulate how the ABC should achieve this.

3.17 The committee acknowledges there are many different ways in which the ABC can—and does—go about reflecting cultural and regional diversity. The committee believes the comments it made in its 2011 report on *Recent ABC programming decisions* continue to be relevant: as an independent national broadcaster, the ABC has the right to produce programs it believes will meet its charter obligations and that editorial decisions are the responsibility of ABC management.²⁴ However, the ABC is not a business but a publicly-funded statutory authority and its responsibilities are not those of a commercial broadcaster.²⁵ Therefore, the ABC must continue to uphold its charter responsibilities, including that to reflect the cultural and regional diversity of the Australian community.

3.18 Without prescribing how the ABC reflects Australia's cultural diversity, the committee is of the view that the ABC Charter should be amended to ensure that, in a new convergent landscape, the ABC is producing content across platforms that reflects regional diversity.

22 ABC, *Submission 34*, p. 15.

23 ABC, *Submission 34*, p. 9.

24 Senate Environment and Communications References Committee, *Recent ABC programming decisions*, October 2011, pp 25–26.

25 Senate Environment and Communications References Committee, *Recent ABC programming decisions*, October 2011, pp 25–26.

Recommendation 1

3.19 The committee recommends that the ABC Charter should be amended in order to ensure that, given the new convergent landscape, the ABC is producing content across all platforms that reflects regional diversity. Such content should be responsive to new and emerging target audiences, including audiences of regional difference.

3.20 The committee believes that the ABC should provide as much information as possible to maximise the capacity of regional Australia is to produce content. To this end, the committee recommends that the ABC regularly conduct consultation with regional stakeholders in the film and television industry to enhance the mutual understanding of ABC production, planning, production priorities and regional capacity.

Recommendation 2

3.21 The committee recommends that the ABC:

- **conducts an annual program of consultation with regional stakeholders in the film and television industry so that they gain a mutual understanding of ABC production, planning, production priorities and the capacity of regional Australia to produce content; and**
- **publish the outcomes of this consultation.**

3.22 As evidenced by two inquiries in three years, the Senate is agitated to ensure charter obligations are met and the ABC should fully expect its commitments regarding continued production outside Sydney or Melbourne to be monitored and a more interventionist approach to be recommended in future if these commitments are not honoured.

Centralisation of production in Sydney and Melbourne

3.23 Related to the ABC's responsibility to reflect and represent regional diversity, numerous submitters raised concerns about the apparent trend of centralising ABC television production in Sydney and Melbourne.²⁶ The proposed closure of the ABC production unit in Hobart, combined with the previous closures of production units in Adelaide and Perth, was cited as evidence of this centralisation to Australia's two largest cities.²⁷

3.24 For example, Mr Jim Mashberg commented:

26 For example see: Ms Jill Beckingsale, *Submission 18*, p. 1; Tasmanian Department of Economic Development, Tourism and the Arts, *Submission 23*, pp 2–3; South Hobart Progress Association, *Submission 26*, p. 2; Wide Angle Tasmania, *Submission 36*, p. 3; and Friends of the ABC, *Submission 61*, p. 8.

27 For example see: Name Withheld, *Submission 6*, p. 1; South Hobart Progress Association, *Submission 26*, p. 2; and Wide Angle Tasmania, *Submission 36*, p. 3.

In the last few years we have seen a dramatic reduction in programs being produced within the ABC at centres other than Sydney and Melbourne. This is in addition to the increase in the number of programs being produced outside the ABC...²⁸

3.25 Another submitter claimed that:

The removal of local television production from BAPH [s]tates will not only mean that what the viewer sees is Sydney [c]entric, it will also deny the casual staff the very training they need, local production houses will lose a valuable resource and above all the viewing public will not see what they have come to expect and appreciate—their own state programs and identities.²⁹

3.26 Some submitters feared that centralisation of ABC activities in Sydney and Melbourne would lead to a lack of diversity in content and over-representation of metropolitan culture on the ABC.³⁰

3.27 Wide Angle Tasmania opined that:

...the centralisation of television production in Sydney—and to a lesser extent in Melbourne—has had a dramatic effect on the ABC's ability to reflect national identity and diversity. However it is not simply a matter of ABC in[-]house production being centralised in Sydney and Melbourne. Perhaps more significant is the ABC's policy of increasingly outsourcing production to independent production companies. This has reduced in-house production opportunities, replacing ABC made and funded programs with production made by independent producers. These are far less likely to be produced by program-makers in regional Australia than by those in Sydney and Melbourne.³¹

3.28 The South Hobart Progress Association similarly remarked that:

Centralisation of any organisation, but particularly government-owned or run ones, can have the [e]ffect of narrowing the focus and becoming unrepresentative and irrelevant, in the ABC's case to the cultural experiences of the [n]ation. The ABC Charter requires it to be a reflection of the society in which it operates. Thus the 'Sydney-centric' concentration is a cause for concern for all Australians, especially those in regional areas.³²

28 Mr Jim Mashberg, *Submission 17*, p. 1.

29 Name Withheld, *Submission 6*, p. 1.

30 For example see: South Hobart Progress Association, *Submission 26*, p. 2; Wide Angle Tasmania, *Submission 36*, p. 3; and Friends of the ABC, *Submission 61*, p. 8.

31 Wide Angle Tasmania, *Submission 36*, p. 3.

32 South Hobart Progress Association, *Submission 26*, p. 2.

3.29 Friends of the ABC was also particularly critical of the ABC's trend towards centralising television production, stating:

The level of centralisation of the ABC's corporate and editorial management and the location of so many of its major national services in a single city is unacceptable for a national broadcaster. And it results in less genuine diversity, including regional diversity in programming.³³

3.30 Friends of the ABC argued that this increased centralisation was the result of inadequate funding and an ideological push by senior management to outsource more and more content to independent film makers.³⁴

3.31 In contrast to the apparent centralisation of the ABC, the committee heard about moves by European broadcasters, and in particular the British Broadcasting Corporation (BBC), to decentralise television production to regional areas.³⁵

3.32 Professor Jeff Malpas informed the committee that:

In contrast to the contemporary situation in Australia, the importance of regional identity, and its recognition, is widely acknowledged in Europe where there has been a clear push to shift away from the centralizing tendency that has characterized much of the development of the European Community...³⁶

3.33 Professor Malpas further compared the ABC experience to that of the BBC:

The ABC stands in stark contrast to the BBC, which has not only moved to more decentralised production in its regions, but which also draws heavily on regional content and locations. In spite of some of its recently publicized difficulties, the BBC is nevertheless an excellent example of how a genuinely regional focus allows for the utilization of regional identity and diversity to become a source of distinctive content that is itself a positive media resource.³⁷

3.34 The Tasmanian Department of Economic Development, Tourism and the Arts concurred:

The reality is that if the national broadcaster is truly to commit to regional diversity of content then it must stimulate proactively demand and incentivise regional production activity, rather than adopting a strategy of centralisation. It has been very instructive, I think, that after years of centralisation recently the BBC has changed direction and committed to 50

33 Friends of the ABC, *Submission 61*, p. 8.

34 Friends of the ABC, *Submission 61*, p. 8.

35 For example see: Professor Jeff Malpas, *Submission 9*, p. 2; and Professor Margaret Reynolds, President, Friends of the ABC Tasmania, *Proof Committee Hansard*, 1 February 2013, p. 15.

