

September 2018

SUBMISSION TO DEPARTMENT OF COMMUNICATIONS AND THE ARTS

Review of Australian Broadcasting Services in the Asia-Pacific

Authors: Shane McLeod, Project Director, Australia-Papua New Guinea Network, and Jonathan Pryke, Director, Pacific Islands Program; Lowy Institute.

Disclaimer: The views expressed in this submission are entirely the authors' own, and not those of the Lowy Institute. The Lowy Institute's Pacific Islands Program and the Australia-Papua New Guinea Network receive support from the Australian aid program.

Level 3, 1 Bligh Street
Sydney NSW 2000
Australia

PO Box H-159
Australia Square NSW 1215
Australia

+61 2 8238 9000
reception@lowyinstitute.org
lowyinstitute.org

CONTENTS

- 1. Introduction 1**
- 2. Media and ‘Soft Power’ diplomacy 3**
 - 2.1 Soft power and international broadcasting..... 3
 - 2.2 Australian international broadcasting: bipartisan neglect 4
 - 2.3 An opportunity to rebuild Australian international broadcasting..... 6
- 3. Structure and Governance..... 7**
 - 3.1 ABC is best placed as international broadcaster 7
 - 3.2 ABC needs to demonstrate structural capacity 8
- 4. Investment in Content 9**
 - 4.1 Primary content focus — the Pacific 9
 - 4.2 Investment in the region..... 10
- 5. Investment in Technology and Distribution 11**
 - 5.1 Radio — a continued role for shortwave 11
 - 5.2 Television — investment can support regional broadcasters..... 12
 - 5.3 Digital — growing audiences could benefit from low-cost access13
- 6. Conclusion..... 14**

1. INTRODUCTION

In our role as researchers in the Pacific Islands Program at the Lowy Institute, we welcome the opportunity to make a submission to the Review of Australian Broadcasting Services in the Asia-Pacific.

Lowy Institute researchers have maintained a longstanding interest in the tools of so-called ‘soft power’ diplomacy. In 2010, research fellows Annmaree O’Keeffe and Alex Oliver produced a [comprehensive assessment of the international broadcasting environment](#) and its relationship with public diplomacy. Several of the Institute’s researchers – including Jenny Hayward-Jones, Jonathan Pryke and Alex Oliver – have at various times expressed concern about the range and extent of cuts to Australia’s international broadcasting services. These included the [ending of the Australia Network contract in 2014](#) and later [cuts to various aspects of the ABC’s international services](#), culminating in the 2016 at the announcement by the ABC that it would cease [shortwave broadcasting services to the region](#).

This review provides an opportunity to look at recent developments in Australia’s international broadcasting, and to identify strategic opportunities to re-engage and renew focus on this important area of public and regional diplomacy. Given the breadth of the topic, we have focused our submission on the following areas:

- Media and ‘soft power’ diplomacy;
- Structure and governance;
- Investment in content;
- Investment in technology and distribution.

Under-investment, inconsistent government decision-making and strategic missteps by the national broadcaster have plagued Australia's efforts in international broadcasting for more than a decade. This is despite it being a potent tool for diplomacy in a region that is fast becoming a major focus for world powers.

Internal political squabbles have dominated decisions about Australia's international broadcasting capabilities. Questionable strategic re-organisation by the public broadcaster ABC in response to budget pressures has resulted in a dramatic reduction in the scale of its international services. The decision to end shortwave radio broadcasts to the Pacific shows that the ABC’s decision-making may not always be in the national interest.

The 2017 Foreign Policy White Paper highlights the value of “soft-power” diplomacy through projecting Australian values. It is baffling that the White Paper makes no mention of international broadcasting, which is internationally recognised as a proven, cost-effective means to do this.

A renewed focus on international broadcasting would greatly bolster Australia's public diplomacy efforts and support Australia's interests in the region. The ABC remains the agency best placed to deliver international broadcasting services. Modest funding, delivered through mechanisms that allow for consultation over content, audience and technology would provide a framework to re-establish Australia's reputation in the international broadcasting space.

