

The Senate

Environment and Communications
Legislation Committee

Broadcasting Services Amendment (Material
of Local Significance) Bill 2013

June 2013

© Commonwealth of Australia 2013

ISBN 978-1-74229-857-3

Committee membership

Committee members

Senator Doug Cameron (ALP, NSW) (Chair)
Senator Simon Birmingham (LP, SA) (Deputy Chair)
Senator Catryna Bilyk (ALP, TAS)
Senator Bridget McKenzie (NATS, VIC)
Senator the Hon. Lisa Singh (ALP, TAS)
Senator Larissa Waters (AG, QLD)

Participating members

Senator Anne Ruston (LP, SA)
Senator Nick Xenophon (IND, SA)

Committee secretariat

Ms Sophie Dunstone, Committee Secretary
Ms Toni Matulick, Committee Secretary
Mr Chris Lawley, Senior Research Officer
Mrs Dianne Warhurst, Administrative Officer
Ms Ruth Edwards, Administrative Officer

Committee address

PO Box 6100
Parliament House
Canberra ACT 2600
Tel: 02 6277 3526
Fax: 02 6277 5818
Email: ec.sen@aph.gov.au

Internet:

www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/index.htm

Table of Contents

Committee membership	iii
Chapter 1.....	1
Introduction	1
Background to the inquiry	1
Broadcasting Services Act 1992.....	2
Previous inquiries into regional broadcasting	3
Chapter 2.....	5
Discussion of key issues	5
Broadcasting Services Amendment (Material of Local Significance) Bill 2013...5	
Delivery of regional news coverage by the ABC	8
Committee comment	9
Coalition Senators Additional Comments	11
Dissenting Report by Nick Xenophon.....	13
The importance of broadcasting material of local significance	13
WIN Television's justification.....	14
Appendix 1	17
Submissions	17
Answers to Questions on Notice	17
Appendix 2	19
Public Hearing	19

Chapter 1

Introduction

1.1 On 13 March 2013, the Senate referred the following matters to the Senate Environment and Communications Legislation Committee (the committee) for inquiry and report:

- the Broadcasting Services Amendment (Material of Local Significance) Bill 2013 (the bill); and
- the delivery of news coverage in rural and regional areas by the Australian Broadcasting Corporation (ABC).¹

1.2 The committee tabled an interim report on 29 April 2013 to extend the inquiry until 20 June 2013.²

1.3 In accordance with usual practice the committee advertised the inquiry on its website and wrote to relevant organisations inviting submissions by 28 March 2013. The committee received four submissions (see Appendix 1 for a list of submissions).

1.4 The committee held a public hearing in Canberra on 16 May 2013 to gather additional information (see Appendix 2 for a list of witnesses).

1.5 The committee would like to thank the organisations and individuals that made submissions to the inquiry and those witnesses that gave evidence at the public hearing.

Background to the inquiry

1.6 It was reported that on 18 February 2013 WIN Television had informed staff that, as of 20 February 2013, it would no longer be producing any regional news bulletins for the South East and Riverland areas of South Australia.³

1.7 It was further reported that the cancellation of news production was due to 'significant pressure to reduce costs', and that up to ten staff, including journalists and camera operators, would be affected.⁴

1 Commonwealth of Australia, *Journals of the Senate*, 13 March 2013, p. 3741.

2 Senate Environment and Communications Legislation Committee, *Interim Report*, 29 April 2013, available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/b_s_amendment_2013/interim_report/index.htm (accessed 27 May 2013).

3 Tasha Impey, 'WIN news no longer for South East and Riverland', *ABC South East SA*, 18 February 2013, available at: <http://www.abc.net.au/local/stories/2013/02/18/3692922.htm> (accessed 11 April 2013).

4 Tasha Impey, 'WIN news no longer for South East and Riverland', *ABC South East SA*, 18 February 2013, available at: <http://www.abc.net.au/local/stories/2013/02/18/3692922.htm> (accessed 11 April 2013).

