

**Australian Broadcasting Authority
Regional News Inquiry**

**Regional Media Forum
Rockhampton
3 May 2003**

**David Flint
Chairman of the Australian Broadcasting Authority**

One of the objects of broadcasting regulation – as declared by Parliament – is an appropriate coverage of matters of local significance.

For many years, viewers in capital cities enjoyed access to more television channels than viewers in regional Australia. With aggregation, all that changed. Viewers in most of regional Australia can now see all the three commercial networks, as well as the ABC and more and more on the SBS. This has resulted in a wide selection of programmes, among the best in the world.

Unlike Europe, Asia and the Americas, our relatively small population is spread out across a very large land mass. This poses particular problems for broadcasters in regional Australia. One is getting the signal out to smaller and more distant communities, often over difficult terrain. The other is that our advertising market is small and divided. For example, TV advertising from individual main street businesses is unknown in many countries, but common in Australian country towns.

In addition, each of the regional broadcasters is tied to one network. This means that the regional broadcaster has access to a wide range of programmes. But they do not pay only for those programmes they want – they normally pay a flat “affiliation” fee (and may have to pay additional fees for special events, such as the Olympics.) Then there is the annual tax paid as licence fees which goes into consolidated revenue.

So, apart from the affiliation fees, licence fees and transmission costs, news programmes are a significant cost in regional television.

In fact, there would be not much change from a million dollars each year for a news service for an average size sub-market.

This is the context for the decision of some regional broadcasters to close down their news services, at least where the programme was not the top rating in the area, a position usually – but not always – held by the pre-aggregation broadcaster, often referred to as the “incumbent”.

The ABA’s inquiry concluded that viewers in regional Australia want to see themselves and their communities on television, but at the same time, they want to have access to the high rating programming available in the cities. The problem for the ABA was to try to balance these, and not to impose too high a burden on regional broadcasters.

The ABA’s investigation into the adequacy of local news and information programs on commercial television services in regional Australia was a response to community concerns at the time about the closure of news bureaux in Canberra, Cairns, Townsville and Darwin by Southern Cross Broadcasting in November 2001. This

followed similar closures by Prime Television Ltd in Canberra, Newcastle and Wollongong in June 2001.

The *ABA's report*, released in August 2002, focussed on the four aggregated markets of Regional Queensland, Northern New South Wales, Southern New South Wales and Regional Victoria (Approved Markets A, B, C and D respectively), which were the major source of community concerns.

One of the objects of the Broadcasting Services Act (1992) is to encourage broadcasters to be responsive to the need for an appropriate coverage of matters of local significance. In addition, there is a statutory condition on all commercial television broadcasters to contribute to the provision of an adequate and comprehensive range of services in their licence area.

While some regional commercial television broadcasters make a significant contribution to localism, the ABA found that others do not provide appropriate coverage of matters of local significance (particularly local information) in the four aggregated markets. In failing to do so, these broadcasters are not sufficiently responsive to audience needs for local content, particularly programs about matters of local significance (objects 3(1)(b) and 3(1)(g) of the Act).

Compliance by regional commercial television broadcasters with the statutory condition (clause 7(2)(a) Part 3 Schedule 2 of the Act) has not in itself resulted in the achievement of objects 3(1)(b) and 3(1)(g) of the Act, the ABA concluded.

In order to ensure that commercial television licenses in regional Queensland, New South Wales and Victoria are sufficiently responsive to audience needs, the ABA proposed that an additional condition should be imposed on each commercial television licence in those areas, and sought submissions on its proposal.

Submissions

In the main, broadcasters submitted that they would prefer a code rather than a condition, a redefinition of what constitutes material of local significance, broadening of any requirement to cover a licence area rather than a local area, and allowing repeats of all local news and information programs to accrue the same points as if they were first broadcast during specified time zones.

Other submitters, including representatives of Federal and State/Territory Governments and interest groups, generally supported the proposed additional condition, and that material of local significance should mean content that is specific to a local area and not a licence area. While there was general support for the dual points system, there were some suggestions that the number of points for local news and information programs be increased. These submitters also pointed out that local content should be broadcast only once to accumulate points.