Our submission makes the following recommendations:

Recommendation 1: The Australian government should restore funding for international broadcasting to, at a minimum, \$22 million per year on a long-term contractual basis. Broadcasting should be focused on the South-East Asia and Pacific Islands regions.

Recommendation 2: The ABC should remain the broadcaster of choice for Australian government funded international broadcasting. Funding should be separated into distinct content and distribution contracts.

Recommendation 3: The ABC must recommit itself to international broadcasting, starting with re-establishing a centralised unit to manage all international activities.

Recommendation 4: In addition to funding international broadcasting, the Australian government should explicitly fund, in a standalone contract, short-wave distribution of ABC content to the Pacific and other remote communities.

Recommendation 5: Investment in television production should only be prioritised in an environment where funding is increased above \$22 million per year.

Recommendation 6: The ABC should work with mobile providers in the region to reduce the cost-barriers to accessing digital content. Radio content should continue to be delivered in digital formats to address the increasing ability for people to access content via digital channels.

2. MEDIA AND ‘SOFT POWER’ DIPLOMACY

Australia’s long-running underinvestment in international broadcasting has limited its ability to project its values in pursuit of “soft power” diplomatic influence. In addition, a series of poor political decisions by governments from both major parties have undermined the efficacy of Australia’s limited efforts in projecting soft power in the region. Repeated policy changes and political interventions with the public broadcaster ABC have left it under-resourced in international broadcasting and making only limited investments in this important diplomatic tool. Australia must overcome its poor record in this area, and make a renewed investment in international broadcasting platforms and content to restore its relevance as a constructive and independent soft power partner in the region. This is particularly important in the Pacific region where Australia’s traditional role is under challenge from emerging international powers.

2.1 Soft power and international broadcasting

Soft Power describes the ability of a country to persuade others to do what it wants without force or coercion, and is widely recognised as part of the suite of skills of foreign policy deployed by countries around the world. International broadcasting can be an integral part of this “soft power” capability, from the public broadcaster model of the BBC World Service — to government-controlled media outlets such as China’s CGTN or the US-government funded Voice of America and associated media channels.

Around the world, many international broadcasters are entering into a period of expansion. Most significant of these is the investment by the UK government in the BBC World Service, which is expanding into an additional 11 language services and increased transmission services in what’s been described as its biggest expansion since the 1940s and one clearly targeting Britain’s “soft power” capability. Funding has been boosted by a direct five-year grant from the UK government. It builds on the World Service annual budget of GBP245 million, although it should be noted that since 2010, this core funding comes from the BBC’s licence fee revenue, rather than from the UK government directly as previously. Announcing the renegotiation of the BBCWS licence agreement earlier this year, then Foreign Secretary Boris Johnson described the investment in glowing terms: “The BBC World Service is one of the most influential and trusted of British institutions and it is instrumental in helping to promote Britain and our values around the world.”

Other international broadcasters benefitting from increased funding include China Radio International which is being merged with domestic broadcasters CCTV and China National Radio to create a ‘broadcasting behemoth’ to be known as Voice of China. In Germany, Chancellor Angela Merkel has promised increased funding for its international broadcaster, Deutsche Welle.

O’Keeffe and Oliver’s 2010 survey of international broadcasting documented the low levels of Australian investment compared to other countries. In the years since, Australian investment has fallen further. Post-Australia Network, the ABC says it spends A\$28m (US\$21m) each year on international services — but this figure includes international coverage by its overseas-based Australian journalists for domestic audiences as well as the money it spends on services such as ABC Australia TV and Radio Australia. In an answer to a 2017 parliamentary inquiry, the ABC said it spent A\$9.7m (US\$7.4m) on international services. This equates to annual spending on international broadcasting of US\$0.30 per capita.

By comparison, the new investment by the UK government in the BBC World Service means its total annual budget is equivalent to around US\$424m, and annual spending per capita is US\$6.43 — more than 21 times the level of Australia on per capita terms.