36 Professor Jeff Malpas, *Submission 9*, p. 2.

37 Professor Jeff Malpas, *Submission 9*, p. 3.

per cent of network spend to regional production by 2016. This is a genuine demonstration and proactive commitment on behalf of the BBC to regional UK, representing a philosophical shift away from centralisation and a commitment to public service values.

The BBC describes this as a healthy balance across internal, regional and independently generated production.³⁸

3.35 In response to claims that it is centralising production and decision-making, the ABC advised the committee that it is continuing to invest in production outside of Sydney and Melbourne.³⁹ As outlined in paragraph 3.15, over the past five years the number of programs commissioned by the ABC outside New South Wales (NSW) and Victoria has remained steady.⁴⁰ Between 2007–08 and 2011–12, the ABC commissioned over 240 separate programs outside NSW and Victoria,⁴¹ and numerous programs filmed in NSW and Victoria were filmed mainly in regional areas.⁴²

3.36 The ABC further outlined its financial contribution to regional areas:

The ABC's financial contribution to productions commissioned from outside NSW and Victoria has remained steady over the last five years, with an average of \$27 million investment per year. Investment in 2011–12 was \$25 million.⁴³

Committee comment

3.37 The committee is disappointed by the perceived centralisation of the ABC and expresses its view that the ABC must continue to maintain a significant level of activity in places outside Sydney and Melbourne. However, the committee acknowledges that television programs internally-produced in dedicated ABC production facilities are not the only way in which the ABC can reflect and represent regional diversity: in addition to commissioned or co-production investments news and current affairs broadcast on television, radio and the internet also ensures that local content is accessible to a wide audience.

3.38 The committee is pleased to note the ABC's advice about its financial commitment to production outside of NSW and Victoria and to a wide variety of regional and local services. The committee expects that spending on production outside of NSW and Victoria should be maintained.

38 Mr Mark Kelleher, Secretary, Tasmanian Department of Economic Development, Tourism and the Arts, *Proof Committee Hansard*, 1 February 2013, p. 33.

39 ABC, *Submission 34*, p. 9.

40 ABC, *Submission 34*, p. 9.

41 ABC, *Submission 34*, p. 9.

42 ABC, *Submission 34*, p. 9.

43 ABC, *Submission 34*, p. 9.

3.39 While noting the government's concern that publishing targets for regional content may interfere with the ABC's editorial independence,⁴⁴ the committee is of the view that greater accountability is warranted. The committee therefore recommends that the ABC annually publish its regional content production performance for ABC television. This would assist in assessing whether the ABC is honouring commitments made to maintain regional production and to promote ongoing program production outside of Sydney and Melbourne.

Recommendation 3

3.40 The committee recommends 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.

3.41 In addition to publishing the details of its regional content production performance, the committee recommends that the ABC makes a commitment to maintaining production in regional Australia by establishing a regional television production fund for production outside Sydney and Melbourne, for the purpose of stimulating production in the regions.

Recommendation 4

3.42 The committee recommends that the ABC establish a regional television production fund for production outside Sydney and Melbourne. This fund should be available to regional production exclusively and may be used as part of co-funded projects within the region with the aim to stimulate regional independent production.

Co-production

3.43 In place of having a dedicated production unit in Hobart, the ABC proposed to establish a \$1.5 million independent production fund to produce content from Tasmania.⁴⁵ The co-production model has been used by the ABC in recent years in partnership with screen development agencies in various states.⁴⁶ The announcement by the ABC that the Hobart production unit would be replaced by independent

44 Australian Government, *Government response: Inquiry into recent ABC programming decisions*, p. 7, available: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/completed_inquiries/2010-13/abc/index.htm (accessed 13 March 2013).

45 ABC, *Submission 34*, p. 14.

46 ABC, *Submission 34*, p. 14.

production was met with concern by a number of submitters who condemned this approach as the ABC outsourcing production.⁴⁷

3.44 It was argued that the overall trend of outsourcing television production to independent companies via co-productions is leaving the ABC without control over programs' independence, quality and copyright.⁴⁸ Friends of the ABC was particularly critical of this trend, describing it as 'back-door' privatisation and arguing that it results in lower production standards, outsourced programs that are not too dissimilar to programming from commercial broadcasters and a reduction in regional diversity.⁴⁹ Friends of the ABC went on:

The back-door privatisation of ABC television that is occurring is having a detrimental impact on ABC programming in many ways. It also has implications for regional diversity in ABC programming—both in the nature of television programs that are produced by the private production sector and its impact on the ABC's interest and capacity to deliver other sorts of programming.⁵⁰

3.45 Friends of the ABC Western Australia (WA) was also critical of ABC outsourcing on the basis that government funds were being used to fund independent companies whilst the national broadcaster's facilities remained under-utilised:

FABC WA is concerned that funds provided to the ABC to make television programs are ultimately ending up with the independent, commercial or state-funded sector. Meanwhile, facilities at the ABC...are underused, hired out, or used by-co-producers. FABC WA would like to see figures that prove that it is cheaper to produce programs externally rather than inside the ABC, even allowing for the 'producer offset' which is not claimable by the ABC as a publicly-funded body.⁵¹

3.46 Submitters also argued that outsourcing via co-productions with independent companies tended to favour larger companies based in Sydney and Melbourne.⁵² The Film and Television Association of the Northern Territory asserted that:

...as a series of internally-produced ABC programs have been decommissioned in recent years, there has been a noticeable drop in the opportunities for local screen producers to contribute by making whole segments or freelance with ABC crew.

47 For example see: Friends of the ABC WA, *Submission 1*, p. 1; Ms Tracey Smith, *Submission 20*, p. 2; Tasmanian Creative Industries Council, *Submission 31*, pp 1–2; Name Withheld, *Submission 38*, p 1; and Friends of the ABC, *Submission 61*, p. 4.

48 For example see: Friends of the ABC WA; Friends of the ABC, *Submission 61*, p. 4;

49 Friends of the ABC, *Submission 61*, pp 4–5.

50 Friends of the ABC, *Submission 61*, p. 4.

51 Friends of the ABC WA, *Submission 1*, p. 1.

52 For example see: Wide Angle Tasmania, *Submission 36*, p. 4; Friends of the ABC, *Submission 61*, p. 5; and Film and Television Association of the Northern Territory, *Submission 62*, p. 1.

Furthermore, we see a parallel centralisation in the ABC's outsourcing of television program production, where the growing legion of "super indie" production companies from Melbourne and Sydney are winning the bulk of ABC commissions.⁵³

3.47 Friends of the ABC similarly remarked that:

Major Australian private production companies already tend to be located in only two capital cities—Sydney and Melbourne.