1.8 In response to this action Senator Nick Xenophon introduced the Broadcasting Services Amendment (Material of Local Significance) Bill 2013 which would require commercial broadcasters in regional South Australia to provide a certain amount of local content.⁵ When introducing the bill, Senator Xenophon stated that:

...what we have seen, particularly in South Australia, is a decline in local content. Because there is no legal requirement for them to do so, broadcasters are simply taking the easy way out. Any cuts to a network's production budgets will obviously target the region where there is no legislative protection, rather than being distributed more fairly.⁶

Broadcasting Services Act 1992

1.9 The *Broadcasting Services Act 1992* (Cth) (the Act) regulates the broadcast of content on commercial, community, subscription and narrowcast services in Australia. The Act also allows for the allocation of broadcast licences, places licence conditions on broadcasters and sets programming and industry standards.

1.10 The Australian Communications and Media Authority (ACMA) has responsibilities under the Act to issue and renew licences, regulate the content of radio and television services and control rules for broadcasting services.⁷

1.11 Section 42 of the Act stipulates that each commercial television licence is subject to certain conditions (as set out elsewhere in the Act) and that the ACMA may impose additional conditions.⁸ Section 43A of the Act further requires that the ACMA must ensure that there is a condition in force that has the effect of requiring the licensee of a 'regional aggregated commercial television broadcasting licence' to broadcast to each local area a minimum level of material of local significance (such as news and local information).⁹

1.12 Under subsection 43A(2), a 'regional aggregated commercial television broadcasting licence' is given to commercial television broadcasters in the following licence areas:

- Northern New South Wales;
- Southern New South Wales;
- Regional Victoria;
- Eastern Victoria;
- Western Victoria;

5 Senator Nick Xenophon, *Senate Hansard*, 12 March 2013, p. 34.

6 Senator Nick Xenophon, *Senate Hansard*, 12 March 2013, p. 34.

7 Australian Communications and Media Authority (ACMA) website, 'Broadcasting', http://www.acma.gov.au/WEB/LANDING/pc=BROADCASTING_MAIN (accessed 15 April 2013).

8 Section 42, *Broadcasting Services Act 1992*.

9 Section 43A, *Broadcasting Services Act 1992*.

- Regional Queensland; and
- Tasmania.¹⁰

Broadcasting Services Amendment (Material of Local Significance) Bill 2013

1.13 The bill seeks to include regional South Australia under section 43A(2) of the Act so that it is covered by the provisions relating to regional aggregated commercial television broadcasting licences and must provide material of local significance. This would require the WIN Network in Mount Gambier and the Riverland area to provide local news bulletins. According to the bill's explanatory memorandum:

...this will ensure that regional South Australians continue to benefit from news and programing that is relevant to their communities.¹¹

1.14 The areas currently listed under subsection 43A(2) were originally set out in the Act in the late 1980s (excluding Tasmania, which was added in 2008).¹² Consideration of the markets in South Australia, Western Australia and the Northern Territory was intended to take place following the creation of the section, but never occurred.¹³

Previous inquiries into regional broadcasting

1.15 This committee has recently undertaken an inquiry into the ABC's commitment to representing regional diversity.¹⁴ This inquiry also examined the impact that increased centralisation of ABC television production in Sydney and Melbourne has had on its ability to reflect national identity. The committee tabled its report on 20 March 2013 and made a number of recommendations, including that the ABC annually publish its regional content production performance for ABC television and that it establish a regional television production fund for producing content outside Sydney and Melbourne.¹⁵

1.16 In 2011 the committee also examined programming decisions made by the ABC; specifically decisions made by the ABC to significantly cut the number and

10 Subsection 43A(2), *Broadcasting Services Act 1992*.

11 Explanatory Memorandum, *Broadcasting Services Amendment (Material of Local Significance) Bill 2013*, p. 2.

12 Explanatory Memorandum, *Broadcasting Services Amendment (Material of Local Significance) Bill 2013*, p. 2.

13 Australian Broadcasting Tribunal, *Broadcasting in Australia 1989*, Sydney, July 1990, p. 3.

14 Senate Environment and Communications References Committee website, *The Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity*, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/completed_inquiries/2010-13/abc_production/index.htm (accessed 13 May 2013).