2.2 Australian international broadcasting: Bipartisan neglect

O’Keeffe and Oliver noted in 2010 that Australian governments of both sides had “failed to grasp the importance of either public diplomacy or international broadcasting”. This was in the context of evidence that both Australia Network and Radio Australia had achieved substantial results “... despite volatile histories and tight financial constraints”. Both entities had “achieved strong reputations in the region, built audiences, provided essential services ... and filled a need for an independent source of news”.

In the years since that study, Australia’s international broadcasting capability became something of a political football. Funding for an international television service became contested ground on both sides of politics. Some within Labor wanted commercial broadcaster Sky News to take on the service; in the end the ABC was awarded a ten-year contract. In 2014, the new Abbott coalition government quickly moved to terminate the contract.

In the wake of that bruising experience, the ABC itself turned away from broadcasting, making a big pitch to focus its international services on digital platforms. This resulted in greater investments in digital platforms, particularly in mainland China; the cost was, and led to reduced spending on broadcast, which had traditionally focused on South-East Asia and the Pacific.

The consequences were dramatic. As recently as 2009, Radio Australia had broadcast in eight languages (Khmer, Vietnamese, Indonesian, Mandarin, French, Burmese, Tok Pisin and English). The ABC axed services for Asian languages in 2014 and 2016 so that by 2018, the service can be heard only in English and Tok Pisin. (Limited services in Indonesian and Mandarin continue in digital text-only format.)

Table 1: Radio Australia foreign language services, 1996–2017

	Khmer	Vietnamese	Thai	Indonesian	Cantonese	Mandarin	French	Burmese	Tok Pisin	English	
1996	♦	♦	♦	♦	♦	♦		♦	♦	♦	9
1997	♦	♦		♦		♦			♦	♦	6
2006	♦	♦		♦		♦	♦		♦	♦	7
2009	♦	♦		♦		♦	♦	♦	♦	♦	8
2014	♦						♦	♦	♦	♦	5
2016							♦		♦	♦	3
2017									♦	♦	2

Languages broadcast by Radio Australia, selected years. Source: ABC Annual Reports, 1996–2017

Radio Australia’s services became more difficult to listen to. FM transmissions in a number of locations were scrapped. In 2017 the ABC [shut down the last of its shortwave services](#) to the South Pacific, saying the \$2.8m in annual cost would be redirected to other [international content and transmission via FM rebroadcast](#). To date, FM services have been [established in 13 locations](#) and a new [morning program targeting PNG and the Pacific](#) commenced in 2018.

Without question, the political volatility over the funding of international broadcasting services was a major influence on the scale of investment in this space. But it is also clear that strategic decisions by the ABC in this period were [questionable at best](#), and have subsequently been demonstrated to be [poorly judged](#).

The cumulative consequence of these decisions is key international audiences have lost access to Australian broadcasting services, and Australia’s national interest has been damaged.

This matters because successfully projecting Australia’s image to the world — and especially the region — is an essential goal for Australian diplomacy.

This point is noted by the government’s [2017 Foreign Policy White Paper](#): “having the ability to influence the behaviour and thinking of others through the power of attraction and ideas is ... vital to our foreign policy”. The paper identifies those values as being “... our democracy, multicultural society, strong economy, attractive lifestyle and world-class institutions” and “robust independent media”.

It is baffling then that the White Paper makes no mention of international broadcasting, and only scant reference to media at all. In fact, the only direct mention is to refer to “digital media” and the need for public servants in Australia to develop skills in using it, and to encourage diplomatic missions to continue engaging on social media platforms.

2.3 An opportunity to rebuild Australian international broadcasting

Australia’s underinvestment and strategic missteps can be rectified.

Amidst the cuts to its overall international footprint, the ABC has continued to invest in Pacific-focused broadcast services, and [Chinese](#) and [Indonesian](#) language services online. Radio Australia maintains limited current affairs programming in English and Tok Pisin. While it has stepped away from shortwave, it continues to broadcast through retransmission and satellite-fed FM transmitters in a small number of important locations. A rebranded [international television service](#) remains, available to a limited audience, largely via direct satellite or rebroadcast subscription services.

Those limited resources could be quickly expanded with an infusion of funding. As we explain later in our submission, funding could be to target content — produced either inside or outside the public broadcaster — and for distribution and transmission. We argue in this submission that both are crucial to the success of any investment.

