

From: Eirlys Richards  
Sent: Monday, 28 November 2005 1:20 PM  
To: ABC-Review, ABC-Review  
Subject: submission to review panel

I listen exclusively to ABC radio and watch almost exclusively ABC TV. Over the past few years, I have been aware that the funding for the ABC has been inadequate. This can be seen by the way ABC TV has had to have repetitions of some Australian programs and have had to rely on programs from overseas. Australian drama has become minimal. We are more often confronted with British and to a lesser extent, American life styles on our screens. However, in spite of the lack of adequate funding, the ABC continues to deliver by far the best current events and science reporting of any of the Australian radio stations or TV channels perhaps with the exception of SBS. For obvious reasons of compromise, I cannot support the notion of commercial sponsorship to finance our national broadcaster. The ABC desperately needs the government funding that will allow it to carry out its brief and this funding should be allocated in the coming budget.

Yours sincerely,

Eirlys Richards

From: Elizabeth Tuettemann  
Sent: Monday, 28 November 2005 9:29 PM  
To: ABC-Review, ABC-Review  
Subject: Submission to ABC review  
Public Submissions  
ABC Funding Adequacy and Efficiency Review  
National Broadcasting Section  
Department of Communications, Information Technology and the Arts  
GPO Box 2154  
CANBERRA ACT 2601

Dear Members of the Review Team

As one who benefits greatly from the programs and coverage of the ABC, both in an urban and a rural setting, I cannot remain a silent beneficiary without voicing my deep appreciation for what the ABC accomplishes in terms of excellence in both radio and television programs.

If 'Aunty' manages to do this on such very slim resources, what could she not do if funded appropriately?

It would not be drawing too long a bow to say that my metamorphosis from a quiet and retiring child of the post-war rural scene, with precious little other than the programs offered by the ABC to feed my intellectual curiosity and a love of the magic of words and music, into a multiple university graduate with a strong drive to contribute something to the wellbeing of other people.

I passionately support ongoing funding, increased to the point where the ABC could demonstrate more fully what it is capable of. My sadness is that so many of us, who would find a great gap in our social, emotional and intellectual lives if the ABC were to be placed under any further constraints, fail to speak out in support of an institution that has nourished and nurtured us over many years.

Please see my voice as that of just one who represents very many silent beneficiaries of this lifeline of delight, information and inspiration.

Yours sincerely

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WORDSEARCH

Dr Elizabeth Tuettemann

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## **SUBMISSION TO THE ABC FUNDING ADEQUACY AND EFFICIENCY REVIEW**

I submit that there are four major requirements for the continued survival and effectiveness and improvement of standards of the ABC:

- 1, Adequate funding to enable the ABC to maintain and improve its standard of broadcasting. This would involve guaranteed three-year budgets which allow for inflation and adoption of new technology and cannot be subject to government-imposed cuts.
2. An independent Board which is made up of qualified people from a variety of backgrounds, including broadcasting expertise, which is free of political appointees and not subject to government interference.
3. Freedom from political pressure from the government of the day.
4. Accountability. Constant politically-inspired reviews and investigations are a severe burden on the ABC and disrupt its proper functioning. However, accountability is essential and there should be an independent authority of properly qualified people which monitors the work and activities of the organization on a regular and on-going basis.

Some comments on the above

### **Funding**

Regular cuts to its budget by both conservative and labor governments have severely hampered the ABC in many ways and have made it impossible for it to fulfil its proper functions.

Some of the worst results of this are:

Loss of capacity to produce quality Australian drama and news/current affairs and arts programs. This is leading to loss of Australian programs and undermining of our cultural identity as more and more imported programs are aired, in particular American and English 'sitcoms' and increasingly violent dramas.

Dwindling of quality news and current affairs programming is reducing the Australian community's access to information about world and national events.

The quality of news reporting is falling, an indication of lack of resources and quality staffing. I have observed an increase in the journalistic habit of 'me-tooism' in which journalists tend to follow one another around in pursuit of stories incorrectly perceived as important (such as the current furore over treatment overseas of drug smugglers). There is also evidence of what has been called the pre-emptive buckle as the ABC tends to avoid activities that may offend its political masters.

Children's programs. Commercial children's programs are generally poor and heavily laced with advertising, much of it for junk foods that are increasingly adding to obesity in our youth. Only the ABC can produce good quality programs which are free of undesirable advertising – but it can only do this if it is adequately funded. Special funding specifically aimed at this is desirable.

Relaxation of media ownership regulations is set to exacerbate this situation. Commercial programming is superficial and tends to be politically slanted. It will become more so as media ownership is concentrated in the hands of two individuals, one of them an American citizen, who have a record of interfering with the independence of the media they control. They are also concerned mainly with profits at all costs and have no interest in Australian cultural identity.

This situation will deteriorate further with time and the only antidote is a strong and independent ABC. The ABC will be the only alternative media organization dedicated to production of serious information on international and national political and social matters, good children's programs, the arts and music. It must be maintained and strengthened so that it can continue its vital contribution to Australian society.

### **Independence and freedom from political pressure**

Perceptions of bias by ministers and members of the government of the day are the chief threat to survival of the ABC as a strong independent broadcaster.

Such perceptions are generally wrong and almost all independent investigations have cleared the ABC of such bias,

An important function of an independent media organization is to scrutinise government policies and activities and report both sides of any contentious matter. No doubt some broadcasters have political leanings of one persuasion or another and sometimes these may become evident –

but none more so than in the case of the so-called shock jocks of commercial talk-back broadcasting who are rabidly right wing.

The ABC generally provides a balanced view of political matters and the fact that it interviews people giving an anti-government view, as well as others with pro-government views is commonly seen as bias, It is no such thing; we are entitled to hear both sides of any question and only the ABC provides us with this service.

The present federal government constantly accuses the ABC of bias (especially when its broadcasters conduct searching interviews with government ministers) but an independent public broadcaster has a responsibility to scrutinise government activities and policies and must have the ability to operate in this way.

Incidentally, governments of both persuasions, including most recently the Hawke Labor government, have punished the ABC and cut its budget because of this perception of bias. The current West Australian State government is, I believe, anti-ABC because ABC broadcasters carry out searching interviews with its ministers, often revealing matters which rightly deserve criticism.

**Balanced reporting is not an indication of bias.**

The freedom of the ABC to carry out its essential and proper functions must be maintained without the constant threat of politically inspired budget cuts. I urge that the ABC be properly funded and supported to carry on and improve its vital service to the Australian community.

30.11.2005

From: Wheeler, Evelyn  
Sent: Sunday, 27 November 2005 8:39 PM  
To: ABC-Review, ABC-Review  
Subject: Submission on Government review of My ABC

Dear Sir/Madam

I wish to state that in my opinion - the Australian Broadcasting Commission is doing an outstanding job delivering first rate news, documentary, music, comedy and all round informative and entertaining transmission to our fair country. Our national broadcaster - Radio National together with Classic FM promote a great sense of 'oneness' - this is very reassuring for those of us living on the west coast. I also think that our ABC continues to provide to the commercial television stations forerunners of 'what will sell' - Strictly Dancing is a fine example - and of course there have been any amount of comedy spin offs from the ABC pioneering spirit. Please ensure that you, as our elected representatives, uphold the long and honourable institution of our ABC by supporting in a fair way the budget requirements but also by telling them they do a good job. Too often the government appears to only criticise - health, education, broadcasting etc - try some praise and watch the response!

Many thanks for the opportunity to voice my opinion sincerely Lyn Wheeler.

From: elliott  
Sent: Wednesday, 30 November 2005 1:40 AM  
To: ABC-Review, ABC-Review  
Subject: Considerata

The Chairperson,

I wish to urge your committee to consider the needs of the ABC and, indeed, the urgent requirements of the Nation for a 'fair go' in the allocation of resources to the National!! Broadcaster.

At the height of the 'Great Depression' of the 30s the government of the day saw fit to establish the ABC. It foresaw the value of an organisation which could speak to, and for the people. On my 5th birthday which coincided with the opening of the ABC, my father, a low-ranking, but intelligent and far-thinking public servant, managed to raise the 30 odd pounds (about 10 weeks pay) to purchase a "wireless set". (At that young age the impression burned the brand and model: 'Radiola, model 55ME' indelibly on my mind.)

The ABC has been the 'great educator' as far as I am concerned. I believe that I learned more about life from listening to, and later viewing, ABC broadcasts than my school and university education has provided. The "B" class stations never even attempted a News Service until the beginning of 'The War'!

Now, with the money provided by scandalously indulgent advertisers, we have, by and large, expensively produced 'rubbish. Few of the programs produced commercially provoke thought or inspiring comment.

The ABC led the way for so long until a succession of mean and penny-pinching governments of both complexions, has starved it of funds. I admire the work which has, and continues to be done, by enterprising and hard-working program producers (in the widest sense).

There has been such such an array of outstanding television over the years that it is difficult to recall the pioneering work that established the radio scene(s) because in the early days each State stood alone - relays were difficult or impossible. However, the ABC archives are an irreplaceable source of sound and film records without which much of our history would would go, at the best, poorly recorded. If, for no other reason, the ABC should receive the support and thanks of a grateful public. Perhaps some of our politicians would wish that these records did not exist?