15 Senate Environment and Communications References Committee, *The Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity*, 20 March 2013, Recommendations 3 and 4, p. 24.

amount of internally-produced ABC programs.¹⁶ The committee's recommendations included ensuring that the ABC maintain an effective capacity to produce quality programming across the regions in addition to news, sport and current affairs.¹⁷

16 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/index.htm (accessed 13 May 2013).

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

Chapter 2

Discussion of key issues

2.1 The committee received four submissions to the inquiry. Three submitters—Imparja Television, the WIN Network (WIN) and the Anxiety Disorders Association South East (ADASE)—commented on the Broadcasting Services Amendment (Material of Local Significance) Bill 2013. The final submission from the ABC commented on the services it provides to regional Australia.

Broadcasting Services Amendment (Material of Local Significance) Bill 2013

2.2 Imparja Television, a 100 per cent indigenous owned commercial broadcaster in remote central and eastern Australia, informed the committee that it is not directly affected by the bill.¹ Imparja did wish however to highlight to the committee the unique aspect of broadcasting in remote areas and the difficulties in defining local content.² Imparja stated:

The area covered is over 3.6 million square kilometres with a population base fewer than 700,000 people. The area covers a diversity of cultural, climatic and geographic location all with a relatively small population. With this in mind it is near on impossible to define an economically viable model for material of local significance that would cover all viewers in the license area.³

2.3 Imparja recommended to the committee that 'no changes be made now or in the future with regard to the Remote and Eastern license area'.⁴

2.4 ADASE submitted that the decision by WIN to cease its local news bulletin will ensure that the local community will be in a 'media blackout'. ADASE remarked:

Thousands of people in the South East area will be in a media blackout from Friday to Tuesday now that the news program has been cancelled. The Border Watch (Mount Gambier) and other local town newspapers do not publish newspapers every day of the week. The Border Watch does not publish on Mondays which means that besides the local radio stations, there is a black out of media from Fridays to Tuesdays.⁵

1 Imparja Television, *Submission 1*, p. 1.

2 Imparja Television, *Submission 1*, p. 1.

3 Imparja Television, *Submission 1*, p. 1.

4 Imparja Television, *Submission 1*, p. 1.

5 Anxiety Disorders Association South East (ADASE), *Submission 1*, p. 1.

2.5 In particular ADASE was concerned that people in the community may feel isolated due to WIN's decision and that the community will suffer in response to a lack of community updates and announcements.⁶

2.6 The WIN Network, which is the licensee for the Mount Gambier/South East and Riverland License Areas in regional South Australia, requested that the committee reject the bill.⁷ WIN argued that the relatively small population of the region, the slowing local economy and the increased cost of delivering additional digital channels have made it unfeasible to continue to provide a local news bulletin.⁸

2.7 According to WIN, when licence conditions were placed on regional aggregated commercial broadcasters in licence areas specified under subsection 43A(2) of the Act, features such as population, revenue, profitability and service delivery were taken into consideration.⁹ It was argued that currently the populations of Mt Gambier (86 000) and the Riverland (38 100) combined did not meet the population average within each of the aggregated markets (278 281).¹⁰ WIN stated:

The WIN Regional South Australia licenses are Solus markets and on population alone do not meet the population average within each of the Aggregated markets, that average being 278,281 people per local area. Mt Cambier/Limestone Coast has a population of approx 86,000 people, the Riverland has a population of approx. 38,100 people, a combined population of approx. 124,100 people. Neither license meets the test applied at the time the local licence conditions were imposed on regional broadcasters, nor do they now separately or combined.¹¹

2.8 WIN also outlined that in terms of revenue, in the current 2012-13 financial year to date, 14 local advertising clients of WIN in Mount Gambier have closed and 13 local advertising clients in the Riverland area have closed.¹² A further 76 clients have cut back their advertising spend in the same period.¹³

2.9 As it is a private company, WIN did not disclose to the committee its financial returns however it stated that revenue declined 2 per cent in the 2011 fiscal year, 8 per cent in 2012 and 9 per cent to the third quarter in 2013.¹⁴