This investment can be modest. A return to the funding levels of the former Australia Network contract — \$220 million over ten years — would be a good place to start. Such an amount would give an infusion of funds that would allow an immediate expansion of content production, and also allow the broadcaster to rebuild the internal capacity that has been lost since 2014.

Australia should focus on broadcasting and media strategies that engage regions of strong interest to and connection with Australia. Primarily, this should be the Pacific — initially Melanesia and the South-West, and growing to encompass the Northern Pacific. Beyond this region, the broader arc of South-East Asia and the Indian Ocean region to the north and west should be additional priorities for future investment.

Promoting an Australian voice in these areas will provide support for the goals of the Foreign Policy White Paper, and also provide a platform for Australia to respond to the complex and evolving security and political challenges of the region.

Recommendation 1: The Australian government should restore funding for international broadcasting to, at a minimum, \$22 million per year on a long-term contractual basis. Broadcasting should be focused on the South-East Asia and Pacific Islands regions.

3. STRUCTURE AND GOVERNANCE

It is relevant at this point to consider whether the ABC remains the best vehicle for delivering an enhanced investment in international broadcasting.

The policy failures and political volatility over international broadcasting in recent years have left the ABC — as the public broadcaster chartered with responsibility for international broadcasting — significantly bruised from its on-again, off-again role.

The ABC's recent restructuring, where responsibility for international broadcasting rests with a number of teams spread across the organisation, appears to further entrench the low profile that international broadcasting now has within the corporation.

There are some who advocate for a separation of responsibilities — that the ABC should be relieved of its international obligations, and that the government should establish a new entity to handle its international broadcasting policy.

While this may have some appeal, we continue to think the ABC is the agency best placed to deliver international broadcasting services.

3.1 ABC is best placed as international broadcaster

For broadcasting to be effective as a means of projecting Australian influence, it needs to be credible and reliable. The ABC has been effective in this regard for decades, and public trust in the ABC remains high among Australian media outlets.

Unlike other media organisations, it has consistently invested in journalism in the Pacific, and its basing of a correspondent and local journalist in Port Moresby means it is better connected to the region than any other Australian media outlet. As a large established broadcaster, it has technical capabilities and infrastructure that mean it is able to produce complex and detailed programming from a number of locations in Australia. It also has long-standing partnerships with a number of regional media organisations, and maintains a capacity to deliver training and development projects.

However, it is clear that recent decisions the ABC has made — resulting from a decade of funding cuts — are having an adverse impact on Australia's national interest. The recent axing of shortwave transmissions shows that the ABC's decisions may not always align with Australia's regional priorities.

Therefore, any renewed investment in international broadcasting must allow for Australia's interests to be represented. This must be done carefully as the independence of the ABC and its international services has been one of the key qualities that have allowed it to be a respected and trusted information source.

A useful template on how to achieve this — despite its political failure — is the contract for the operation of the Australia Network. The ten-year agreement — had it been allowed to continue — would have provided funding certainty but was also a means for the government to contribute to the decision-making process on content and distribution priorities.

A future model for funding could go a step further, separating content funding from distribution funding. This would mean there could be discussions about transmission technology separate from conversations about content and audience targets.

Recommendation 2: The ABC should remain the broadcaster of choice for Australian government funded international broadcasting. Funding should be separated into distinct content and distribution contracts.

3.2 ABC needs to demonstrate structural capacity

To implement a new agreement, the ABC should take steps to return international services to a more prominent and centralised position within the corporation.

At present, responsibility for international broadcasting appears to be divided between at least three different units within the corporation. The result lacks coherence.

A dedicated unit with clear leadership and responsibility for the various elements of its production and broadcasting infrastructure — and a connection to experienced executive and board-level engagement — will demonstrate the ABC's readiness to respond to the demands of an effective international broadcasting strategy.

Recommendation 3: The ABC must recommit itself to international broadcasting, starting with re-establishing a centralised unit to manage all international activities.