Going back to the 70s, I remember a sequence of, I think, 7 programs called "Out of the Fiery Furnace" that I found to a superb history of mankind's development of technology. then there is "A Dangerous Life" and "Brides of Christ" and... so many more dramatic block busters. To think of what might have been if the Governments had not so tightened the purse strings?

I think that with a little more money the Australian television scene might still rise to the occasion! I feel sure that the talent is still available



Friends of the ABC (ACT & Region) Inc  
GPO Box 2625  
CANBERRA ACT 2601

Friends of the ABC (ACT & Region) welcomes the opportunity to make a submission to the ABC Funding Adequacy and Efficiency Review.

**We speak on behalf of the consumers of the range of services provided by the ABC. One important measure of the adequacy of ABC funding is the value to its audience of the ABC's programming. Friends of the ABC believes that our perspective on the value of the ABC accurately reflects the strength of community feeling in regard to ABC programming.**

**Friends of the ABC (ACT & Region) is an incorporated association in the ACT. Currently we have about 400 members in the ACT and surrounding region. We would point out that these are the most dedicated of the ABC audience, people who are willing to pay an annual membership fee and to take the time to join. Beyond that dedicated 400 are thousands more who are enthusiastic ABC supporters: over 13 million Australians watch ABC Television each week, over 6.5 million listen to ABC Radio, and ABC Online averages 1.5 million unique users each month.**

## **Friends of the ABC**

Friends of the ABC is an independent community organisation which represents the public's interest in its national broadcaster. It came into existence in 1976 when groups of ABC supporters around Australia got together to protest against the Fraser Government's proposals, inter alia, to cut the ABC's funding. Another example, among many over the years, of Friends' activity was our opposition to the introduction of advertising on the ABC, proposed by the Dix Committee in 1982.

Friends of the ABC consists of organisations in each Australian state and territory which in turn have local groups that operate in regional and some metropolitan areas. Its objectives are

- to support the maintenance and advancement of the Australian Broadcasting Corporation in carrying out its Charter obligations to:

- fulfil to a high standard its role as an independent and comprehensive national broadcaster;
- remain independent of government influence, commercial sponsorship and advertising; and
- promote Australian culture in all its diversity;
- to press that the ABC be adequately funded by government for its role as the national broadcaster.

Friends of the ABC engages in a range of activities which include informing the public, communicating with Members of Parliament and media, presenting submissions to government reviews and inquiries; addressing public meetings, conducting rallies and publishing newsletters.

### **Focus of this submission**

### **The aspect of the terms of reference which this submission addresses is the first:**

...“the adequacy of the ABC’s current funding to undertake the functions specified in section 6 of the *Australian Broadcasting Corporation Act 1983* (the ABC Charter)”

We will particularly address the “range of services provided by the ABC” in fulfilling its legislative obligations.

### **The functions of the Corporation**

### **The ABC is charged with providing “innovative and comprehensive broadcasting services of a high standard” S 6 (1)(a).**

Specifically, it is required to

- foster a sense of national identity, and an Australian perspective on the world
- inform and entertain
- broadcast educational programmes
- broadcast to countries outside Australia, to “encourage awareness of Australia” & “an international understanding of Australian attitudes on world affairs” S6 (1) (b)
- encourage and promote the musical, dramatic and other performing arts in Australia. S6 (1) (c)

### **Innovation**

Innovation is a challenge to any broadcaster. What it means is expanded upon by the ABC in its editorial policies (4.2):

Innovation involves a willingness to take risks, to be inventive and open to fresh ideas both inside and outside the ABC. Experimenting with new ideas also means accepting that some programs may not succeed. By pushing the boundaries, the ABC stimulates and develops creative new program genres and styles.

Any measure of the adequacy of the ABC's funding must take into account the cost of taking risks, or in other words not always going for the safe options. As far as the current review is concerned, the legislative requirement for innovation means that funding must be adequate to encourage, as well as to provide for, financial risk.

### **Comprehensiveness**

Comprehensiveness is interpreted by the ABC (editorial policies S4.2) to:

[require] the ABC to be both a mainstream and specialist broadcaster and the Charter requires a balance between programs of wide appeal and specialised programs. As a publicly funded broadcaster the ABC can and must provide diverse programming, offering Australia's many different demographic groups and communities of interest a variety of programs in a mix of ideas, genres and styles.

Any measure of the adequacy of the ABC's funding must also take into account the cost of providing something for everyone some of the time, a service which cannot be measured by ratings but by reach. The ABC has a 15% share of TV audiences and a 25% share of radio audiences. It has a combined reach (that is, the proportion of Australians who use an ABC service - TV, radio or online - each week) of about 85%.

### **High Standard**

This is a particularly challenging requirement, not least because perceptions of quality differ. Again, the ABC's editorial policies address this requirement, stating that:

The factors constituting quality can vary for different genres and program forms. The ABC endeavours to provide the best possible programs it can, whatever the genre, across all its services.

Unarguably, providing services of a high standard takes money. It is another factor which must be taken into account in any measure of the adequacy of the ABC's funding.

Friends of the ABC submits that the Review's criteria for measuring the adequacy of ABC funding the must include the legislative requirements for innovation, comprehensiveness and high standard of services.

- **Fostering a sense of national identity**

### ***Australian drama***

**Seeing ourselves portrayed in television series and film is a powerful way for Australians to feel or articulate a sense of our Australian identity, with all its diversity, and we have immensely enjoyed the ABC productions over the years.**

Australians loved *Brides of Christ*, and *Certain Women* – and those productions are going back decades when it was certainly innovative to be seeing ourselves rather than the raw British working class or the plastic-perfect American middle class on our television screens. The ABC has continued to entertain us with the likes of *Seachange*, *Wildside*, *Children's Hospital*, it made us squirm with *Grass Roots*, and it challenged us with *Marking Time*.

**But it has become obvious that there is not the amount of Australian drama there used to be. It has been very evident this year that *MDA* has been the only new run of Australian drama which the ABC has brought to the screen. The ABC has provided the figures: 20 hours of first run Australian drama produced by it in 2005 compared to 102 in 2001.**

**We however represent the viewers who could see, without the statistics, that when we turn on to ABC TV we are not getting the Australian drama we have come to depend upon the ABC to provide.**

Friends of the ABC calls for an increase in government funding of the ABC so that it can reach a target of 100 hours per annum of production of first run Australian drama.

*Regional and rural Australia*

**Having a national network at a local or regional level is another powerful way of fostering a sense of Australian identity. The ABC has a presence over almost all of Australia, telling national stories with a regional slant, and keeping local communities in touch with themselves.**

**We in Canberra have been the beneficiaries of wonderful local radio, and we especially draw attention to our Radio 666, which was the lifeline for the Canberra and region community during the disastrous bushfires in 2003. We have enjoyed the creation of local weekend television news in addition to our weekday service.**

**However Friends of the ABC submits that the extension of the ABC's local and regional presence should not be dependent on short-term tied funding but should be rolled into its triennial funding. When the Government rejected the ABC's request to roll the National Interest Initiatives Programme funds (\$72m over 4 years) into the ABC's 2003-2006 triennial budget, it put at risk 59 full time equivalent positions and 4 newly created rural radio stations. The Government's injection of \$54.4m for three years from 2005-06, to allow the continuation of those projects, does not solve the ABC's need to plan long-term.**

**There are jobs – 19 of them in Canberra's television news production - as well as programmes, at stake until the ABC can determine its own long-term plans and its priorities within a budget that the Government retains some control over.**

Friends of the ABC calls for adequate untied funding for the ABC to maintain and expand its rural and regional presence.

- **An Australian perspective on the world**

Nothing could more succinctly document the ABC's bringing an Australian perspective on the world than the exhibition, *Through Australian Eyes*, (on at Old Parliament House, Canberra, until the end of January 2006).

However, despite the gradual increase in overseas bureaux and correspondents since the first overseas bureau was opened in London in the 1930s, the 13 existing overseas bureaux are considerably fewer than 10 years ago. The ABC is limited in the service it can deliver because of the inadequacy of its funding. At its best it was able to fund 16 or 17 overseas bureaux.

Friends of the ABC would draw to the attention of the Review the \$2 million cut which the ABC made in 2003 to the programme, *Foreign Correspondent*, among other related measures.

ABC Viewers who over the years have relied on that particular programme to bring us the world from an Australian point of view are only too aware that the length of the programme has been sliced down from the one hour it used to be.

Friends of the ABC submits that the perspective of the informed viewer is an important measure of the adequacy of the funds necessary for the ABC to present the world 'through Australian eyes'.

- **Inform and entertain**

- News and Current Affairs

- The ABC's contribution to the public debate is characterised by its credibility. That in turn relies heavily upon the editorial independence of the ABC from government and from commercial influence. Fearless journalism is the ABC's trademark, yet *The 7.30 Report* has lost nearly a third of its staff since it went national nearly ten years ago when the state-based programme was abolished due to funding cuts.

- Ever since its introduction in the 1960s, along with ABC television, *Four Corners* has been enjoyed by ABC viewers. So we notice when the programmes stop earlier each year or resume further into the new year. In fact in 2004 the ABC broadcast 41 *Four Corners* programmes. The previous year it was 42.