And there is no reason to believe that the already small number of private producers with the capacity to achieve the physical production values the ABC expects in programming will not decrease in the future, shrinking diversity even further.⁵⁴

3.48 Wide Angle Tasmania made the observation that in states with a smaller and still maturing film production industry the co-production model would have a disproportionately large negative effect on local production companies.⁵⁵ In particular Wide Angle Tasmania noted that the Tasmanian film industry is still developing and this, coupled with the closure of the ABC production unit, may mean that local production companies cannot engage in co-production:

Increased outsourcing of TV production to the independent screen production sector offers few opportunities in regions where the sector remains relatively underdeveloped. Tasmania does not yet have a developed screen industry. Its state funding agency, Screen Tasmania, was only established in 1999. A couple of small production companies struggle to survive and remain largely dependent on subsidy. Thus a decision to axe the ABC's small Hobart based TV production unit has a disproportionately large effect on local screen production capacity, which will in turn limit the extent to which local companies can be commissioned to produce programs for ABC TV.⁵⁶

3.49 The Screen Producers Association of Australia (SPAA), however, felt that a mixed production model is efficient and effective for the ABC:

Commissioning programs from the independent sector allows the ABC to use its funds to lever additional funds thereby acquiring more program content for less money. Independent producers are able to source additional production funds from other sources including state and federal government agencies, private investment, foreign pre-sales, and utilise taxation incentives such as the Producer Offset (a tax rebate of up to 20% of the production cost) that the ABC is unable to access for internal production.⁵⁷

53 Film and Television Association of the Northern Territory, *Submission 62*, p. 1.

54 Friends of the ABC, *Submission 61*, p. 5.

55 Wide Angle Tasmania, *Submission 36*, p. 4.

56 Wide Angle Tasmania, *Submission 36*, p. 4.

57 Screen Producers Association of Australia (SPAA), *Submission 35*, p. 4.

3.50 In 2011, this committee also recorded its support for the mixed production model, acknowledging that 'there will be times when co-produced content is preferred and others when internally produced material is preferred'.⁵⁸

3.51 In its submission, the ABC outlined the rationale behind the mixed method of television production:

The ABC has a responsibility to use its scarce resources as efficiently and effectively as possible. Despite recent favourable funding allocations, in real terms, the ABC's income has diminished over the last two decades....In these constrained financial circumstances the ABC has continually reviewed its expenditure and services to ensure they are efficient and, where possible, more effective...

This imperative towards efficient use of resources lies behind the development of the mixed television production model and the ABC's *Television Production Strategy 2011–13*.⁵⁹

3.52 The ABC further argued that the mixed production model:

...is taken to ensure its television production budget is invested in the most effective and efficient way, whilst still delivering to Australians the best possible programming. This includes making use of both internal and external production resources.⁶⁰

3.53 The ABC also noted that the mixed model of television production allows for greater creativity and flexibility in producing content:

A "mixed production" model involves the use of all these production models and provides considerable creative and financial benefits.

A mixed production model that utilises the best of the ABC's internal resources but which also allows the ABC to work with independent producers is the most efficient way for the Corporation to meet its Charter obligations. Commissioning a mix of internal and external production allows the ABC to deploy its resources and funding in the most efficient and effective manner.⁶¹

Committee comment

3.54 The committee investigated in detail the issue of the ABC's approach to using a mixed production model in its 2011 inquiry into recent ABC programming issues. The committee believes that co-production is no less capable than internal production of meeting societal expectations about local content and the ABC's charter obligation

58 Senate Environment and Communications References Committee, *Recent ABC programming decisions*, October 2011, p. 20.

59 ABC, *Submission 34*, p. 11.

60 ABC, *Submission 34*, p. 11.

61 ABC, *Submission 34*, p. 29.

to reflect Australia's cultural diversity. The committee is therefore supportive of a mixed production model but draws attention to concerns raised during the course of this inquiry, and previously,⁶² about ensuring regional content commitments are met between commissioned, co-produced and internally-produced programs.

3.55 The committee does not take issue with who makes content, but whether content effectively contributes to the ABC meeting its charter obligations. The committee believes it is possible that co-production models could lend themselves to providing more diverse content than programs produced in static facilities in capital cities and hopes this proves to be true.

The closure of the Perth production unit

3.56 The committee heard evidence from witnesses in Western Australia about the impact of the closure of the Perth production unit.⁶³ The CPSU informed the committee that without an ABC television production unit based in Perth, the broadcaster was not able to adequately represent Western Australia.⁶⁴

3.57 Mr Doug Spencer from the CPSU stated:

For a truly national Australian broadcaster, it and its audience are both, in a very real sense, in the same very big place called Australia. Broadcaster and audience are one big 'us', both in the same 'here'. Sadly, it is increasingly obvious that this is not just ABC radio's, but television network's, reality. On air it is often distressingly apparent that 'here' is Sydney, or Sydney and Melbourne, and everywhere else is 'out there'. Sometimes those of us 'out there' are simply forgotten....At other times, they/we are actively addressed and/or visited but we are still 'out there', part of a distant 'them', not fellow members of 'us'. This is at least as unfortunate for the minority of Australia's population who live in Sydney and Melbourne as it is for Australia's so-called regional majority population.⁶⁵

3.58 Ms Bobbie Mackley from the Friends of the ABC Western Australia likewise remarked that:

...the centralisation of decision making in Sydney and the diminution of the ABC's capital city centres outside Sydney and Melbourne, much exacerbated by the policy of outsourcing TV production, is what is

62 Senate Environment and Communications References Committee, *Recent ABC programming decisions*, October 2011, pp 11–21.

63 For example see: Ms Andrea Hayes, Community and Public Sector Union (CPSU) Delegate and ABC Technologist, CPSU, *Proof Committee Hansard*, 7 March 2013, pp 14–15.

64 See Ms Andrea Hayes, CPSU Delegate and ABC Technologist, CPSU, *Proof Committee Hansard*, 7 March 2013, p. 14.

65 Mr Doug Spencer, CPSU Delegate and ABC Radio National Broadcaster, CPSU, *Proof Committee Hansard*, 7 March 2013, pp 15–16.

compromising the ABC's approach to reflecting and representing regional diversity.⁶⁶

Proposed closure of the ABC production unit in Hobart

3.59 As discussed in Chapter 1, on 20 November 2012, the ABC Managing Director announced that the ABC intended to close its Hobart television production unit.⁶⁷ Instead of having a unit to internally create productions, the ABC proposed to establish an independent production fund to finance co-produced content. The ABC stated:

In place of internal ABC production in Tasmania, the ABC is proposing to invest \$1.5 million over three years in a production fund and is seeking a matching investment from the state Government...this approach will emulate the successful partnerships the ABC with governments and their screen agencies in both South Australia and Western Australia, which have ensured continuity of local production in these states.⁶⁸

3.60 The Tasmanian Department of Economic Development, Tourism and the Arts clarified the state government's understanding of the ABC's proposal:

The Tasmanian Government has never been requested to provide direct funding to continue ABC in-house television production in Tasmania.

In the content of the potential closure of the ABC internal production unit, the former Director of Television Kim Dalton in late 2011, broadly discussed possible alternative models for financing new independent television production in Tasmania, which included the partial redirection of funds from the closure of the Tasmanian internal production unit into the commissioning of one independently produced television factual series. This proposal did include the suggestion that the Tasmanian Government provide additional financial commitment beyond Screen Tasmania's allocation, though no formal request or amount was ever proposed.⁶⁹

3.61 The Tasmanian government advised that it had consistently rejected any suggestion that television production in Tasmania should be solely carried out by the independent sector, or that the government should contribute to the cost of replacing one of the internally produced ABC shows with an independent production.⁷⁰

66 Ms Bobbie Mackley, President, Friends of the ABC WA, *Proof Committee Hansard*, 7 March 2013, p. 1.

67 See paragraphs 1.6 to 1.9.

68 ABC, *Submission 34*, p. 14.

69 Tasmanian Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 1.

70 Tasmanian Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 1.

Impact of the proposed closure of the Hobart production unit

3.62 The announcement by ABC management of its intention to close the Hobart production unit was met with concern by many submitters.⁷¹ They argued that removal of a production unit based in Tasmania would have wide-ranging implications including inadequate representation of Tasmanian culture and identity; the loss of skills, expertise and training opportunities; and the inability to broadcast important regional events. These are discussed below.