4. INVESTMENT IN CONTENT

A renewed investment in international broadcasting by Australia will be most successful if it makes provision to reflect voices of the region more effectively. One of the consequences of Australia's underinvestment in international broadcasting has been a substantial reduction in the amount of content that is produced for international audiences.

Among the programs on the reduced Radio Australia network schedule are only two that target news, current affairs and culture for the Pacific region: Pacific Mornings and Pacific Beat. A limited Tok Pisin language service 'Wantok' continues the ABC's long-standing tradition of broadcasting to Melanesia. There are no radio programs that target South-East Asia. On television, there are no programs that target the Asia-Pacific region directly.

4.1 Primary content focus — the Pacific

Australia's government has recently renewed its focus on the political and strategic importance of the South Pacific. The region should remain a primary focus for Australian investment in international broadcasting.

While there have been encouraging local investments in media in the South-West Pacific in particular, there is a limited amount of high-quality media and news coverage in the region. This is a function of small, dispersed populations and low levels of economic development.

Australia's international broadcasters — TV and Radio — have traditionally played a significant role in supporting, partnering with and reporting alongside local outlets. With the departure of Radio Australia from shortwave services in the region, other broadcasters have been moving into the space. China, for example, has moved some of its shortwave radio broadcasts onto frequencies which had been used by RA for decades. The consequence is that for listeners outside the main urban centres in the Pacific, it is now easier to get information from China Radio International than it is from Australia.

Radio remains the most accessible medium for news and current affairs — reflecting the low cost of coverage and the high impact with audiences. Growing access to mobile data means there is increasing appetite for online and digitally-served content. Television with local content is also in high demand — but production costs remain high and access to broadcasts outside main centres is limited to those able to access direct-to-home (DTH) satellite receivers.

In this environment there is a continuing need to emphasise investment in audio, while also preparing to scale up investment in television and digital products. Radio is immediate, and accessible — and with appropriate distribution channels (see next section) remains a highly accessible format.

4.2 Investment in the region

Investment in production, in partnership with or alongside entities already operating in the region, will boost the engagement of audiences.

Audiences will benefit when content is produced with local knowledge and understanding. Australian development programs implemented in conjunction with public broadcasters of the Pacific means there is now increased capacity in these locations. Also, technological development and a broader access to IP-based technology means that content supply and transmission is now cheaper and easier.

Australia's investments in broadcasting and media in the region should reflect this capacity and capability, and incorporate support for it in the development of broadcasting and media strategies for the region.

Initially, this could take the form of a network of 'stringers', or supported correspondents. They could become the on-the-ground representatives of the ABC, providing news and feature coverage into Australian production. Over time, this could be expanded to support the production of programs in the region for supply and rebroadcast through the network, e.g. Radio Australia or ABC Television.

While news and current affairs are obvious areas for investment (and the framework continues to exist through outlets such as Pacific Beat), investment should extend beyond news to areas where Australian support can support other development and diplomatic goals: culture, music and sport.

Involving more voices from target regions will also strengthen connections between Australia and those target audiences, and build understanding and connection between them.

5. INVESTMENT IN TECHNOLOGY AND DISTRIBUTION

The international media environment is changing rapidly. Audience access to technology including mobile phones and associated data networks means traditional broadcast platforms are not as influential as they once were. It is not possible, or appropriate, for a government-led strategy to prescribe audience distribution strategies.

However, it is in Australia's interests to be engaged in discussion about audience and distribution strategies. Where distribution platforms — such as shortwave radio — may serve a national interest, but have a low or difficult-to-measure audience impact — the government should consider direct investment to maintain that platform as a public good.

This approach may also work for investment in digital distribution — especially in markets where data costs are high but there is a strong interest in making Australian content accessible to new audiences.

5.1 Radio — a continued role for shortwave

This inquiry came about in part because of concerns about the ABC's decision to cease shortwave broadcasts to the Pacific.

The ABC has cited a 2014 study of media use in PNG as part of its reasoning, saying it showed a 50 per cent drop in shortwave listenership. It also says it has had “very few” complaints following the cessation of the service. But it also admits it has limited information on the audience that was using the broadcasts, with one executive telling a parliamentary inquiry that it would be more expensive to conduct a comprehensive survey than to continue providing the service.