- We have depended upon the forensic powers and the thorough research that has gone into critically important *Four Corners* investigations which have led to commissions of inquiry into corruption, law reform, and a range of social issues. So we notice when there are fewer locally produced programmes and more overseas features. In fact 'buy-ins' used to be about 28% of the total number but now they are up to 33% (14 overseas-produced programmes out of the total 41 that went to air in 2004).

- It is critical that the ABC be funded to produce documentaries which can investigate the worlds of business and of politics alike, but which can be relied upon for the independence of their viewpoint and for the professionalism of their production.

- Friends of the ABC submits that the \$30,000 which we understand is the average in external costs alone for a locally made *Four Corners* programme, is worth every dollar.**

- **Broadcast to countries outside Australia**

The significant number of ABC listeners and viewers, but especially listeners, outside Australia, are vastly under-represented in assessments of the ABC's meeting its legislative obligations.

Radio Australia, by definition, is rarely heard within Australia, but within our region it performs a crucial function.

- In the aftermath of the Asian tsunami, the ABC's international services provided the region with crucial information including news reports, warnings and community service announcements
- In May 2004 a Federal Parliamentary committee investigating Australia's Relationship with Indonesia reported that Radio Australia's "immediacy and friendliness make it an extremely powerful means of reaching into Indonesia and promoting greater understanding of Australia"
- The Parliamentary Committee recommended that:  
"Priority should be given to measures which will significantly extend the reach of Radio Australia, preferably at least to levels enjoyed in the 70s and 80s".

**Radio Australia came close to being abolished in 1997, when the powerful Cox Peninsula short wave transmitter near Darwin was closed down, reducing Radio Australia's reach only to Bali in the northwest and South Asia in the north. (Prior to the Cox Peninsula closure, Radio Australia could reach by shortwave from Australia as far north as Siberia, and to the Indonesian archipelago and Southeast Asia). In addition, funding was halved from the \$25 million it was in 1995-96.**

Radio Australia reaches far fewer in the region than 10 years ago:

- Indonesian audiences have fallen from 20 million across Indonesia in the 1970s and '80s to currently 7 million per annum
- RA broadcast languages have been reduced from 9 to five (plus English)
- Indonesian language programming is 2 ½ hours daily, plus repeats
- Mandarin language programming (China) is 2 ½ hours daily
- Pidgin language programming to Papua New Guinea is 3 hours a day
- Kmer language programming is 1 hour a day
- Vietnamese language programming is 1 hour a day

Friends of the ABC submits that the role played by Radio Australia in encouraging awareness of Australia and understanding of Australian attitudes on world affairs is undervalued in Australia. We support the 2004 Parliamentary Committee's recommendation for an extended reach for Radio Australia's transmission and we also call for increased funds for Radio Australia's own programming.

- Encourage and promote the musical, dramatic and other performing arts in Australia

**To young Australians, Triple J is the radio station dedicated to getting Australian music heard.**

41.9% of Triple J's broadcast music is of Australian music performances. It creates competitions, such as *Unearthed*, which has seen the signing of record deals for numerous Australian artists, particularly from regional Australia. Triple J focuses on taking entertainment, festivals, gigs and competitions to rural and regional Australia in recognition that alternative sources of music and information are limited for youth in regional Australia.

**Triple J's live music program is a very special contribution in which it records and broadcasts relatively unknown Australian bands, but back in 1996 it was this aspect of the JJJ operation that was chosen by ABC management to bear the brunt of the budget cuts at that time.**

To many other Australians it is Classic FM, Radio National or ABC TV through which the performing arts are show-cased.

The ABC has always been strongly identified with the arts in all its growing variety of forms, and Friends of the ABC submits that the ABC should be funded to maintain and to develop this role.

***Jill Greenwell, President***

1st December 2005

ABC Funding Adequacy and Efficiency Review  
National Broadcasting Section  
Department of Communications, Information Technology and the Arts  
GPO Box 2154  
Canberra ACT 2601  
abc-review@dcita.gov.au



Dear Sir/Madam

**Re: ABC Funding Adequacy and Efficiency Review**

Please find attached the submission of Friends of the ABC (Queensland), Friends of the ABC (Tasmania) and Friends of the ABC (Victoria) to the ABC Funding Adequacy and Efficiency Review.

The ABC is an important institution. Its healthy operation is essential to Australian democracy and culture.

The entire community has an interest in the national broadcaster's future. Yet the late stage at which public submissions have been allowed to a review into its funding and efficiency, and the failure to inform the public that the Review would accept submissions, has essentially precluded submissions which would be of assistance to the Review from the general community, and from individuals and organisations with specialist information to contribute.

In considering this submission, please take into account the extremely short time available to Friends of the ABC to prepare its submission.

Yours sincerely

Judith Rodriguez AM  
President  
Friends of the ABC (Vic)

GS: FABC Submission: ABC Funding Adequacy and Efficiency Review, Dec 05

**Friends of the ABC**

**(NSW) Inc**

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27 November, 2005.

ABC Funding Adequacy and Efficiency Review  
National Broadcasting Section  
Department of Communications,  
Information Technology and the Arts  
GPO Box 2154  
Canberra ACT 2601



Friends of the ABC (NSW) Inc. endorses the submission made by Friends of the ABC (ACT & Region) which was submitted today.

We are mindful of the forthcoming decision by the government of the ABC's funding for the Triennium 2006-2009 and submit that the ABC has never been more in need of a boost to its funding. The paucity of drama production by the ABC is being felt by the Australian public and has been highlighted by ABC executives and prominent actors. The ABC has long been the nursery for Australian actors and can only return to its rightful place by an injection of funding to permit it to produce at least 100 hours per annum of first-run Australian drama.

Friends of the ABC (NSW) Inc. represents almost 3,000 members who are the most dedicated of ABC listeners and viewers. This organization most clearly reflects the views and opinions of ABC consumers.

We thank you for the opportunity to make this submission which supports that of Friends of the ABC (ACT and Region).

Yours sincerely

Gary Cook  
President

# Friends of the ABC



Media plays an important role in our lives.

In modern times media is the gateway to information. It determines what the public will and will not know about all range of matters. Television, in particular, has a significant influence on our culture.

A healthy *independent* and *comprehensive* national public broadcaster is critical to Australian democracy and culture. The ABC's independence - from political and commercial influence - enables it to report without fear or favour. The ABC is responsible to promote Australian culture and, as a comprehensive broadcaster, to cater for a diversity of interests in the community. Importantly, it broadcasts to other countries programs that encourage awareness of Australia.

## **Friends of the ABC**

As one of the most important producers and disseminators of culture and information in Australia, the ABC is a body with which the entire community is vitally concerned.

Friends of the ABC is the major organisation representing the public's interest in its national public broadcaster. FABC is politically unaligned. It works for the best interests of independent and comprehensive national public broadcasting, challenging governments of any political persuasion that fail to support the ABC or attempt to interfere with its independence.

FABC is a critical supporter of the ABC. Friends speaks out on occasions it perceives the ABC Board or management not to be acting in the best interests of public broadcasting.

FABC's objectives are to support the maintenance and advancement of the ABC:

- to fulfil to a high standard its role as an independent and comprehensive national public broadcaster;
- to be adequately funded by government to fulfil its role;
- to remain independent of government influence, commercial sponsorship and advertising; and
- to promote Australian culture in all its diversity.

## **Friends of the ABC -**

- engages in a range of activities at national, state and local levels. These include: informing the public, communicating with Members of Parliament and media, presenting submissions to government reviews and inquiries, addressing public meetings, conducting rallies and publishing newsletters.

- . has a diverse range of members. Income is earned from membership subscriptions, public donations and fundraising activities. FABC receives no government funding.
- . exists in each state and territory. FABCs are independent, non-profit community organisations which work together in national campaigns. Some state-based FABCs have local groups that operate in regional and some metropolitan areas.

There are huge pressures on the ABC. Increased concern about its future as an independent and comprehensive broadcaster has resulted in Friends of the ABC (FABC) becoming a large organisation with a growing membership.

**Friends of the ABC (Vic) is the largest Friends of the ABC body, and the only FABC to have an office and staffing. It can provide contact details for FABCs in each state and territory.**

**Contact: Friends of the ABC (Vic) Inc.**

**FABC Office**

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GPO Box 4065, Melbourne 3001

email: [fabcvic@vicnet.net.au](mailto:fabcvic@vicnet.net.au)

[www.fabc.org.au](http://www.fabc.org.au)

FABC's office is located in Sth Melbourne.

GS:FABC 7.11.05

4<sup>th</sup> June 2004

Mr Donald McDonald  
Chairman  
ABC Board  
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Inc no. A0034181A

Dear Donald

**Re: ABC's Children's Programming**

I write to express serious and growing concern that, through the ABC's commercial relations with outside bodies and its own commercial activities, the national broadcaster is failing in its responsibilities towards Australia's children.

Independence from commercial influence is of critical importance in all areas of ABC programming. It could not be more important than in the broadcaster's dealings with children, who have less capacity than adults to understand overt, let alone insidious, commercial promotion.

The national broadcaster must treat its audience as citizens. It has a responsibility to provide **commercial-free**, high quality, independent programming **for all Australians**. Yet, it is treating children as consumers and targeting them to raise revenue.

To highlight our serious concern, we draw several matters to your attention and seek your answers to some specific questions.