Tasmanian culture and identity

3.63 Tasmania, like each Australian state and territory, has distinctive geographical features and a unique sense of culture and identity. Some submitters argued that because of these unique and defining characteristics, it is important that Tasmania is able to present its identity to the rest of Australia itself.⁷²

3.64 Professor Jeff Malpas from the University of Tasmania described the importance of Tasmania being able to broadcast its unique culture, history and geography to Australian audiences. According to Professor Malpas:

Compared to the Australian mainland, Tasmania is indeed *another country*. It has a strong sense of its own distinctive sense of place that derives from its character as an island, as well as from its unique natural and cultural heritage. Undoubtedly this sense of place, and the strong sense of identity that goes with it, is one of the reasons there has been such a response to the threatened loss of ABC production facilities, but it also connects directly with the enormous potential that the island offers as a source of production content.

Tasmania's distinctive history, the wealth of creative activity it supports, the variety, beauty, and grandeur of its landscape, the scientific interest to be found in its own flora and fauna, as well as its role as the gateway to Antarctica and the Southern Ocean, all contribute to making the state a potentially rich location for the generation of innovative and distinctive content...Moreover, since Tasmania also has a particularly high concentration of academic, artistic and cultural expertise and capacity, so it offers a very strong pool of creative talent. In these respects, it has to be viewed as a significant source of strength in relation to *both content and production*.⁷³

3.65 Wide Angle Tasmania shared this view:

71 For example see: Ms Jackie O'Toole, *Submission 3*, p. 1; Mr Phil Long, *Submission 10*, p. 1; Mr Graham Himmelhoch-Mutton, *Submission 11*, p. 1; Anne Layton-Bennet and John Donnachy, Friends of the ABC, Tasmanian Branch, *Submission 21*, p. 1; Mr Andrew Wilkie, *Submission 27*, p. 1; and Friends of the ABC Tasmania, *Submission 33*, p. 1.

72 For example see: Mr Graham Himmelhoch-Mutton, *Submission 11*, p. 1; Wide Angle Tasmania, *Submission 36*, p. 3; and Professor Jeffery Malpas, *Submission 7*, p. 4.

73 Professor Jeffery Malpas, *Submission 7*, p. 4.

Tasmania is home to the much acclaimed [Museum of Old and New Art], and to many cultural festivals and events. It has diverse other attractions, from the beauty and comparatively unspoilt nature of its natural environment to the historical interest of its built heritage. It has considerable strengths in scientific and Antarctic research, in literature and food production. And it has a remarkably vibrant and growing creative community.⁷⁴

3.66 The Hon Cassy O'Connor MP, Tasmanian Minister for Community Development, similarly remarked upon the unique identity of Tasmanians:

Tasmania is a small and unique state, with a proud island identity. It has always had an exceptionally inspiring pool of creative talent but it is only now that this strength is beginning to truly surface, gain recognition and be measured for its significant contribution to the vibrancy and economic prosperity of the state.⁷⁵

3.67 Mr Graham Himmelhoch-Mutton submitted:

Firstly, I'd like to state the obvious—that as an island state, the culture of Tasmania is very different to that of mainland Australia and it is impossible to properly reflect this without a production unit there. Centralising production to the main centres of Sydney and Melbourne will only serve to further diminish the impact of Tasmanian life and culture on Australia as a whole.⁷⁶

3.68 The South Hobart Progress Association agreed, arguing that Tasmanians feel a sense of 'disconnection and disappointment' with the national broadcaster in its decision to close the Hobart production unit and that the decision limits 'the opportunity for the exposure of local cultural identity'.⁷⁷ Ms Sandra Cotton similarly stated 'regional diversity and national identity will be diminished with the loss of the ABC Tasmania [p]roduction [u]nit'.⁷⁸

3.69 Other submitters opined that Tasmanians would lose the capacity to tell local stories in their own way and that with no local content (aside from news) being produced there would be no local historical archive to draw from in the future.⁷⁹

3.70 Wide Angle Tasmania highlighted that 'many Tasmanians have become increasingly alienated from a national broadcaster that appears to have little regards

74 Wide Angle Tasmania, *Submission 36*, p. 3.

75 Ms Cassy O'Conner, *Submission 39*, p. 2.

76 Mr Graham Himmelhoch-Mutton, *Submission 11*, p. 1.

77 South Hobart Progress Association, *Submission 26*, p. 1.

78 Ms Sandra Cotton, *Submission 58*, p. 1.

79 For example see Ms Tracey Smith, *Submission 20*, p. 3.

for the culture of their home state, or for Tasmanians' views, concerns and televisual needs'.⁸⁰ Wide Angle Tasmania further argued that:

In not adequately representing or considering the needs of Tasmania and its citizens, the national broadcaster is failing to fulfil its obligation to contribute to a sense of national identity that is inclusive of Australians living outside the major metropolitan areas. Moreover it is denying mainland Australians' exposure to perspectives offered by their fellow Australians in the nation's smallest state.⁸¹

3.71 The Tasmanian Department of Economic Development, Tourism and the Arts argued the closure of the Hobart production unit would have impacts beyond just representing Tasmania to the rest of the nation.⁸² According to the department:

...for geographically isolated Tasmania, the ABC also has a valuable and pragmatic function as a communicator, providing information, social cohesion and a focal point for community events...'.⁸³

Skills, expertise and training

3.72 The ABC's Hobart production unit produced a variety of programs including the well-known *Gardening Australia* and *Collectors* television shows. Indeed, Tasmanians who submitted to the inquiry wrote of their pride in the ABC Hobart production unit and its ability to create entertaining programs that were broadcast to the rest of Australia.⁸⁴

3.73 Mr Phil Long gave an overview of the unit's body of work:

The ABC Tasmania Production Unit and Field Operations staff have over the years made a wide variety of programs, differing in their budgets, formats, timeslots and genres. Productions have included education, lifestyle, factual, documentary, drama, outside broadcasting of special events, sport and arts programming. Programs such as *All in a Day's Work* and *Fridge Door* were completely new formats created by the Unit. The enduring *Gardening Australia* was born out of the earlier Hobart created program *Landscape* which introduced Peter Cundall to the viewing audience.

...

The Hobart Production Unit was asked to devise programming to replace *Gardening Australia* and this resulted in two new programs, *Second Opinion* and *Collectors*. Towards the end of the first year, it was decided

80 Wide Angle Tasmania, *Submission 36*, p. 3.

81 Wide Angle Tasmania, *Submission 36*, p. 3.

82 Tasmanian Department of Economic Development, Tourism and the Arts, *Submission 23*, p. 2.

83 Tasmanian Department of Economic Development, Tourism and the Arts, *Submission 23*, p. 2.

84 For example see: Mr Phil Long, *Submission 10*, p. 1; and Ms Sandra Cotton, *Submission 58*, p. 1.

Second Opinion would cease production but *Collectors* was an unexpected success.⁸⁵

3.74 Mr Darrell Meagher, a producer with the Hobart production unit, likewise informed the committee of the success of *Gardening Australia* and *Collectors*:

The two long term programs I had worked on, *Gardening Australia* and *Collectors* had allowed us high levels of autonomy in deciding the content, look and ethos of the programs. While we never promoted the fact that the programs were made out of Tasmania, both were strongly Tasmanian-centric. This obviously struck a chord with our audiences and they voted with their remote controls. Both programs also traded on the strengths of a regional branch.⁸⁶

3.75 Submitters and witnesses argued that closure of the Hobart production unit would result in the loss of a substantial pool of skills and expertise not only to ABC Tasmania but also to the broader Tasmanian film and television industry. Professor Margaret Reynolds, representing Friends of the ABC Tasmania, explained:

Let me...highlight the impact of the closure of the Tasmanian film production unit. Of course it is primarily about the loss of jobs, but it is also about the ABC's role as a leader in this industry. It is not just about those jobs; it is about the jobs that, through leadership, it encourages. Obviously it is about the loss of direct ABC jobs—in directing, editorial, camera, sound, archives and support functions—but it is also about young filmmakers losing career path and mentors. The ABC mentors so many local filmmakers and potential filmmakers. The Tasmanian screen industry will lose key professionals and opportunities to work in partnership with the ABC. There is a bit of a myth that it has to be all or nothing. Not at all. There can be very productive partnerships between the ABC and the independent film sector. But you have got to have equality and you have also got to have that leadership from our national broadcaster. Some local filmmakers will be obliged to leave the state and there will be no capacity for creative screen industries to take advantage of the National Broadband Network.⁸⁷

3.76 Ms Jill Beckingsale indicated that freelance camera operators, writers and producers would also be severely impacted by the closure of the ABC production unit and that 'there are no other production houses in Tasmania through which these freelancers can find alternative employment'.⁸⁸

85 Mr Phil Long, *Submission 10*, p. 1.

86 Mr Darrell Meagher, *Submission 42*, p. 2.

87 Professor Margaret Reynolds, President, Friends of the ABC Tasmania, *Proof Committee Hansard*, 1 February 2013, p. 12.

88 Ms Jill Beckingsale, *Submission 18*, p. 1.

3.77 These concerns about the loss of key professionals, career pathways and training opportunities were shared by Wide Angle Tasmania:

As a screen development organisation dedicated to training and supporting local screen practitioners, Wide Angle is very concerned about the withdrawal of resources for ABC TV production in Tasmania and the effect that will have on the state's screen sector, on its production and employment capacities and on the state's screen culture.

...

Tasmania does not yet have a developed screen industry. There is no film school, no Screen Australia, no really sizeable production companies of the kind preferred by ABC decision-makers. There are no network heads, commissioning editors, major distributors and no community television channels here...So the loss of the ABC TV production unit is a very big blow in terms of the local situation. The Tasmanian screen sector will lose employment and training options, expertise and important infrastructure.⁸⁹

3.78 And:

The Australian Film and Television and Radio School no longer have a Hobart presence. There is limited TAFE sector training in screen production. Wide Angle Tasmania is a screen resource organisation struggling to provide training opportunities to emerging screen practitioners with a mere fraction of the grants provided to like organisations in other states. The ABC is therefore an important contributor in this area, providing professional development opportunities to its own employees, who in turn often contribute their skills to assisting emerging screen practitioners in the broader community.⁹⁰

3.79 Other submitters highlighted further training and development opportunities that would be lost if the Hobart production unit closed. Ms Carol Rea informed the committee that Tasmania is producing 'enterprising and highly skilful people in film and television' and that the Hobart production unit 'supports this by occupying a stable and crucial segment of the media continuum in Tasmania'.⁹¹ Ms Tracey Smith stated that the Hobart production unit 'has regularly mentored work experience students from Rosny College and through the Tasmanian Indigenous Working Group the unit has been working towards work experience placements for indigenous student[s] into all facets of TV production'.⁹²

89 Ms Sharon Connolly, Secretary and Public Officer, Wide Angle Tasmania, *Proof Committee Hansard*, 1 February 2013, p. 23.

90 Wide Angle Tasmania, *Submission 36*, p. 4.

91 Ms Carol Rea, *Submission 14*, p. 1.

92 Ms Tracey Smith, *Submission 20*, p. 1.

3.80 Mr Jim Mashberg drew attention to some of the wider implications for training and development if regional film and television production continues to be lost:

If there are no productions in regional Australia, where are the opportunities for the next generation of camera operators, editors, technicians, and so on, to hone their skills? The ABC has nurtured award-winning directors, camera operators, editors, etc. in the regional branches. Again, the loss of local production robs these people of any chance to follow this great tradition.⁹³

Broadcast of important regional events

3.81 Related to the proposed closure of the Hobart production unit, some submitters were concerned about the ABC's ability to broadcast important regional events such as state funerals and ANZAC Day marches.⁹⁴

3.82 The Community and Public Sector Union (CPSU) was of the view that closure of the Hobart production unit, coupled with the previous loss of the Outside Broadcasting (OB) van, would mean that the ABC's capacity to broadcast important regional events in Tasmania was limited.⁹⁵ According to the CPSU, 'the significance of this loss on Tasmania is large' with the ABC no longer able to cover certain styles of television programs, including sport.⁹⁶

3.83 Other submitters raised concerns that Tasmania would not have the capability to broadcast state funerals, memorial services or ANZAC Day parades.⁹⁷

Goodwood Studio

3.84 The committee also heard that recent decisions by the ABC regarding production in Tasmania had resulted in the closure of the Goodwood Studio in Hobart.

3.85 The Goodwood Studio was established in 2006 by the ABC and the Tasmanian Department of Economic Development, Tourism and the Arts.⁹⁸ The department summarised the arrangement:

93 Mr Jim Mashberg, *Submission 17*, p. 1.

94 For example see: Ms Jackie O'Toole, *Submission 3*, p. 1; Mr Andrew Wilkie, *Submission 27*, p. 2; and Community and Public Sector Union Tasmania, *Submission 41*, p. 6;

95 CPSU Tasmania, *Submission 41*, p. 6.

96 CPSU Tasmania, *Submission 41*, p. 6.

97 For example see: Name Withheld, *Submission 6*, p. 1; and Ms Jackie O'Toole, *Submission 3*, p. 1.

98 See Ms Sharon Connolly, Secretary and Public Officer, Wide Angle Tasmania, *Proof Committee Hansard*, 1 February 2013, p. 23; and Ms Karena Slaninka, Director, Screen Tasmania, *Proof Committee Hansard*, 1 February 2013, p. 33.

...the [d]epartment undertook in collaboration with the ABC, to convert an existing building into a studio when the ABC television series *Collectors* was moved to a national prime time slot on the national broadcaster in 2006. The cost of this conversion to the [d]epartment was just under \$1 million. The department agreed to build the studio on the basis that the ABC would become the main tenant and the space would be hired out to other uses when the ABC was not in production.⁹⁹

3.86 The studio facility was built without a Master Control Room and lighting equipment, as the ABC provided its own.¹⁰⁰ This, according to the department, 'limited the studio's viability as a TV studio', requiring other potential clients to hire additional equipment and lighting.¹⁰¹

3.87 When the *Collectors* program was cancelled in 2010, the studio became vacant and was unused apart from Sara Cooper's Screen Academy which was provided with the space free of charge by Screen Tasmania.¹⁰² The department advised that:

As the studio was no longer being used for its original purpose, the withdrawal of the ABC's OB [outside broadcast] facilities together with the general unsuitability of the studio space, meant that it was almost impossible to market to other users. The Department of Economic Development received an offer to lease the space for \$120 000 pa for 12 years, there was no strong argument in favour of retention.¹⁰³

The ABC's response

3.88 In response to concerns about closure of the Hobart production unit, the ABC reiterated its commitment to regional stories that reflect the breadth and diversity of the nation, including Tasmania¹⁰⁴ and rebutted criticisms about its withdrawal from the state. Mr Scott claimed:

Contrary to some criticism, we are not pulling out of the island state. In fact, we still have a strong Tasmanian presence, and we intend to keep it. The ABC will retain its offices in Launceston, Burnie and Hobart, from where 160 staff work to produce radio content, ABC Open material, local

99 Tasmanian Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 2.

100 Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 2.