6 ADASE, *Submission 1*, p. 1.

7 WIN Network, *Submission 3*, p. 1.

8 WIN Network, *Submission 3*, p. 2.

9 WIN Network, *Submission 3*, p. 1.

10 WIN Network, *Submission 3*, p. 1.

11 WIN Network, *Submission 3*, p. 1.

12 WIN Network, *Submission 3*, p. 1.

13 WIN Network, *Submission 3*, p. 1.

14 WIN Network, Answers to questions on notice, 16 May 2013 (received 27 May 2013), p. 1.

2.10 WIN also advised the committee that government requirements to provide additional digital stations and digital transmitters are a significant cost to their business.¹⁵

2.11 In December 2010, analogue services in Mount Gambier were switched off and replaced with digital services. According to WIN, at approximately the same time, the license areas that it operates in were required to deliver the three network digital multichannels (GO, GEM, 7TWO, 7MATE, ELEVEN, and ONE). The Commonwealth government and the broadcasters agreed to each fund 50 per cent of the additional transmitters and operating costs up until 31 December 2013.¹⁶ From 2014 onwards, broadcasters will be required to take over the full costs.

2.12 The WIN Network stated that the provision of more digital multichannels has diluted the number of viewers available to watch a dedicated news bulletin. WIN observed that:

The exercise was designed to give Mount Gambier and the Riverland the same digital services that their metropolitan counterparts received. With a combined population of approximately 124 100 and the choice of viewing nine commercial free-to-air channels and ABC and SBS national free-to-air networks (provided by WIN), there are not enough viewers to support a dedicated local news service, nor enough news. WIN was faced with the reality of spending an immense amount to produce a news bulletin for an audience of 3–4 thousand viewers.¹⁷

2.13 In considering the implications of the bill, WIN noted that its current decision to ensure that Channel 9 news in Adelaide provide more regional content is more meaningful than if it was obligated to provide a local news bulletin. WIN stated that in considering scrapping the local new bulletin:

...the decision making pretty much came down to: do we do what we believe are cynical updates or do we make an effort to ensure that Channel 9 Adelaide News gives greater coverage into the regional market? Under the legislation, if that legislation applied to South Australia, it would have been fine for us to do two-minute updates or 90-second updates as other broadcasters do across the country.¹⁸

2.14 WIN informed the committee that since local news production ceased in the Mount Gambier and Riverland areas in February 2013, over 65 news stories from these regions have been broadcast on Channel 9 news in Adelaide.¹⁹

2.15 WIN concluded that it will continue to monitor its business model and will ensure it will 'make the changes essential to ensure that [they] can continue to provide

15 WIN Network, *Submission 3*, p. 2.

16 WIN Network, *Submission 3*, p. 2.

17 WIN Network, *Submission 3*, p. 2.

18 Mr Andrew Lancaster, Chief Executive Officer, WIN Network, *Committee Hansard*, 16 May 2013, p. 1.

19 WIN Network, Answers to questions on notice, 16 May 2013 (received 27 May 2013), pp 3–6.

the viewing services that the community needs'.²⁰ It also committed to providing the local community with access to advertising services and to provide local charities, sporting groups and community groups with support and promotion at WIN's cost.²¹

Delivery of regional news coverage by the ABC

2.16 The ABC informed the committee that it has 'an enduring relationship with rural and regional communities and an unrivalled commitment to providing news and information for and from regional Australia'.²² The ABC also noted that it is not impacted by the proposed legislation.²³

2.17 The ABC provides all Australian communities with a wide range of news services.²⁴ It provides access to local news and information via radio and online, including state and territory-based nightly 7pm news bulletins and a weekly episode of the current affairs program *7.30*. ABC audiences are all able to access numerous national news and current affairs programs on radio, television, online and mobile platforms, including the dedicated 24-hour digital television news channel ABC News 24 and the recent ABC News Youtube channel.²⁵ According to the ABC:

Overall, the ABC provides more than 3,400 hours of regional radio news bulletins across Australia each year. Journalists in regional stations provide morning, lunchtime and afternoon bulletins focused on their local communities. These are usually at 6.30 am, 7.30 am, 8.30 am, 12.30 pm and 5.30 pm. Durations may vary between three and five minutes each, with most centres also providing headlines. These bulletins are also complemented by comprehensive online news services, with users able to customise the ABC news online page according to their location.²⁶

2.18 The ABC also services regional and rural communities through ABC Local Radio, which has 51 regional multimedia studios across Australia. ABC Local Radio schedules regulator news bulletins and current affairs programs in addition to *Rural Reports* and *The Country Hour*.²⁷

2.19 The ABC has a total of 88 reporters working in 48 regional newsrooms.²⁸ Increases in funding to the ABC will enable it to expand its resources in regional Australia, with a particular focus on increasing its capacity to produce video content,

20 WIN Network, *Submission 3*, p. 3.

21 WIN Network, *Submission 3*, p. 3.

22 Australian Broadcasting Corporation (ABC), *Submission 2*, p. 1.

23 ABC, *Submission 2*, p. 1.

24 ABC, *Submission 2*, p. 2.

25 ABC, *Submission 2*, p. 2.

26 ABC, *Submission 2*, p. 2.

27 ABC, *Submission 2*, p. 3.

28 ABC, *Submission 2*, p. 2.

including live content from regional areas.²⁹ The additional funding consists of \$10 million in news funding (committed in February 2013) and \$69.4 million over four years for placing more journalists outside metropolitan cities (committed in the 2013–14 Commonwealth budget).³⁰

2.20 The ABC explained how the new allocation in funding would be spent:

This all is part of a restructuring overhaul of our entire news operation. It is due to the pressures of convergence. We have audiences who want information supplied in different ways in different formats. So the first step was to restructure the entire news operation to better commission stories, to remove efficiencies so that we were not doubling up in terms of sending out news crews to cover stories, and then to work out new ways to actually deliver the content to audiences.

The \$10 million in February was the recruitment stage of the restructure, whereby the ABC looked at priorities in terms of delivering new content to audiences, a focus on fact checking, the setting up of new bureaus and new specialist reporters, and an increase in our regional presence. The third step, which is based on the funding we got in the budget, is about the content and the program that comes as a result of those initiatives. In regard to extra regional presence, we are putting new VJs [video journalists] into particular areas, including Renmark.³¹

2.21 The ABC concluded that 'within available resources, the Corporation provides the most comprehensive regional news and information service in the country'.³²

Committee comment

2.22 The committee expresses its concern at WIN's decision to stop producing a local news bulletin for the Mount Gambier and Riverland areas of regional South Australia. Local news bulletins provide communities with relevant and up-to-date information on events and happenings around their area. Regional and rural communities particularly rely on these bulletins for important updates concerning local services, weather reports, agricultural reports and traffic.

2.23 The lack of a regular television news bulletin combined with the infrequent publication of local newspapers means that people in these regional areas of South Australia may feel a sense of isolation from their communities.

2.24 The committee believes that the arguments put forward by WIN in justification of the cancellation of the local news bulletin are weak. WIN operates the

29 ABC, *Submission 2*, p. 1.

30 See ABC, 'ABC invests in News future', Media release, 7 February 2013, available at: <http://about.abc.net.au/press-releases/abc-invests-in-news-future/> (accessed 27 May 2013) and Commonwealth Government, Budget 2013–14, Part 2: Expense Measures, 'Broadband, Communications and the Digital Economy', available at: http://www.budget.gov.au/2013-14/content/bp2/html/bp2_expense-06.htm (accessed 27 May 2013).

31 Mr Michael Millett, Director, Corporate Affairs, ABC, *Committee Hansard*, 16 May 2013, p. 7.

32 ABC, *Submission 2*, p. 4.

world's largest privately owned television network which reaches more than 5.2 million viewers.³³ The privilege and market power afforded to WIN through its broadcasting licences ensure that it has access to a large audience and customer base.

2.25 Although revenue from advertising may have declined in the regional areas of South Australia, the reach of WIN to such a large customer base—made possible by its broadcasting licenses—should enable it to cross subsidise the cost of producing local news bulletins around the country. This would ensure that rural and regional areas could continue to benefit from the important community information services that broadcasters provide.