**1. Parents have complained to FABC about the film *Bionicles* and its follow-up series *Bionicle: Mask of Light* being screened on ABC television.**

Scheduled in the children's timeslot, *Bionicles* promotes Bionicle toys made by the Lego Corporation. It is highly likely the movie and series were developed to promote Lego's toys, not the other way around. But regardless of which came first, it is inappropriate for the ABC to screen any program which is a disguised advertisement, and particularly unethical to deliver it to children.

- 1.1 How did the ABC come to purchase a children's program that is, in effect, an advertisement, and what manager in the ABC is responsible?
- 1.2 Did the ABC purchase *Bionicles* below the price it would otherwise expect to pay for a children's program of a similar production standard?
- 1.3 What has or will now happen to any plans ABC Enterprises may have to sell videos or any other products related to *Bionicles*?
- 1.4 What action will be taken to ensure that the ABC no longer broadcasts to children any programs enticing them to purchase products?

**2. FABC learned through an advertisement aimed at the television production industry early this year that ABC Enterprises has commissioned a children's program to which the ABC will contribute up to \$5 million.**

The tender invitation of ABC Enterprises clearly reveals its interests run contrary to the ABC's charter obligations in programming, with the program being viewed by Enterprises as an "investment", i.e., it is intended to earn money, presumably from video sales and merchandising spin-off products.

It is totally inappropriate for ABC Enterprises, the commercial arm of the ABC, to influence, let alone make production and programming decisions.

2.1 Who now determines children's programming?

2.2 Why is this no longer the role of the talented and respected ABC children's television department, which has the expertise and a track record of producing and broadcasting quality programming for children?

**3. *Active Kidz*, a motivational physical action program for children has been compromised by the merchandise spin-offs already in mind when it was produced.**

Questions have been publicly raised by health and child development professionals about the risks in promoting body-image standards to children and the safety of a one-size-fits-all exercise package, along with the wisdom of encouraging children to physical activity by engaging them in watching television.

- 3.1 Were issues, such as those we have outlined, considered prior to the program being commissioned, and by whom?
- 3.2 What is the background to how the ABC came to purchase the program *Active Kidz*? Who made the decision to commission *Active Kidz*, and on what basis?
- 3.3 Did ABC Enterprises have any input into the decision to select *Active Kidz*?
- 3.4 What merchandising related to *Active Kidz* exists or is planned?

**4. Another disturbing activity in which the ABC sets children up for commercial exploitation is the licensing of third parties to use ABC children's characters (or depictions of them). An example is the theme park development under consideration in Melbourne, where it has been reported that ABC children's characters will be the main attraction if the venture proceeds.**

The ABC's claims that it has guidelines about the products its characters can be associated with are misleading. Judging by the outcome, the guidelines do not operate with children's interests foremost in mind.

For example, with strong public health concerns about increasing childhood obesity and diet-related diabetes, it seems extraordinary that the ABC has aided the promotion of chocolate to children. And the efforts of Mr Grahame Grassby, head of ABC Enterprises, to obfuscate the fact that children were being encouraged to consume confectionary products for the financial gain of the ABC and another party – when he attempted to justify the ABC's decision to license an Advent calendar containing chocolate and a Bananas Easter egg – only served to further discredit the ABC. (*The Australian* 24.12.03)

In any case, the idea of guidelines about what products ABC characters may be used to sell or not to sell to children misses the point. Regardless of what the product is, licensing the use of ABC characters or their depictions to encourage children to purchase products makes the national public broadcaster complicit in the exploitation of children for commercial gain.

Parties who purchase from the ABC the right to use its characters do so because children's identification of and rapport with the characters has already been established through ABC programming. In other words, simultaneous or subsequent use of ABC program characters to attract children to products effectively turns ABC children's programs into promotion for products to be sold.

Through these business arrangements the ABC is also compromising the public's confidence in the ABC's independence. Though the ABC may be legally at arms-length from the activities of a third party which the broadcaster licences to use its icons, public perception is that the ABC is associated with or, at least, endorses products to which it has lent its good name. While the ABC's credibility may be damaged by its association with particular companies or products, the public's belief in the ABC's independence is undermined on any occasion they identify the broadcaster to be associated with an external commercial party.

- 4.1 What effect does the Board believe the ABC's present-day commercial operations have on the public's perception of the ABC's independence?

- 4.2 Has the Board considered that children who grow up with the ABC's present-day operations may fail to view the ABC as being distinctly different from commercial broadcasters?
- 4.3 Do you think public perception that the ABC has become less than independent could result in it becoming even more difficult in the longer term to convince governments to adequately fund the ABC?

**5. Doubtless the difficulty of ensuring programs screened on the ABC do not become aids in the commercial exploitation of children is exacerbated when the ABC purchases children's programs from outside the ABC.**

Without ownership of a program, presumably it is only in the purchase terms of the program that the ABC has input about commercial activities that may be associated with the program.

5.1 When negotiating to purchase children's programs, does the ABC include in its contract any restrictions on the leverage of the program by its owner and other parties?

**6. Another of the ABC's business ventures involving children's television that FABC believes to be inappropriate is the licensing of the first run of the ABC's new 40-part children's drama series, *Silver Sun*, to the Seven Network.**

Making a program for which a commercial broadcaster will have first screening rights is, in effect, producing a program for a commercial broadcaster. We understand the decision was possibly based on the ABC's dire financial situation. But the ABC was established to produce programs for itself, not for commercial broadcasters. FABC believes the arrangement is unacceptable.

Producing programs for a commercial operator to screen undermines the independence of the ABC and compromises the integrity of its programming. No commercial party would forgo all input into the selection and content of a program, the right of veto included, for which it is purchasing first screening rights. Perhaps more insidious, the knowledge that programs the ABC makes in these instances must be acceptable to a commercial broadcaster and that further co-operative ventures depend upon it is likely to influence the ABC's program selection and production.

The venture is contrary to the public's interest in having high levels of first release Australian programming. Instead of Seven meeting its first release children's drama quota requirements with a truly original program, in this deal the ABC is assisting the Seven Network to meet its obligations with a program the ABC has produced and plans to screen itself. And Seven's fourth broadcast rights for the program will go towards Seven meeting its repeat children's drama obligations.

While the ABC-Network Seven venture may be legal, it runs counter to the intent of the Australian Content Standard requirements that apply to commercial television. Any business arrangement which results in a loss in the amount and diversity of children's television programming is not one in which the public would expect the ABC to be involved.

FABC is concerned the ABC may be screening fewer hours of first release Australian children's drama than commercial networks are required to broadcast, but that the ABC has been able to sell-off first screening rights of *Silver Sun* to the Seven Network because the ABC is not subject to the children's programming quotas imposed on commercial television. If the ABC continues to engage in activities that result in decreased first release Australian programming on television, it risks encouraging public support for government interference in ABC programming genres and levels.

Another outcome of the sale of first screening rights to the Seven Network is the ABC's aiding of a commercial network to attract audiences. It is not in the interests of children, and is counter to the ABC's own interests, to encourage children to turn to commercial television.

And still more issues are raised if a publicly funded body has enabled a commercial enterprise to gain a financial advantage it would not have achieved if it purchased the

program at market rates. It has come to FABC's attention that good-will toward the ABC is disappearing among those for whom the ABC becomes a competitor as the ABC's commercial activities expand into areas not envisaged to be the role of the public broadcaster. Who knows what actions competitors who believe they are being unfairly disadvantaged might consider.

- 6.1 How many hours of first release Australian children's drama will the ABC broadcast this year?
- 6.2 How much has Seven paid to the ABC to purchase first and fourth screening rights for *Silver Sun*? Is this a lesser rate than it would cost Seven to purchase the same screening rights if *Silver Sun* had been produced by another children's program producer, be it a commercial company or a public body such as the Australian Children's Television Foundation?
- 6.3 Does the ABC have plans to enter into further arrangements similar to the venture with the Seven Network in the children's or any other program area of the ABC?

In conclusion, FABC believes the national broadcaster's focus must be returned to its proper role – to produce innovative, quality, independent programming. It is totally unacceptable that the national public broadcaster is engaging in activities to exploit children commercially and in ventures such as that with the Seven Network. It is surely counterproductive that, through its commercial activities, the ABC is damaging the high esteem in which parents and child development professionals have held ABC children's programming.

Friends of the ABC would appreciate receiving the Board's response to the matters we have raised and to the story they tell about the direction in which the ABC is heading.

**Most importantly, we would also ask to be informed of the Board's VISION for all areas of the ABC's operations impacting on children.**

We thank you for your consideration of this matter and look forward to hearing from you.

Yours sincerely

Terry Laidler  
President

GS: correspABC

cc: ABC Board members

1<sup>st</sup> July 2003

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Inc no. A0034181A

Dear Donald

**Re: ABC commercial activities - ABC magazines**

Friends of the ABC understands the pressure under which the ABC continues to operate as the result of inadequate public funding. We are nevertheless concerned about the ABC's participation in commercial activities which risk influencing ABC programming and editorial independence and, as importantly, about the public's perception of the national broadcaster's independence and integrity.