Local areas

As noted above, the Northern NSW and Regional Queensland markets have been divided into five and seven regions respectively. Each broadcaster in Northern NSW must provide local programming in four local areas and each broadcaster in Regional Queensland in five local areas. The local areas will be defined as whichever four Northern NSW regions or whichever five Regional Queensland regions the broadcaster nominates.

Regional Queensland <i>Broadcasters to serve 5 local areas</i>	Northern New South Wales <i>Broadcasters to serve 4 local areas</i>	Southern New South Wales <i>Broadcasters to serve all 4 local areas</i>	Regional Victoria <i>Broadcasters to serve all 4 local areas</i>
---	--	--	---

Cairns, Far North Queensland	Newcastle, Hunter	Dubbo/Orange, Central Tablelands & Central Western Slopes	Albury/Shepparton, Upper Murray & Goulburn Valley
Townsville, North Queensland	Gosford, Central Coast NSW	Wagga Wagga, South Western Slopes & Eastern Riverina	Ballarat, South West Victoria
Rockhampton, Capricornia	Tamworth, North West Slopes & Plains	Wollongong, Illawarra & South Coast	Bendigo, North Central Victoria
Mackay, Central Coast Queensland & Whitsundays	Coffs Harbour/ Taree, Northern Rivers & Mid North Coast	Canberra, ACT & Southern Tablelands	Traralgon, Gippsland
Maryborough, Wide Bay	Lismore, Richmond/Tweed		
Maroochy, Sunshine Coast			
Toowoomba/ Warwick, Darling Downs			

The points system

Points are accumulated for programming broadcast in the eligible periods, which are:
 from 6.30am to midnight (inclusive) on Monday to Friday; and
 from 8am to midnight on Saturday and Sunday.

Material of local significance in the form of news accumulates 2 points per minute, while material of local significance not in the form of news accumulates 1 point per minute.

Material that is broadcast outside the eligible period or that has already been broadcast in an eligible period in the local area attracts no points (apart from 4 repeats of a community service announcement, capped at 10 per cent of total points for any one local area).

Licensees must accumulate 720 points in a 6-week period commencing 1 February 2004 and in every subsequent 6-week period, with a minimum of 90 points in any one week. The number of weeks in a year when points are to accrue has been revised to 48 weeks, with the ABA partially acknowledging the journalists award of 6 weeks leave during the non-rating period in December and January. The ABA has specified that the 4 weeks in which points will not accrue will be from mid December to mid January to provide certainty and clarity to all parties.

Rather than averaging points over 12 weeks, as earlier proposed, licensees will have a shorter averaging period of 6 weeks. Legislation requires licensees to retain records of news and current affairs broadcast, among other material, for 6 weeks from the date of broadcast or 60 days if there is a complaint about the matter. The ABA has taken this into account in requiring licensees to retain tapes of material broadcast for 6 weeks after the end of the relevant 6-week averaging period. The ABA has retained the requirement of broadcasters to report on compliance within 30 days after the end of each 6-month period ending 30 June and 31 December.

Material of local significance

The test of whether material is of local significance combines the subject and the way the material is presented. For example, a report about 'drought in Australia' can emphasise the effect of the drought on the Australian economy, or on a local area, or on both. The effect on the Australian economy is likely to be of interest to people in the local area, but the absence of local emphasis means that it would not be 'material of local interest'.

Most material of local significance is likely to be collected and prepared in the local area, using reporters and other resources located in the area. It is less likely that material prepared outside the local area and distributed in a similar generic form to several licensees will have an adequate local emphasis to meet the test of local significance.

However, the ABA has considered various mechanisms by which licence area material might be encouraged. As a result, it has included a provision for programming that relates directly to the licensee's licence area, rather than relating directly to any particular local area within the licence area. This material will be treated as material of local significance to each of the local areas, even though it does not relate directly to any of them, but will be capped at 50 per cent of total points for any one local area.

Other markets

At this stage, the ABA is focusing on the four aggregated markets, where public concern was greatest. Accordingly, the proposed investigations into the adequacy of local content in other parts of regional Australia and the impact of aggregation / affiliation fees on service outcomes have been postponed. The ABA will monitor these matters and investigate further if appropriate.