101 Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 2.

102 Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 2.

103 Department of Economic Development, Tourism and the Arts, *Answer to questions on notice*, 1 February 2013 (received 19 February 2013), p. 2.

104 ABC, *Submission 34*, p. 13.

television and radio news reports and reports for 7:30, along with all the backup services and administrative support. The recent restructuring of the Hobart news team is designed to deliver more detailed news coverage in the state, and from the state to the nation.¹⁰⁵

3.89 The ABC explained that the decision to close the Hobart production unit was made on the basis of budgetary considerations. According to the ABC:

Despite recent favourable funding allocations, in real terms, the ABC's income has diminished over the last two decades. The 2012–13 operational revenue from Government of \$840 million represents a decrease in real funding of \$253 million or 23.1% since 1985–86. In these constrained financial circumstances the ABC has continually reviewed its expenditure and services to ensure they are efficient and, where possible, more effective.¹⁰⁶

3.90 The ABC further explained that through its commissioning process, it decided not to re-commission the Hobart production unit's show *Auction Room*.¹⁰⁷ The cessation of *Auction Room* therefore presented the ABC with an opportunity to restructure its operations in Tasmania. The ABC submitted that:

With this in mind [the decommissioning of *Auction Room*], the ABC considered a new process is required for commissioning production in of [sic] Tasmanian, given financial constraints and future commissioned production demand. The ABC proposes to partner with independent producers as this will better provide the flexibility to commission Australian content that meets needs of the schedule, the requirements of the Charter and audience demand.¹⁰⁸

3.91 In place of internal production in Tasmania, the ABC has proposed to invest \$1.5 million over three years in a production fund to commission independent companies to produce content and has asked the state government to match this investment.¹⁰⁹ The ABC expressed its hope that this approach in Tasmania would emulate the partnerships it has with governments and their screen agencies in South Australia and Western Australia.¹¹⁰ Further, the ABC stated that 'given the ability to leverage additional funds through co-productions, this approach is will [sic] sustain and grow Tasmanian production'.¹¹¹

105 Mr Mark Scott, Managing Director, ABC, *Proof Committee Hansard*, 1 February 2013, p. 43.

106 ABC, *Submission 34*, p. 11.

107 ABC, *Submission 34*, p. 12.

108 ABC, *Submission 34*, p. 12.

109 ABC, *Submission 34*, p. 14.

110 ABC, *Submission 34*, p. 14.

111 ABC, *Submission 34*, p. 14.

3.92 The ABC contended that its commitment to providing training and development opportunities in Tasmania would continue:

ABC Tasmania also provides work experience to numerous students across the year, principally in the News and Resources (journalists and camera operators) divisions. In early 2011, the ABC signed Memorandums of Understanding with the Riawunna Centre (University of Tasmania), Rosny College and Claremont College to provide work placement opportunities for Australian indigenous students. This is in addition to NAIDOC Week activities, which have in the past also included displays of student art work, students interviewing elders for radio and producing music for on air.¹¹²

3.93 With respect to outside broadcasts and broadcasting important regional events, the ABC indicated that it would continue to support Tasmanian production of events such as ANZAC Day, as well as hosting other ad hoc events such as Q&A and state election coverage.¹¹³ However, the ABC did not accept responsibility for closure of the Goodwood Studio, stating that it is not the ABC's responsibility '...anywhere in the country to be commissioning programs to be keeping local studios active...In fact, our responsibility is not to keep local film production all around the country busy. Our charter says "reflect the country back to the nation".¹¹⁴

Committee comment

3.94 As stated earlier, the committee believes that the responsibility to 'contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community' is a central pillar of the ABC Charter. Without limiting the ways in which the ABC might achieve this or impinging on editorial independence, the committee believes the ABC must continue to reflect the cultural and regional diversity of the Australian community.

3.95 The committee supports a mixed production model that includes co-production and internally produced programming. It is the committee's view that co-production can adequately represent and reflect Australia's cultural and regional diversity, that is, internal production is not the only way in which the ABC can meet this charter obligation.

3.96 The committee does not believe it is appropriate for it to determine on the ABC's behalf how a balance between co-production, internal production and commissioned programming should be achieved; the committee does emphasise, however, that the ABC must acquire its programming content in a manner that efficiently allocates its resources and maximises its capacity to produce unique content in accordance with the requirements of the ABC Charter.

112 ABC, *Submission 34*, p. 14.

113 ABC, *Submission 34*, p. 14.

114 Mr Mark Scott, Managing Director, ABC, *Proof Committee Hansard*, 1 February 2013, p. 44.

3.97 However, the committee would be concerned if there are possible negative impacts on local skills, expertise and training opportunities associated with decisions made by the ABC about its production facilities in regional areas. The committee hopes that dedicated spending on co-produced activities in regional areas will maintain and foster expertise and skills into the future. While the committee supports the ABC maximising funding for production of content, it has reservations about the seemingly "tied" nature of funding commitments to production in Tasmania which seemingly require funds from the state government for ABC investment to occur. The committee believes there should be some unconditional investments, from which additional investment should be leveraged wherever possible.

3.98 On that basis, and in accordance with Recommendation 4, the committee recommends that the ABC make a firm financial commitment to investing in production outside of Sydney and Melbourne, against which it can be measured.

Recommendation 5

3.99 The committee recommends that the ABC make and publish at regular intervals its future financial commitment to investing in production outside of Sydney and Melbourne.

**Senator Simon Birmingham
Chair**

Government Senators' Additional Comments

Labor senators support the five recommendations made by the committee. These additional comments and recommendations elaborate further on Labor senators' views.

Evidence given to the committee from the Perth and Hobart hearings noted the continued decline over a number of years in ABC TV production in these states, until the effective closure of the production units.

The CPSU at the Hobart hearing noted a continued drop in staffing levels in South Australia, Western Australia and Tasmania, while staffing in Melbourne and Sydney have increased:

If you look at the annual reports you can see that the staffing numbers over the last 10 years in South Australia, Western Australia and Tasmania have clearly declined while in the major spots they have increased.

Friends of the ABC WA in their evidence to the committee outlined the decline in TV production out of Perth until it came to an end:

As I state in the submission from Friends of the ABC WA, TV production in Perth pretty much came to an end in 2011 with the decommissioning of *Can We Help?* Back in the eighties and nineties, however, at the old ABC, production areas were humming with people engaged in creative activities. ABC Perth had a children's and education unit producing wonderful children's programming for both radio and television. It had a scenery construction workshop, a metal workshop, a huge outside broadcast garage, a TV transmission suite, studios and control rooms, radio and television newsrooms, technical areas and offices—in fact, almost everything that Sydney or Melbourne had, only on a smaller scale with fewer people.

Similarly, at the Hobart hearing, evidence given by the CPSU noted a continued decline in TV production in the state before the announcement of the closure of the ABC Production Unit.

I would just like to comment on the history of TV production in Tasmania. We are talking about TV production closing because *Auction Room*, the current program produced in Tasmania is not going to be recommissioned. *Auction Room* was always in a bad situation to succeed. We have actually never been given figures on what it would take to succeed but it was given a 6 pm time slot on Sunday which is recognised as the most difficult spot. It is up against the Sunday night news which are about the most popular programs on television. *Auction Room* actually increased its share of the audience at that time but that apparently was not good enough. At one time it was shown at 6.30 and its audience actually increased beyond that of the program normally on at 6.30. So we sort of feel that it was set up to fail. We think that the inquiry two years ago put pressure on the ABC to continue some production in Tasmania. The team here in Tassie used to develop 42 episodes of *The Collectors*, and with *Auction Room* this was down to 10 episodes. So it was actually even easier for the ABC to say that it was not financially viable.