In addition to raising some general concerns about ABC commercial activities, at this time, FABC specifically wants to bring to the Board's attention its worries about the ABC's ventures into magazines that contain commercial advertising and that, in most instances, are not essentially about the ABC. The magazines with which FABC is familiar, as the direct result of feedback we have received from the public, are: *24 Hours* (art and music magazine - includes the Radio National and ABC Classic FM program guide), *Delicious* (food and drink magazine - includes a guide to food on ABC TV and radio), *Gardening Australia* and, until it recently failed, *Sport*.

While FABC is aware the ABC Act does not prohibit the ABC carrying commercial advertising outside its radio and television broadcasting activities, we doubt at the time the Act was drafted that it was envisaged the ABC would venture into other media areas, such as publishing.

There are several matters we wish to raise:

**More information wanted**

. Firstly, we would like to know more about the nature of the ABC's role and that of external commercial parties involved in these magazines. The front covers, featuring the ABC text and its logo, clearly promote the magazines as ABC publications. Yet, the magazines contain advertising and, with the exception of *24 Hours* and *Gardening Australia*, contact information inside the magazines indicates the editors are outside the ABC.

Adhered to the outside front cover of the March 2003 edition of *Gardening Australia* was a small booklet titled 'The little GREEN GARDEN BOOK - Your essential planner'. As well as containing advertising for the gardening product company Ryobi Technologies inside the booklet, the company identification on the front cover, along with the ABC Gardening Australia identification, gave the clear impression the booklet was a joint production with the ABC.

### **Risk to programming and editorial content**

- . Internal commercial activities have had in the past and continue to have the potential to compromise ABC programming. (Participants in public meetings addressed by FABC already ask if a proliferation of prime-time cooking programs on ABC television is the result of the ABC's ability to sell cookbooks and videos.)

However, engaging in commercial activities with external sources poses even greater risk. Companies choose to do business in the expectation they will have some influence on what is or, as importantly, what is not produced. The Palmer Inquiry in the 1990s revealed that editorial guidelines on their own are not sufficient to protect ABC programming and editorial content from commercial influence. There is also the danger that, as the ABC comes to increasingly depend on income from commercial sources, the 'commercial tail could increasingly wag the programming and editorial dog'.

### **Public confidence eroded**

- . Regardless of whether or not the ABC's independence is in fact compromised, public confidence in the ABC's independence is diminished when the community sees the ABC endorse commercial products by advertising them. This occurs, regardless of the medium – television, radio, online or print. The high level of public confidence enjoyed by the broadcaster at the present time is the result of its strong record of independence and a low level of public awareness of its commercial ventures.
- . And what if the ABC was seen, by carrying advertisements, to have endorsed a product which later came to be involved in a significant breach of public duty, such as recently occurred when the products of a therapeutic goods manufacturer were recalled? Public trust in the ABC would be seriously damaged.
- . In the longer term, as public awareness of the existence of printed ABC commercial material grows, the ABC's print operations will taint public perception of the ABC in its entirety. Understandably, the community will fail to make a distinction that, although commercially compromised in print material, the ABC retains its integrity in broadcasting. And ABC practices are assisting to break down this division. For example, through the promotion (indistinguishable to the public from advertising) of the ABC's print commercial products on Channel 2. Even worse, radio program time has been misused to promote the ABC's commercial ventures, such as the occasion on ABC 774 in March when two presenters 'discussed' and promised to give to talkback callers copies of the *ABC Sport* magazine.

### **Damage of ABC entering into customer relationship**

- . A month ago, a member of the public reported on ABC 774 talkback she had been encouraged by the ABC's promotion of its sports magazine to take out a subscription as a gift for another person. Without that person receiving a single issue, the magazine had gone 'broke'. The caller reported she had contacted the ABC who informed her there was nothing it could do. She was not even entitled to a refund. The damage to the ABC's reputation as the result of the experience of this caller and other subscribers to the *ABC Sport* magazine and the acquaintances they tell, not to mention the report on ABC radio, is obvious.

### **ABC selling its credibility and its audiences**

- . Commercial partners are securing the endorsement of a trusted independent Australian institution and access to its audience in return for whatever it is that they provide in the ABC's magazines venture. Ironically, the ABC's endorsement only has value because the ABC is independent. High levels of public trust and the ABC's audience size are the result of the broadcaster's long record of providing quality independent programming and public confidence in its independence. ABC endorsement of advertising is an abuse of the public's trust in the ABC. And, if the public's perception of ABC independence is compromised through the ABC's endorsement of commercial products, in the longer term the Board could be responsible for the death (albeit, slowly) of the 'goose that lays the golden egg'.

The fact that the ABC may be selective in the products it endorses through advertising does not lessen this abuse of public trust. The ABC is compromised by accepting money to advertise products, enabling goods and services to be promoted without critical analysis. And, doubtless, the ABC's advertisement acceptance criteria are based, not on the best interests of the public, but on short-term commercial interests and a limited perception of the ABC's general interest.

### **True cost to the ABC**

- . The ABC exists to produce and broadcast quality programming, not to raise revenue. As well as compromising the ABC's independence, commercial ventures like these magazines divert the focus of the organisation. Are the ABC's commercial ventures fully costed, so that it can be determined whether or not they are an effective use of scarce ABC resources? For example, when assessing the profitability of these ventures, does the ABC include the

real cost of all staff time involved and in-kind assistance? Is the cost of giving prime-time air space to promote a product included in costs to the ABC? (While a commercial product is being promoted on the ABC, an ABC program is not.) What of ABC 774's promotion during program time by promising callers a copy of the ABC's sports magazine – how is this costed? How does the ABC cost the sale of its credibility for product endorsement?

**Expertise for commercial ventures**

- . The ABC's increasing involvement in commercial ventures also raises questions about its expertise to be involved or negotiate business relationships that protect the ABC's integrity, minimize the ABC's risks and maximize its financial advantage. Media reports indicated the ABC did not proceed with the Telstra online deal late in the process, not because of the threat to the ABC's independence, but because the incoming managing director believed the ABC was about to sell its service under market value.

Do staff involved in these processes have the responsibility and experience to ensure these deals are in the ABC's best interests? The perception of people outside the ABC was always that a magazine on sport would be a difficult area in which to succeed. Did the ABC suffer any financial loss during its publication of the *Sport* magazine, or as a result of its failure?

**Public subsidy favouring a commercial operator**

. Longer term, does the Board perceive that a problem could arise whereby a business operator could reasonably claim a competitor had been given a publicly-funded advantage over them, for example, through the ABC entering into a business venture with, or carrying advertising which benefits their competitor?

**Commercial activities not a solution to inadequate funding**

. Finally, raising funds through commercial activities could not only damage the ABC's integrity, it may well exacerbate its funding problems. Governments of any political persuasion are not known to reward organizations for being efficient or enterprising in raising funds from external sources. On the contrary, it enables them to withdraw further from their responsibility to fund important public services. And, as many organizations in the arts industry have already found, the size of the corporate pool from which they are competing for funds is not big enough.

Community support for the ABC results from the broadcaster's long record of providing quality programming and trust in its integrity – its independence from government and commercial influence. Advertising compromises the ABC's independence. Importantly, if the community's trust in the ABC's independence is eroded, in the longer term, the national broadcaster will lose the strong public support on which it depends to maintain public funding.

The issues to be considered in this matter are not dissimilar to those that have already influenced the Board in its decision not to carry commercial content on the ABC's online services. FABC would appreciate your written response to the matters we have raised. However, we would be grateful and willing to wait for a reply if the Board would give this matter its serious consideration.

Yours sincerely

Terry Laidler

GS:correspABC

## **Aunty's Child Abuse - Active Kidz and the Australian Egg Corporation**

The ABC is entering into commercial arrangements that undermine the spirit and intent of its independence. While not accepting advertising on the ABC itself - the ABC Act forbids it - the ABC is promoting commercial products.

Take for example, the popular ABC children's program *Active Kidz*, with which the ABC has been complicit in assisting other parties to exploit children for commercial gain.

Last year, Friends of the ABC questioned the ABC's decision to commission *Active Kidz*. The integrity of the program, a motivational physical action program for children, was compromised at the outset by merchandise spin-offs already in mind when it was produced.

*Active Kidz* expanded into commercial activities outside the ABC as its popularity on ABC television grew. These ranged from promoting products as cheap as lollies (perhaps not so cheap - children were directed to a US website that sold the lollies for \$31.50 a bottle), to trampolines.

Recently it came to public attention that the Australian Egg Corporation Ltd (AECL) sponsored the *Active Kids Let's Party* live country tour. AEC represents egg producers and on their behalf seeks to influence public perceptions about the nutritional value of eggs and the treatment of battery hens.

In a media release AECL issued and in comments to a journalist, AECL left no doubt about what it is paying for by sponsoring *Active Kidz*.

AECL's media release of 30.6.05 commenced:

"AUSTRALIAN Egg Corporation (AECL) today signed a sizeable deal with ABC TV's latest children's sensation, *Active Kidz*, to sponsor their upcoming tour - *Active Kidz - Lets Party!* *Active Kidz* dynamic duo Scott Ehler and Amy Wilkins, along with cast members Skip, DeeJay and Egg, will bring the top rating ABC kids show to life with an extensive nationwide live-show tour. ... Announcing the sponsorship, Anthony Fisk, AECL Communications Manager, said the partnership provided a positive and effective platform to educate children about the importance of a healthy lifestyle and reinforce the role of eggs in a nutritious diet..."