2.26 The committee believes that there is incentive enough for WIN to provide a local news bulletin especially when other broadcasters are prepared to make enforceable undertakings (for example see Nine Network's submission to Joint Select Committee on Broadcasting Legislation).³⁴

Recommendation 1

2.27 The committee recommends that the bill not be passed.

2.28 The actions taken by WIN in regards to providing rural and regional audiences with less local news and information highlights the need for Australia to have a strong national public broadcaster. The decision by WIN to cease its news bulletin in light of purported cost pressures illustrates that private media companies are answerable firstly to shareholders and that providing information to regional and rural Australia is a secondary consideration and is a clear example of market failure.

2.29 The additional funding that the Commonwealth government committed to the ABC in February 2013 and in the 2013–14 budget will provide the Corporation with the ability to broadcast more in-depth news reporting from rural and regional areas. The employment of more reporters with greater capabilities to provide video content online will help to connect local people and local towns. The committee believes that a strong, well-funded national broadcaster that is able to inform and report on rural, regional and metropolitan areas is essential in order to deal with the profit priorities of television companies and the market failure that results in rural and regional areas being denied local news content.

Senator Doug Cameron

Chair

33 WIN Television website, 'About Us', <http://www.wintv.com.au/page/about-us> (accessed 27 May 2013).

34 Nine Entertainment Company, *Submission to the Joint Select Committee on Broadcasting Legislation*, p. 3, available at: http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=jscbl/subs.htm (accessed 4 June 2013).

Coalition Senators Additional Comments

1.1 Coalition Senators note that there appear to be a range of concerns with the current regulation of regional news content. Issues include those raised in the current 'reach rule' joint parliamentary inquiry, such as how those requirements can be met by producing a short 90 second news bulletin.

1.2 Coalition Senators note that WIN provided local news services via a full 30 minute bulletin in Mount Gambier and the Riverland without any legal requirement to do so for many years. We believe this is a demonstration that they seek to serve the communities they broadcast to. It is disappointing that they now find that for financial reasons they are unable to continue to do so.

1.3 Coalition Senators do not believe that requiring cross-subsidisation or the operation of loss making services is a viable solution to this problem in communities of such limited broadcast audience.

1.4 In relation to private broadcasters, we believe there would be benefit in a more wide-ranging review of current regional content broadcasting requirements that could consider an effective spectrum of solutions to ensure regional areas of all population sizes receive at least some local content that is affordable for broadcasters to deliver.

1.5 Coalition Senators welcome the commitment of the ABC to increasing production of video content in regional areas, including Renmark, as well as the other ways the ABC provides coverage of regional communities.

1.6 Coalition Senators believe that where market failures may occur in respect to commercial broadcasters providing regional content that this is logically a space where engagement of the public broadcaster should be considered.

1.7 Coalition Senators urge the ABC to give priority to underserved areas during future internal allocations of resources and to consider how specific local television news content from communities like Renmark or Mount Gambier could be broadcast into them.

Senator Simon Birmingham
Deputy Chair

Senator Bridget McKenzie
Senator for Victoria

Senator Anne Ruston
Senator for South Australia

Dissenting Report by Nick Xenophon

1.1 The fact that holders of commercial television licences in South Australia are exempt from the local content requirements contained in the *Broadcasting Services Act 1992* is an anomaly that should have been addressed years ago. It is disappointing that the committee has recommended that this bill not be passed, particularly given this inquiry has demonstrated the critical need for local news bulletins and the associated community benefits. That the committee found WIN's arguments against providing these bulletins unconvincing further strengthens the case for legislative reform in this area.

The importance of broadcasting material of local significance

1.2 Section 43A of the *Broadcasting Services Act 1992* ('the Act') places an obligation on holders of a regional aggregated commercial television broadcasting licence to broadcast a minimum level of material of local significance to each local area. On 18 February 2013 WIN Television announced it would no longer be producing regional news bulletins for the South East and Riverland areas of South Australia. As South Australia is not listed in section 43A(2) of the Act there is no legislative requirement for WIN Television, as a holder of a regional aggregated commercial television broadcasting licence, to produce material of local significance for this region.