The longer history is in Tasmania losing *Gardening Australia*, which moved to Victoria years ago, as well. So centralisation was happening some time ago. There are the financial aspects but we also think there is an ideological approach. Maybe it is just easier for management to have it all centralised but it is just an ideological approach.

Beyond just the level of staffing, the decision-making roles in the corporation have also moved to Sydney and Melbourne. The CPSU in their evidence to the Hobart hearing stated:

...decision makers on personnel or staffing—and this is the case also for what is broadcast on television and on radio—are often taken out of the regions, so we have people in Sydney and Melbourne making decisions about regions. Simply having that structure is going to make it harder to have a regional voice heard, so the people in the regions might have different issues and perspectives of things but their voice is not going to be heard at all.

The Labor Senators note evidence given to the committee of the continued moves by the BBC to decentralise production from London and genuinely commit to regional TV Production. Mr Mark Kelleher, Secretary of the Department of Economic Development, Tourism and the Arts, Tasmanian Government, told the committee:

The reality is that if the national broadcaster is truly to commit to regional diversity of content then it must stimulate proactively demand and incentivise regional production activity, rather than adopting a strategy of centralisation. It has been very instructive, I think, that after years of centralisation recently the BBC has changed direction and committed to 50 per cent of network spend to regional production by 2016. This is a genuine demonstration and proactive commitment on behalf of the BBC to regional UK, representing a philosophical shift away from centralisation and a commitment to public service values.

The BBC describes this as a healthy balance across internal, regional and independently generated production. Also, importantly, radio and online services are not counted towards these quotas. We believe the ABC should also strive for a healthy mix of regional, internal and independently produced content that represents and reflects an important part of Australia's regional diversity.

Professor Malpas also stated that a continued centralisation of production is contrary to contemporary thinking on production:

...the push towards a greater sense of regionality and decentralised platforms and operations is not just something that we are saying should be happening here; it is already happening elsewhere. In that respect it is a bit odd that we seem to be wanting to stick with a rather old-fashioned view—a rather old-fashioned centralised view. That comment exemplifies that sort of old-fashioned thinking.

The need for tied funding to regional Australia was supported by Ms McInerney of the MEAA who told the committee:

We have both acknowledged that there is a need to change the culture within the ABC around regional funding, but there is no reason why federal government funding that specifically goes to those issues that we have raised in regional areas—better resourcing, better training and better staffing levels—would not help turn that around.

Mr Paul Blake of the CPSU also supported tied funding in his evidence stating:

Going back again, tied funding is probably the only way that we can ensure that our regional communities are looked after.

Recommendation 1

That ABC maintain a commitment to regional television production by guaranteeing that a percentage (50% of television production budget, tied funding) of total Australian ABC television production output, excluding news and current affairs, is produced in the regions. This regional production should attract a significantly higher point allocation as part of the Australian content provisions.

Labor Senators note that there is considerable amount of skills and expertise possessed by ABC employees and significant facilities owned by the ABC.

These skills and expertise are being increasingly centralised to Sydney or Melbourne, or are being lost to the Corporation. There is a disincentive for employees of the ABC to stay in regional Australia. Ms McInerny of the MEAA told the committee:

In the survey that we did of our members not one single member complained about pay in a regional area and yet there is a pay cut in place in regions that creates a glass ceiling that if you want to create a career in the ABC and you would like to earn more than you are currently earning you must go to a metropolitan area. So it is almost an enforced skills drain on regional areas or an imposed salary cap for the rest of your career. There is not a great deal of upward movement available for regional people. There is a lot of skills expansion that can happen but, as I have just pointed to, it is not happening. You have got staff in offices who cover massive areas who would love to be able to get out and create stories of human interest, stories of concern to their communities and the broader Australian public. But they are simply not able to do so due to budget restraints, travel budget cuts and also this shortfall in training and being able to cover those staff. So I think when you are talking about regions they know that they are not paid as much and they know that they do more on a daily basis.

ABC staff have an extensive range of skills and provide an important role in the training of future generations of film and television staff both in the ABC and in the private sector.

Recommendation 2

That as much as is practically possible the ABC's share of co-productions should come from 'in kind support' through utilising the skills and facilities of the ABC, rather than using the ABC solely as a source of revenue.

Conclusions

The Labor senators feel that the ABC has an extremely significant role in reflecting regional diversity and creating a sense of regional identity, which it cannot do without significant regional TV production.

The Labor senators are concerned by evidence that the film and television industry would have difficulty in producing content in regional Australia in the same quantities previously produced by the ABC.

Labor senators note the importance of regional production of ABC TV both for the promotion of regional identity and for the support it provides to the wider film and TV industry in regional Australia.

Ms Slaninka of Screen Tasmania commented on the importance of the ABC Production Unit in Hobart on the ability of the wider film and TV sector in Tasmania.

I think with the closure of the production unit we are going to see the diminishing of the facilities, resources and skills that are available here in Tasmania and of the critical mass of industry that exists here and the skills we can draw on.

The view is supported by evidence given to the committee that given the support provided to independent TV production in regional Australia by ABC employees and facilities, independent TV production is made significantly more difficult by the closure of ABC production facilities in regional Australia.

Ms Connolly of Wide Angle Tasmania told the committee:

There is no question that the significance of that infrastructure in Tasmania is greater than in Melbourne or Sydney, where there are alternative studios, base of personnel and facilities and equipment and postproduction houses and so forth that are available to the independent sector and to the ABC, which sometimes uses outside facilities as well.

This view was confirmed by Mr Johnston of SPAA:

If, as Sharon points out, the ABC facilities are integral to the local industry or the capacity of the local industry to produce Tasmanian programs, then, yes. I had not considered that, I must confess.

Labor Senators would also like to note the difficulties the film bodies of small states have with the the co-production model put forward by the ABC. They note the evidence of Mr Blake of the CPSU who said:

The other aspects of the co-productions which really affect regions is that, if a state government body does not put up the money to match the ABC money, a production is just not going to happen. Oddly enough, it is going to be the smaller states who are not going to have that money. That is the current situation in Tasmania where the state government has been asked to match money of the ABC offering \$1.5 million over three years to do co-productions.

Professor Malpas also noted the importance of regional TV production on the creation of a sense of identity both within a region, and how the regions are perceived by the rest of the nation:

One of the things I think the ABC should be seen as doing in its focus on regions is also building brands, building regional and local identities, not just in Tasmania but elsewhere. If the ABC is not doing that it is not clear what else we have got to do it and it is not clear even who else we would turn to. So having a production facility here and a commitment to regional production—and I mean a real commitment, and the UK and Europe provide some interesting examples—is absolutely vital in supporting a wider range of expertise and in being able to project an image, a brand, an identity outside the state but also within the state, and that should not be forgotten either... If you want regional production to actually reflect identity, if you want it to feed into identity, if you want all the economic and cultural benefits that come from it, it has to be tied to content and not just the location.

Labor Senators feel that the promotion of regional diversity and identity goes to the heart of who we are as a nation.