The tour did indeed include a live character called Egg. It contained a segment on cooking with eggs and handed out brochures promoting eggs to the young audience.

Amanda Meade, a media journalist with The Australian, reported comments she obtained from the Australian Egg Corporation's communications manager Anthony Fisk and *Active Kidz* manager Paul Cussen (Aus 21.7.05):

Fisk told The Australian he is talking to the ABC about "future involvement in the television show". "One advantage is that we are a generic product, not a branded product. *Active Kidz* is very strongly associated with the ABC, so they don't want to be connected to a Mars or a Kellogg's. They are looking to a natural non-branded food. They are not trying to promote anything except the goodness of eggs."

Fisk explained that *Active Kidz* is helping AECL to talk to children and their parents and to counter some of the negative messages about eggs. "I just think it carries more weight when it's on the ABC. People are more likely to trust things that are on the ABC and programs that are associated with a very strong brand like the ABC".

Paul Cussen's is confident *Active Kidz* can use eggs in the TV show without breaching ABC guidelines which prohibit advertising and saying, "You can't directly advertise on the ABC but if you get it right you can have a direct mouthpiece to say: 'Eggs are great.'"

In response to Meade's article, ABC Managing Director Russell Balding wrote to The Australian (4.8.05), "the ABC will not contemplate acquiring or broadcasting any program where there is even the suspicion that they are attempting product placement" and the ABC has "no plans to acquire or produce any new *Active Kidz* programs".

But Friends of the ABC continues to be concerned about the ABC's commercial activities - the extent to which they both influence programming and undermine the public's confidence in the ABC's integrity. What might have occurred without Meade's public revelations? And the ABC's stated interest only goes as far as stopping product placement. The ABC dissociates itself from any responsibility for the range of other *Active Kidz* and AECL activities outside the ABC that take advantage of the vulnerability of children.

The ABC's relationship with these dubious commercial activities aimed at children goes beyond aiding and abetting. The ABC is enabling this exploitation to occur. Furthermore, the ABC is in reality selling to commercial operators the public's trust in the ABC's integrity. If the ABC's continues to abuse the community-trust it earned over many years as the result of its independence, it may well kill the goose that lays the golden egg.

The ABC has a responsibility to produce quality programs for our children. Its role is not to sell or assist other parties to manipulate or profit from them.

ABC claims that the independence of programming can be 'fire-walled' against commercial operations are dubious. However, if the ABC is serious, it would make a good start to hand children's programming back to the programme-makers and to remove ABC Enterprises, the ABC's money making division, from any further input into programming.

Glenys Stradijot, Friends of the ABC (Vic) Campaign Manager: Aug 05

## Submission

# ABC Funding Adequacy and Efficiency Review

**Friends of the ABC (Queensland)**  
**Friends of the ABC (Tasmania)**  
**Friends of the ABC (Victoria)**

December 2005

## A. Friends of the ABC

*Friends of the ABC* is the major organisation representing the public's interest in its national broadcaster. FABC is a politically independent organisation whose aim is the maintenance of the ABC as a healthy independent and comprehensive national public broadcaster. (*Appendix A. information sheet on Friends of the ABC*)

## B. Introduction

While *Friends of the ABC* is concerned to see the ABC receive the level of funds required to fulfil to a high standard its role as an independent and comprehensive national public broadcaster, it is not the intention of FABC's submission to provide detailed information on ABC funding compared with commercial broadcasters and overseas public broadcasters. This information is available to the Review from the ABC, the work of Professor Glenn Withers<sup>1</sup> and the Macquarie Bank report commissioned by the ABC.<sup>2</sup>

The main focus of this submission is FABC's concern that the ABC be funded and allowed to utilise its funds in a manner that enables it to fulfil to a high standard its role as an independent and comprehensive national public broadcaster, and to remain relevant in a changing media environment.

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<sup>1</sup> 'The Funding Of National Public Broadcasting' by Prof Glenn Withers, Australian National University, Southern Review No 1 2002

<sup>2</sup> An Analysis of the ABC's Funding Relative to International Public Broadcasters and Domestic Peers, Macquarie Bank, September 2002

## C. Funding

### Level of Funding

- . ABC funding has declined out of proportion to any other major area of federal government expenditure. Since 1985-86 (the high point of ABC funding), the ABC's operational funds (i.e., the funds available to it for programming) have declined by 29.7% in real terms.
- . Shortly after its election in 1996, the Howard Coalition Government cut ABC triennial funding by 12% (\$66m). Some limited restoration of funds has been provided through targeted funding, an approach which compromises the ABC's independence. The present Government failed to fully fund the ABC's conversion to digital technology, drawing more ABC resources away from programming. Since 1996, ABC staffing has been cut by 20%.
- . Some results of declining funding and staffing:
  - Diversity in presenters and programs has declined.
  - The ABC produces fewer specialist, well-researched programs.
  - We are losing Australian voices, history and perspectives as the national broadcaster is increasingly forced to rely on imported documentary, history and science programming.<sup>3</sup>
  - ABC news is increasingly reactive, with the broadcaster having insufficient resources to seek out and investigate news.<sup>4</sup>
  - In television programming, the ABC's coverage of the arts has declined. There has been a diminution in the quality and depth of arts coverage and there is less original performance.<sup>5</sup>
  - ABC television now screens less first-run Australian drama than quotas imposed on commercial networks to ensure a minimal level of Australian cultural representation. Its level of local drama fell from 102 hours in 2001 to 21 hours for the whole of 2004. For 2005, it is estimated to be 20 hours.<sup>6</sup>
  - The ABC's money-making activities are corrupting the ABC's independence and interfering with its programming responsibilities. For example, ABC Enterprises now commissions children's programming with commercial spin-offs already in mind. (*Appendix B. FABC letter to ABC Board 4.6.04 re ABC Children's Programming*)
  - Radio Australia, the ABC's overseas broadcasting service, no longer broadcasts in Japanese, Cantonese and Thai. Its programming capacity has not been restored since the ABC's budget was cut in 1996. RA's capacity for shortwave broadcasts into Asia is 23 hours a day, compared to 96 hours in 1996. (Shortwave is direct, and access to it is cheap and accessible for a large number of people.) RA now depends heavily on the co-operation of foreign governments and commercial operators to re-broadcast its programs.<sup>7</sup>
- . The BBC is the public broadcaster on which the ABC was modeled and with which the ABC can most closely be compared. With almost three times the population of Australia, the BBC receives almost 10 times the funding of the ABC.<sup>8</sup>

### Funding for Independence

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<sup>3</sup> One in every four *Four Corners* program is no longer locally produced.

<sup>4</sup> One sign of this is that police stories too frequently dominate television news programs.

<sup>5</sup> *Arts Programming on ABC Radio, Television and Online* (report Mar 2004) by Prof Liz Jacka

<sup>6</sup> 23 May 2005 Senate Estimates, Environment, Communications, Information Technology And The Arts at ECITA 45

<sup>7</sup> ABC information on Radio Australia operations in 1996 and FABC (Vic) analysis of ABC information August 2004; and updated to reflect French being cut, then reintroduced in a limited form in 2005.

<sup>8</sup> calculation from government appropriations (contained in Budget papers and ABC and BBC Annual Reports)

- . The ABC is an independent statutory authority. Its independence is directly and indirectly dealt with in the Australian Broadcasting Corporation Act 1983.
- . Triennial funding is essential for effective planning and for the ABC's arm's-length separation from government. While cutting the ABC's triennial funding since coming to office in 1996, the Coalition Government has moved toward targeted funding. Short-term and targeted funding undermines the ABC's independence from government. It is also less efficient, resulting in increased ABC resources being diverted to seeking parcels of money and accounting to the government for its use.
- . Editorial independence cannot be protected from the influence of the ABC's commercial activities.<sup>9</sup> Commercial activities inevitably influence programming. (*see again, Appendix B. FABC letter to ABC Board 4.6.04 re ABC Children's Programming*) Just as dangerous, the public's trust in the ABC's independence and integrity is being damaged by the ABC's commercial operations. (*Appendix C. FABC letter to ABC Board 1.7.2003 re ABC commercial activities - ABC magazines*)
- . ABC programming is also compromised by outsourcing, be it full outsourcing of a program or co-production with a commercial operation. To give one recent example, a well-known brand of beer featured in episodes of the ABC's 'Sea Change' television series produced in co-operation with the commercial production sector.  
The ABC's failure to protect its programming from commercial influence when levels of outsourcing are involved was exposed in the Palmer Inquiry into back-door sponsorship in the mid- 1990's.<sup>10</sup>
- . The ABC exists to produce and broadcast programs, not to engage in commercial activities to earn money. There is a significant difference between earning revenue from the sale of its programs to the public, and providing its good name (i.e., endorsement) for the sale of products owned by an outside party.  
The ABC's need to generate revenue through commercial activities is resulting in the increased advertising of products and services on the broadcaster's own networks, which is an inappropriate use of ABC airtime.  
It is an inappropriate use of public resources for the ABC to, in effect, promote and benefit external commercial operations.<sup>11</sup>
- . The importance of Australia's national broadcaster being funded to provide truly independent information and entertainment is critical to Australian democracy and culture in a country with the highest concentration of media ownership in the western world. It may become even more so, if the influence of already-powerful media owners, whose interests extend well beyond media, is allowed to increase as the result of changes to Australia's media ownership laws foreshadowed by the Minister for Communications.