1.3 The Anxiety Disorders Association South East Inc described for the committee what WIN Television's decision to no longer produce any regional news bulletins for the South East and Riverland areas of South Australia meant for these communities:

We write this letter, which we know you are very aware of, regarding the media blackout that now exists in the South East. Thousands of people in the South East area will be in a media blackout from Friday to Tuesday now that the news program has been cancelled. The Border Watch (Mount Gambier) and other local town newspapers do not publish newspapers every day of the week. The Border Watch does not publish on Monday's which means that besides the local radio stations, there is a black out of media from Friday's to Tuesday.¹

1.4 There is clearly much community angst regarding this 'media blackout', and understandably so. Ms Joan Lockwood, the organiser of a rally held in Mt Gambier to protest WIN's decision to no longer produce a local bulletin for the South East of South Australia explained:

We are not just some small little town - we are the largest city outside Adelaide and it is time we stood up and said 'enough is enough'.²

1 Anxiety Disorders Association South East Inc, Submission 4, p. 1.

2 Sandra Morello, *The Boarder Watch*, 26 February 2013, available at: <http://www.borderwatch.com.au/story/1327947/protest-to-win-back-news/>

Ms Lockwood also pointed out:

This rally is not just for Mount Gambier, but it is a rally for every regional town.³

1.5 The threat to local communities posed by the absence of frequent, regular and locally significant new bulletins cannot be underestimated. Feelings of isolation, particularly amongst the most vulnerable members of society will grow, with very few media sources to counterbalance this media blackout.

WIN Television's justification

1.6 WIN Television submitted that:

The slowing local economy, the loss of people living in licence areas and the increased cost of delivering 9 commercial free to air channels coupled with the increasing difficulty of sourcing enough local news to fill half hour local news bulletin week days, compelled WIN to consider its delivery of local services.⁴

1.7 I fully support the concerns raised by the committee in the majority report regarding the justification used by WIN to stop producing local news bulletins in Mount Gambier and the Riverland. WIN is the world's largest privately owned regional television network and Australia's largest commercial network, reaching 9 million viewers across six states.⁵ The committee rightly points out that this is an example of market failure, with cost pressures and shareholder interests being put before the need for regional communities to be provided with locally significant news.

1.8 I also share the committee's belief that given the reach of WIN to such a large customer base, there should be scope for consideration of cross subsidising the cost of producing local news bulletins across the country.

1.9 The owner of the WIN Network, Mr Bruce Gordon, has expressed to me a willingness to engage in further discussions around the future of producing local content in Mt Gambier and the Riverland. I am grateful for his willingness to meet and further discuss this important issue. Notwithstanding this I believe it has been demonstrated that the production of local content in South Australia should be a requirement enshrined in legislation.

3 Sandra Morello, *The Border Watch*, 26 February 2013, available at: <http://www.borderwatch.com.au/story/1327947/protest-to-win-back-news/>

4 WIN Network, *Submission 3*, p. 2.

5 WIN Television website, 'About Us', <http://www.wintv.com.au/page/about-us> (accessed 12 June 2013).

Recommendation

**The Broadcasting Services Amendment (Material of Local Significance) Bill 2013
be passed.**

**Senator Nick Xenophon
Senator for South Australia**

Appendix 1

Submissions

- 1 Imparja Television
- 2 Australian Broadcasting Corporation
- 3 WIN Network
- 4 Anxiety Disorders Association South Est Inc

Answers to Questions on Notice

- 1 ABC - Answers to questions taken on notice (from public hearing, Canberra, 16 May 2013). Received 23 May 2013
- 2 WIN Network - Answers to questions taken on notice (from public hearing, Canberra, 16 May 2013). Received 29 May 2013

Appendix 2

Public Hearing

Thursday, 16 May 2013, Canberra

WIN Network

Mr Andrew Lancaster, Chief Executive Officer

Ms Shirley Brown, Group Business Director

Australian Broadcasting Corporation

Mr Michael Millet, Director, Corporate Affairs