But relying on a lack of audience feedback as justification for the decision is disingenuous. This is because the people who most relied on these services — because of a lack of functioning alternatives — are the same audiences that face significant obstacles to providing feedback through modern communication channels. Withdrawal of Australian broadcasting services via shortwave from those audiences has left them without a service.

Unlike the ABC, other public international broadcasters are investing in shortwave, particularly to reach audiences who have few other communication options. The BBCWS is using shortwave to expand broadcasts targeting the Korean Peninsula. Closer to home, even the Papua New Guinea government is considering the technology to improve radio services to the Autonomous Region of Bougainville.

While short-wave use is declining in urban areas, it remains a vital service in many parts of the South Pacific, where it is the only lifeline of daily communications to the outside world.

And while rebroadcasting services via FM do provide services to a mass audience, those services rely on local infrastructure — such as electricity and the security of transmitter sites

— and continued political support by the host nation. A natural disaster, or political upheaval can quickly take a transmitter off the air.

Clearly, a continued shortwave capability from Australia is an important asset. It can also be justified as a public good for the broader region, support people in times of disaster and strife. This can generate considerable goodwill among Australia’s close neighbours and would enhance its soft power in the region.

Continued transmission over shortwave can be supplemented through infill and rebroadcast arrangements such as the FM Radio retransmissions being implemented throughout the region. These are also a priority, and the ABC’s work to extend its network of FM transmissions must be commended.

The issue is how these services are funded. The ABC — in an environment of constrained funding — axed shortwave service to direct some of the funds (approximately \$2.8 million each year) towards FM.

There is a clear national interest in maintaining the shortwave service — and supplementing the ABC’s funding for this specific purpose. The cost is small in terms of the overall benefit to Australia’s reputation especially in the South Pacific.

Recommendation 4: In addition to funding international broadcasting, the Australian government should explicitly fund, in a standalone contract, short-wave distribution of ABC content to the Pacific and other remote communities.

5.2 Television — investment can support regional broadcasters

The ABC has been able to maintain the presence of its television service ABC Australia through direct-to-home satellite services. The ABC continues to work with other broadcasters in the region to expand access to its service.

At best, the television service can become an adjunct or content-base for smaller regional broadcasters to access live programming, news programming and schedule-filling content to enable them to expand their service.

Television production costs are high, and while video content can be engaging and have a high impact, the cost-to-benefit evaluation suggests that further investment should only be prioritised in an environment where overall funding is substantially increased.

Recommendation 5: Investment in television production should only be prioritised in an environment where funding is increased above \$22 million per year.

5.3 Digital — growing audiences could benefit from low-cost access

The continued expansion of mobile and website platforms for the sharing of text, video and audio content means that digital communications are fast becoming a permanent fixture in the media environment of the Pacific region.

However, data costs remain high throughout the region and mobile network bandwidth is at lower levels of capacity. This means provision of media-rich content — such as audio and video streaming or podcasting — will likely be of limited utility for some time yet.

The availability of FM radio receivers in many mobile handsets means radio broadcasts will remain powerful delivery channels for many audiences for some time yet.

However, there will be opportunities for Australia to look at ways to reduce data cost barriers to accessing content through IP channels. This could be through partnering with mobile network providers to provide cost-free delivery of certain media products to make them more accessible to audiences.

Recommendation 6: The ABC should work with mobile providers in the region to reduce the cost-barriers to accessing digital content. Radio content should continue to be delivered in digital formats to address the increasing ability for people to access content via digital channels.

6. CONCLUSION

Australia's record of under-investment and strategic missteps over international broadcasting has diminished its soft-power capabilities in the Asia-Pacific region, but this can be rectified.

Renewed investment, delivered through agreements with the public broadcaster ABC can allow for a growing capacity to project Australian values. Targets for audiences, content and distribution mechanisms can be developed and implemented through appropriate mechanisms.

An improved capacity in this area of diplomacy can boost Australia's capabilities and capacity to achieve diplomatic outcomes in the national interest.