### **International Services**

- . The ABC's international services, Radio Australia (RA) and Asia Pacific Television (APTV) are an integral part of the ABC's services and of the broadcaster fulfilling its Charter requirement to 'transmit to countries outside Australia'. The credibility of Radio Australia in particular, arises from the audience's perception of its independence from government.<sup>12</sup> RA and APTV play an important role in influencing the way in which

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<sup>9</sup> In this matter, the ABC's situation is not akin to the BBC. With guaranteed and higher levels of public funding, the BBC is less reliant on income generated through commercial activities.

<sup>10</sup> As the result of public revelations of backdoor sponsorship on ABC television, the ABC appointed George Palmer QC in 1994 to conduct an inquiry.

<sup>11</sup> For example, commercially-owned products are sold which carry the ABC's Gardening Australia identification.

<sup>12</sup> This is unlike the US government's overseas broadcaster which is clearly identified as a propaganda arm of the US government.

Australia is viewed in Asia and the Pacific, and are valuable bridges in regional relations, cultural understanding and trade.

## **New Technology**

- . In the past, the national broadcaster was fully funded for major changes in technology - the introduction of television, and the conversion of television to colour. The ABC has received no increase in funding to reflect the addition of its online services, digital television channels and podcasting. The ABC was not fully funded for the government-mandated conversion to digital technology. Instead, the ABC was forced to divert scarce funds from other areas.<sup>13</sup>

The national broadcaster must remain relevant. It must not be marginalised in a changing media environment

### ***Recommendation:***

The ABC should be funded in a manner which is transparent and upholds the ABC's independence. It should be funded to a level that ensures the ABC's healthy operation, free from commercial activities to raise funds, and for the national broadcaster to be and remain at the forefront in major technological changes that impact on broadcasting.

The ABC should be funded to a level which enables Radio Australia to provide at least the level of programming and transmission which existed prior to 1996, and the ABC to operate its Asia Pacific TV service free from sponsorship and advertising.

*Friends of the ABC* proposes that:

- Funding for the ABC should be provided by the federal government on a triennial basis. Additional funding should be provided to fully fund the ABC's transmission needs (with the government having sold Australia's national transmission service), and short-term and targeted funding used only to fund one-off costs, such as major technological change.
- A funding formula and mechanism should be introduced to ensure that the ABC is well funded by the federal government to fulfil its Charter obligations and well funded in comparison with the budget of Australia's strongest commercial broadcaster. It should ensure the national broadcaster's healthy operation does not depend on the good will of the government of the day and governments are unable to use funding (or the lack of it) as a means to erode the ABC or interfere in its independence.
- In the interim, sufficient government funds should be provided to restore ABC funding to at least its 1985-86 levels in real terms (1985-86 being the high point of ABC funding), with additional funding being provided to reflect the expansion of services which have arisen from technological change in broadcasting since that time.

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<sup>13</sup> Phase one of the ABC's digitisation cost \$110 million, of which the government contributed only \$20.8 million. In the May 2000 Budget the government provided only \$36.8 million, i.e., half of the funds required for phase two of the ABC's conversion to digital technology.

## **D. ABC Charter**

- . The ABC's Charter is a broad and encompassing document that has served the public well. It has allowed the ABC to deliver the breadth of programming and services required of a comprehensive public broadcaster.<sup>14</sup> It is inadequate funding which has limited the capacity of the national public broadcaster to fulfil its Charter responsibilities.

### ***Recommendation:***

- . The ABC's Charter should remain unchanged, and the broadcaster must be adequately funded to meet its Charter commitments.

## **E. National and Comprehensive**

- . The ABC has a responsibility to be a comprehensive broadcaster, catering for and reflecting the diversity of large and small communities of interest across all Australian states and regions. Yet without adequate funding, ABC national production is becoming increasingly centralised.

### ***Recommendation:***

- . The ABC should be funded and required to fulfil its role as a truly national broadcaster - with strong operations in every state and territory, reflecting and catering for the interests of a rich diversity of Australians.

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<sup>14</sup> For example, without the Charter specifically mentioning youth, the ABC was able to introduce Triple J, a youth-focused radio station.

## F. Australian Content Quotas

- . Quotas for the ABC, similar to the Australian content requirements imposed on commercial broadcasters, are being proposed in some quarters.
- . There has been no evidence produced to indicate that the ABC's failure to produce high levels of any important area of programming, such as Australian drama or documentary programs, is the result of a lack of will on the part of the ABC. On the contrary, with more funds, in the past the ABC's level of production in these important areas was greater than that of the commercial networks
- . The introduction of quotas would result in Charter areas which lack quotas being neglected in favour of areas for which quotas are introduced. All program areas left off the quota list (either deliberately or inadvertently) are likely to be disadvantaged in relation to those on it.
- . With insufficient funding for the whole of the ABC, a quota which protects one ABC programming area may result in disproportionate cuts to other important areas. It may also result in resources being unfairly drawn away from some networks, eg. from radio in favour of television.
- . Quotas are a form of political interference that compromises the ABC's independence. They are a backdoor way of targeting funds, and there is a real danger that sectional political interests, rather than considerations of public good, may influence their selection. The ABC Chairman and Board are appointed for their expertise in overseeing a public broadcaster, and it is they who must ensure the ABC adequately meets its Charter requirements. In any instance where this does not occur, the Board must be called upon to explain and account.
- . The ABC is the national broadcaster, and as such has a responsibility to promote Australian culture. Its production and broadcasting of Australian programs across all genres should be well in excess of the levels of commercial broadcasters. Yet, with the current trend of governments to provide the ABC with as little funding as possible, a minimum quota would be in danger of becoming the maximum in reality.
- . Quotas do not guarantee quality. Commercial broadcasters produce serial 'soapies' of dubious quality to help meet their Australian drama quotas. If the ABC's present light-weight Australian programming is any indication, a quota with insufficient funds would result in low quality programming which is cheap to produce.

### **Recommendation:**

- . No quotas for ABC programming should be introduced. Instead, the ABC should be adequately funded to fulfil its Charter responsibilities to a high standard.

## G. In-house Production

- . Since the Coalition Government came to office in 1996, it has exerted pressure on the ABC to outsource all production other than news and current affairs - in other words to become a broadcaster of other people's material.
- . It is the public's expectation that the national broadcaster produces the bulk of its Australian programming. The ABC was intended to be a producer, not simply a broadcaster of material of others. The ABC Act 1983 does not specify that the ABC is to be the producer of local programming it broadcasts, simply because it was taken for granted that this would occur.<sup>15</sup> Outsourcing had not become a consideration at that time.

The BBC was the model on which the ABC was based. Both were to be producers of local material, not simply broadcasters.<sup>16</sup>

The ABC already has high levels of outsourcing in television program genres outside news and current affairs. Any increase in outsourcing of ABC programming would be viewed by the community for what it is, a back-door privatisation of the ABC.

- . With secure ongoing funding and the synergies that result in a large and broad organisation, the ABC has greater capacity than commercial operators to provide a creative base, training and infrastructure to foster and develop production skills. Furthermore, the ABC has a Charter responsibility to be innovative. Risk-taking that results in edgy, polemical and provocative work, as opposed to formulaic programming, is less likely to occur in commercial operations lacking employment security and constrained by commercial imperatives.
- . There is the potential for the independence of ABC programming to be undermined by outsourcing. While ABC editorial guidelines are intended to apply to externally produced programmes, it is considerably more difficult to monitor adherence to, and enforce, the guidelines when dealing with commercial producers. (*Appendix D. 'Aunty 's Child Abuse - Active Kidz and the Australian Egg Corporation' provides one example of what can and does occur.*)
- . Although the government of the day and other bodies with commercial vested interests have at times argued for greater outsourcing of ABC television program production, no evidence has been provided to demonstrate the commercial sector is more cost-effective in program production. On the contrary, it could be assumed that with the ABC's sizable infrastructure and experienced staffing which needs to exist for basic ABC operations, the ABC would be the most cost-effective producer in any comparison of program production of equal quality.

While studies have found that outsourcing works in some areas, for example the delivery of simple services like garbage collection, they have also found that outsourcing does not always deliver a comparable level of quality or service and, even when it does, is not always more cost-effective. On the contrary when a product or service to be produced is more complex and requires greater oversight, it is not a simple process of awarding work to the cheapest bidder. Developing specifications, tendering, negotiating, monitoring and assessing can increase or duplicate work and add to the cost.

It is difficult to see how outsourcing ABC programming could be more cost-effective, given the level of input and control required of the ABC to achieve program quality and adherence to ABC editorial guidelines. There is no study that FABC is aware of that considers outsourcing in the Australian media industry.

- . It is an inappropriate use of public monies intended for the ABC to be used to fund the commercial production sector.

### **Recommendation:**

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<sup>15</sup> In the first Australian Broadcasting Commission Annual Report to Parliament 1933, the Commission distinguishes between the role of commissioners and the staff of the ABC: "The Commission has taken the view that the function of its Members - as distinct from that of its Staff - is to supervise rather than create programs ... The staff employed has had long experience with program building ..."