As Professor Malpas told the committee:

I think one of the things that has been missed here is that maybe, if you really focus on developing a stronger brand that is Australian and reflects Australia's regionality, if you start to draw on the resources you have in the regions you can start projecting a different sense of brand and identity, in the way that the BBC does. Maybe that might actually be a more viable option financially and economically than centralising production and losing the capacity to develop distinctive content—which is what I think will happen and what I think has been happening—and relying increasingly on other people giving you distinctive content.

Senator Doug Cameron
Deputy Chair

Senator Catryna Bilyk

Senator Carol Brown

Senator Lisa Singh

Senator Lin Thorp

Australian Greens' Additional Comments

The Australian Greens are concerned that the Australian Broadcasting Corporation (ABC) is in danger of becoming the Sydney and Melbourne Broadcasting Corporation (SMBC).

Recommendations contained in the majority report demonstrate a cross-party consensus against the disproportionate concentration of resources in one or two cities when the ABC has an obligation to “reflect the cultural diversity of the Australian community”.

While Sydney and Melbourne are rich in cultural diversity and talent, our nation is bigger than these two cities. As a public broadcaster paid for by all Australians, the value, role and audience of the ABC will only increase if it presents and nurtures a diverse range of viewpoints and culture from across the country.

The Greens support the committee’s recommendations that the ABC develop a production fund for regional television production, stop out-sourcing production and engage in more co-productions and reform the Charter to ensure that content is produced that reflects regional diversity.

The shock closure of production capacity in Hobart is the latest development in a trend at the ABC that is broadly viewed as unfortunate and reversible. The decision to close facilities in Tasmania is contrary to the first mover advantage for Tasmania in the National Broadband Network (NBN). Rather than shutting opportunities down, Tasmania would have been ideal as a hub for the ABC’s digital productions. With the advantage of having the NBN first, the Tasmanian ABC studios could have demonstrated the potentials and skills that very fast broadband can produce and transmit.

Australians care about the ABC and rely upon it for independent news, entertainment and culture on television, radio and online. A healthy, functional democracy depends upon access to the kind of reliable information and critical analysis the ABC produces, especially in areas that make the government of the day and other powerful vested interests uncomfortable. Our politics and democracy would be a lot poorer without the truths and challenges that *4 Corners*, *Background Briefing* and *360 Documentaries* routinely present. But the ABC too is poorer for not decentralising its operations to take advantage of the rich and diverse talents, cultures, and intellectual differences within Australia.

The ABC should be properly funded and resourced and to be free from political interference and to provide local content, local artists and fresh perspectives on the events that shape our lives. That cannot be achieved if management continues to forget that it is the ABC, not the SMBC.

Recommendation 1

The ABC reverses the decision to close production facilities in Tasmania and instead establishes a hub for the ABC’s digital productions.

Recommendation 2

The ABC Charter be amended to ensure that the Corporation is required to take account of the benefits of maintaining robust levels of production capacity across all states and territories.

Senator Scott Ludlam

Appendix 1

Submissions, tabled documents and answers to questions taken on notice

Submissions

- 1** Friends of the ABC Western Australia
- 2** Mr Peter Brohier
- 3** Ms Jackie O'Toole
- 4** Ms Joanne Lowe
- 5** Name Withheld
- 6** Name Withheld
- 7** Mr Geoffrey Payne
- 8** Ms Jocelyn Trewinnard-Speight
- 9** Prof Jeffery Malpas
- 10** Mr Phil Long
- 11** Mr Graham Himmelhoch-Mutton
- 12** Name Withheld
- 13** Mr Allan Van Dullemen
- 14** Ms Carol Rea
- 15** Ms Anne Carmichael
- 16** Ms Diana Cameron
- 17** Mr Jim Mashberg
- 18** Ms Jill Beckingsale
- 19** Mr Jens Volkmann

- 20 Ms Tracey Smith
- 21 Anne Layton-Bennett and John Donnachy, Friends of the ABC, Tasmanian Branch
- 22 Mr Les Lauder
- 23 Department of Economic Development, Tourism and the Arts
- 24 Friends of the ABC, NSW Central Coast Branch
- 25 Mr Andrew Cunningham
- 26 The South Hobart Progress Association Inc.
- 27 Mr Andrew Wilkie MP
- 28 Name Withheld
- 29 Communications Law Centre, UTS
- 30 Screen Tasmania
- 31 Tasmanian Creative Industries Council (TCIC)
- 32 Community and Public Sector Union (CPSU)
- 33 Friends of the ABC Tasmania
- 34 Australian Broadcasting Corporation
- 35 SPAA
- 36 Wide Angle Tasmania
- 37 Name Withheld
- 38 Name Withheld
- 39 Ms Cassy O'Connor
- 40 Ms Claire White
- 41 Community and Public Sector Union (PSU Group) Tasmania
- 42 Mr Darrell Meagher
- 43 Name Withheld
- 44 Ms Bobbie Mackley
- 45 Ms Austra Maddox

-
- 46 Name Withheld
- 47 Mr David Hudspeth
- 48 Mr EG Hartill
- 49 Ms Ruth Jennings
- 50 Ms Diana Forsyth
- 51 Name Withheld
- 52 Mr David Rose
- 53 Name Withheld
- 54 Mr Peter Haigh
- 55 Mr John Underwood
- 56 Ms Fran Bladel
- 57 Name Withheld
- 58 Ms Sandra Cotton
- 59 Mr Hilton Marshall
- 60 Mr Steve Ingham
- 61 Friends of the ABC
- 62 Film and Television Association of the Northern Territory (FATANT)
- 63 Media Entertainment and Arts Alliance
- 64 Mr Harry Cohen AM
- 65 Mrs Jo-Anne Bloomfield

Answers to questions taken on notice

Department of Economic Development, Tourism and the Arts (from public hearing, Hobart, 1 February 2013)

Community and Public Sector Union (from public hearing, Hobart, 1 February 2013)

Tabled documents

Outsourcing of ABC TV Production, tabled by Friends of the ABC WA, at public hearing, Perth, 7 March 2013

Aunty's fare ignores WA tastes, tabled by Friends of the ABC WA, at public hearing, Perth, 7 March 2013

Appendix 2

Public hearings

Friday, 1 February 2013 – Hobart

Community and Public Sector Union

Mr Paul Blake, Regional Secretary

Ms Joanne Lowe, Member

Media, Entertainment and the Arts Alliance

Ms Katelin McInerney, National Lead Organiser, Media

Friends of the ABC Tasmania

Professor Margaret Reynolds, President

Professor Jeffery Malpas – Private capacity

Wide Angle Tasmania

Ms Abi Binning, General Manager

Ms Sharon Connolly, Secretary and Public Officer

Screen Producers Association of Australia

Mr Owen Johnston, Production Executive

Department of Economic Development, Tourism and the Arts, Tasmanian Government

Mr Mark Kelleher, Secretary

Screen Tasmania

Ms Karena Slaninka, Director

Australian Broadcasting Corporation

Mr David Anderson, Acting Director, ABC Television

Ms Fiona Reynolds, State Director, ABC Tasmania

Mr Mark Scott, Managing Director

Thursday, 7 March 2013 - Perth

Friends of the ABC Western Australia

Ms Bobbie Mackley

Ms Sandra Cotton – Private capacity

Mr Harry Cohen AM – Private capacity

Community and Public Sector Union WA

Ms Andrea Haynes, Delegate

Mr Doug Spencer, Delegate

Appendix 3

The ABC Charter

Excerpt from the *Australian Broadcasting Corporation Act 1983*

Section 6 Charter of the [Australian Broadcasting] 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
- (c) to encourage and promote the musical, dramatic and other performing arts in Australia.

(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;
 - (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.
- (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.