<sup>16</sup> An exception in early times, prior to the ABC developing resources to seek and produce the news, was the ABC's news service which comprised reading the news from the daily newspapers.

- . There should be no increase in the outsourcing of ABC programs, and the ABC should be funded to restore high levels of in-house production.
- . Any funds provided to the commercial production sector should be separate and in addition to the funding of the ABC.

## H. Measuring the ABC's Efficiency

- . Efficiency cannot be assessed simply on the basis of cost analysis. Integral to measuring the ABC's 'efficiency' is consideration of its effectiveness in meeting its requirements to be an independent national broadcaster and fulfilling its Charter responsibilities, which include the need to: be 'comprehensive', 'innovative' and to provide services 'of a high standard'; broadcast programs that 'contribute to a sense of national identity and inform and entertain, and reflect cultural diversity of the Australian community'; 'broadcast programs of an educational nature'; and 'encourage and promote the musical, dramatic and other performing arts in Australia'.

Furthermore, other important services the ABC provides in undertaking the production and broadcasting of programs need to be taken account of in any measurement of its efficiency. For example, the ABC has played an important role in the training and development of staff who have gone on to make an important contribution in the commercial media sector and a range of areas in Australia's art and culture sector.

- . Ratings are an inappropriate measure of the success of ABC programming.

Ratings measurements are relevant to commercial broadcasters who on any single program need to deliver maximum audiences to the advertisers who sponsor their programs.

The ABC has a responsibility to be a broadcaster that is independent, comprehensive and national. It is not intended that every Australian, or even each person in a given capital city, should want to access the same ABC program or service. Even in meeting its Charter requirement to provide a balance between 'specialized' programs and programs of 'wide appeal', the ABC is not required to achieve at one time the maximum audience possible.

Seeking to achieve maximum audience size across single programs results in programs being produced to appeal to the lowest common denominator. The ABC's move toward judging itself by ratings is resulting in increased lightweight programming and the distinctive character of ABC programming being eroded.

In addition to ratings being irrelevant as a measurement of how effectively the ABC is fulfilling its functions, they are unreliable. They take no account of the level of viewer attention which is/is not occurring when a television is in 'on' mode. *Friends of the ABC* is yet to come across anyone who, having declared themselves at the first phone interview as solely an ABC or ABC/SBS listener and viewer, is followed up to place a recording device on their television.

- . *Friends of the ABC* believes that commercial operations outside the ABC hire some ABC resources and staffing. Little is known publicly about these revenue-raising activities of the ABC. FABC does not know if it occurs at the expense of work that should be undertaken by the ABC for itself, and if the beneficiary of such transactions is the ABC or commercial operations benefiting from public resources.

### **Recommendations:**

- . Consideration of the quality of ABC programs should be an inseparable component of measuring the ABC's efficiency
- . Consideration of the quality of programs should be made with input from audiences to which the program is aimed, and peers and people/organisations with expertise relevant to each service or program genre.
- . The ABC's role in training and developing staff for itself and the media and arts industry

- must be taken into account in any measurement of efficiency.
- . Ratings should not be used as an indicator of ABC efficiency and effectiveness.
  - . In assessing the effectiveness of the ABC, audience reach should be considered (i.e., the extent to which the ABC caters for all groups in the community), as well as the frequency with which all Australians access the ABC (i.e., any program or service).
  - . The cost-effectiveness of any work which is presently outsourced should be compared with that of the ABC providing the service in-house.
- . The extent to which ABC resources are being used by external commercial operations should be investigated to ensure that these arrangements are not resulting in resources being utilised by external commercial operations at the expense of ABC program-making and broadcasting, and that commercial parties in receipt of any services from the ABC are not, in effect, being subsidised from the public purse.

### **Appendices:**

- A. Information sheet on *Friends of the ABC*
- B. FABC letter to ABC Board 4.6.04 re ABC Children's Programming
- C. FABC letter to ABC Board 1.7.2003 re ABC commercial activities - ABC magazines
- D. 'Aunty 's Child Abuse - Active Kidz and the Australian Egg Corporation'

Submission to the ABC Funding Adequacy and Efficiency Review, December 2005  
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## **SUBMISSION TO ABC FUNDING ADEQUACY AND EFFICIENCY REVIEW**

### **About Film Australia**

Film Australia is one of the nation's largest producers of television documentaries and educational programs. An Australian Government-owned company, Film Australia's mission is to create an audio-visual record of Australian life.

Film Australia produces programs under the National Interest Program, the Australian History Initiative and the Education Production Initiative. We are the executive producer of these productions, drawing the creative and technical talent needed to produce them from Australia's independent documentary production industry.

We also provide support to the Australian documentary and independent production sector through a range of services and facilities, under our community service obligations.

Film Australia works with the ABC through production and distribution including:

- Output agreement with ABC Television for up to 10 hours a year of documentary produced under the National Interest Program
- Retail distribution agreement with ABC Enterprises, giving first look to Film Australia productions
- Co-production with ABC New Media and Digital Services.

Film Australia is committed to supporting a healthy documentary sector through maximising opportunities for local production. It therefore seeks to offer the following comments on the following points under review:

**Current state of the national and international market in which the ABC operates for acquiring and selling programming AND  
Impact of changing industry costs**

### ***Documentary production in Australia***

**A robust documentary sector has always been critical to the health and development of the Australian screen industries.**

However, the Australian documentary industry is in gridlock, with limited growth over past years<sup>17</sup>, and the relevance of traditional documentary

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<sup>17</sup> In 2002-03 Australia produced 156 documentaries (as defined by Australian Content Standard) making up 201 hours and valued at \$51.1 million. This is less than the annual average 1996-2003 of 191 documentaries (264 hours) valued at \$55.9 million.  
Source: *Australian Film Commission*.

making is threatened by changes in audience and market demand, shaped by developments of new outlets and the explosive growth of specialist factual programming for television particularly in North America and Europe.

Technology has made documentary making available to everyone. The proliferation of handycams and cost effectiveness of computer editing programs has changed the expectation of audiences, eroding the conventional territory of documentary storyteller. Audiences are seeking something different - big budgets, dramatic interpretations, graphic realisations, and extraordinary narratives.

The traditional social/observational documentary maker in Australia remains reliant on government funding, delivered on a project-by-project basis. This funding (with the exception of the additional funding for the Film Australia History Initiative from 2005-06) has remained largely static since 1995, and limits the ability of Australian documentary makers to work in new formats and at international standard.

The sector is further constrained by the project based nature of funding to grow and develop small to medium enterprises to sustain ongoing work, create brand reputation, develop relationships with markets, especially international, and take advantage of new digital platforms for delivery of factual and documentary content.

The ability of agencies (such as the ABC) is limited in opportunities to train filmmakers in editorial and narrative through ongoing, fast turn around and in-house production.

These factors pose a real threat to the long-term capability of the sector.

### **Documentary production and ABC Television**

Given the charter responsibilities of the ABC, to inform and entertain, contribute to the national identity, and reflect the cultural diversity of the nation, it is vital that it maintains its capacity to commission and produce high-quality documentaries.

Good documentaries, not only inform and entertain, and provide consideration and context for matters of national and international interest.

Despite growing interest in theatrical documentaries and increase in documentary channels on pay TV, the public broadcasters (ABC and SBS) remain the primary outlets for social/observational documentary maker in Australia. The ABC broadcast 52 hours of first release Australian documentary in 2004-05.<sup>18</sup> Of these hours about 20 were produced by independent documentary makers.<sup>19</sup>

This is well in advance of the commercial broadcasters, which are required to broadcast a minimum of 20 hours of first release documentary programs.<sup>20</sup>

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<sup>18</sup> ABC Annual Report 2004-05

<sup>19</sup> Michael Ward, A/g Director of ABC Television, evidence at Senate Estimates Hansard, Senate Estimates, 31 October 2005.

<sup>20</sup> Until recently, most commercial broadcasters have met the minimum requirement for Australian documentaries. However in 2004-05 channel seven increased its hours through

In the early 1990s the ABC introduced a policy to quarantine budget for about 40 pre-sales a year for outsourced documentary production. This policy had a profound effect on the documentary sector in Australia and ensured that at least a minimum of documentary production is made with the independent production sector each year.

More importantly, this policy of quarantined outsourced production has had a profound impact on the formation of a documentary sector in Australia, creating a base line of independent production in Australia.

It is therefore crucial that the ABC continues to have the capacity to support independent production of documentaries, through commissioning that reflect a diversity of program making, and through the development of dedicated documentary strands in the schedule.

The ABC's role in training and development of documentary makers is also crucial to the ongoing viability of the sector.

Therefore Film Australia believes it is critical that the ABC be adequately resourced to commission quality Australian documentary and:

- That the ABC maintain its policy of quarantining funding for outsourced documentary production,
- That the ABC maintain a dedicated documentary slot on either ABC main channel or ABC2
- That the ABC be funded adequately to perform its essential training and development role for the documentary sector, and the industry as a whole

This will ensure the ABC is able to underpin growth in the Australian documentary sector, ensuring essential skill development and the ability to meet audience demands.

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broadcast of several popular series, which demonstrate audience interest in "reality based" programming that draws on documentary makers skills, and reality format techniques.

