

From: Lois Goodram  
Sent: Sunday, 4 December 2005 8:06 PM  
To: ABC-Review, ABC-Review

Without the ABC where would I go for independent and erudite presentation of world news ? Where would I get a balanced overview of Australian culture ? I have immense pride in the service it provides us. Nurture it.

Lois Goodram

From: Lorelie Tacoma  
Sent: Tuesday, 29 November 2005 1:08 AM  
To: ABC-Review, ABC-Review  
Subject: ABC REVIEW

As a Friend of the ABC and a devoted listener since 1955 (as an adult) and from 1946 (as a child) I think the ABC is doing a fine job despite its funding cuts.

Funding to the ABC is money well spent as it helps enormously to educate, inform and entertain the general public in the most subtle way.

I am now 71 and rely on the ABC to keep me up to date in current affairs, cultural affairs and general information. However, I experience complete dismay when everything is cancelled for the CRICKET! Why does cricket have to take precedence over every other programme? Last week cricket was on when I woke in the morning and it was still on when I went to bed. Does it never stop?

I have long ago cancelled Saturday after 10 a.m. on radio because of sports. Surely sport can be diluted, condensed or sent to another station. Every newscast carries a sports update. I feel that is quite enough.

Regarding television, it saddens me to see ABC precious funding being spent on ridiculous, poor British comedy which is crude and not funny. There are also too many silly panel shows which are cheap to produce but not very thought provoking or interesting.

Shows like TALKING HEADS which I imagine are not too expensive to produce are much more acceptable. So is SECOND OPINION.

Long may the ABC continue without commercials!

Thank you for your consideration of my opinions.

Yours sincerely,

Lorelie Tacoma.

From: Michal Bosworth  
Sent: Sunday, 27 November 2005 2:33 PM  
To: ABC-Review, ABC-Review  
Subject: review of the ABC

I am writing in support of the Australian Broadcasting Commission in the hope that the government will not pursue a policy of cutting our public broadcaster even further. I am interested mainly in radio which is already suffering the result of a thousand cuts as can be heard by the number of repeated programs on radio National. Now I understand that the Arts program on Sunday is to be axed, which is indeed a sad step. I think the reviewers ought to ask themselves if we want to go the way of the United States where PBL has to advertise for money, for donations from its listeners. I trust that this kind of future is not on the table for our ABC. I think you also should remember that country Australia has few consistently worthwhile cultural outlets. The ABC does continue to provide fine music and intelligent broadcasting. Those of us who have grown up with the ABC, radio and television, would be outraged to hear that government no longer values its services. It would indeed be a sad day for Australia if our national broadcaster were to be penalised because of some political ideology that fears public investment in the media.

Michal Bosworth

From: Margaret Donovan  
Sent: Monday, 28 November 2005 10:10 AM  
To: ABC-Review, ABC-Review  
Subject: ABC Review

The ABC plays an essential role in Australian society.

It is our only source of news and current affairs that is independent of big corporations, and that consistently provides balance and depth analysis of the issues.

It addresses the needs of the whole range of Australian society, whereas commercial radio and TV are aimed only towards the mainstream majority.

It fulfills a vital role for rural Australia.

It provides quality home grown programming, although this has been seriously curtailed by huge reductions in funding.

It is a core component of our national identity and a pillar of our democracy.

It uses its limited funding with remarkable efficiency.

We need a properly and securely funded ABC with built-in protections from political interference. I trust that this review will recommend a secure and independent ABC.

Margaret Donovan

**SUBMISSION**

**BY**

**MEDIA, ENTERTAINMENT & ARTS ALLIANCE**

**TO**

**DEPARTMENT OF COMMUNICATIONS INFORMATION TECHNOLOGY AND THE  
ARTS**

**ABC FUNDING ADEQUACY AND EFFICIENCY REVIEW**

**NOVEMBER 2005**

**Media, Entertainment & Arts Alliance**

The Media, Entertainment and Arts Alliance (Alliance) is the industrial and professional organisation representing the people who work in Australia's media and entertainment industries. Its membership includes journalists, artists, photographers, performers, symphony orchestra musicians and film, television and performing arts technicians.

## Introduction

The Media, Entertainment and Arts Alliance appreciates the opportunity to make a submission to the ABC Funding Adequacy and Efficiency Review being conducted by the Department of Communications Information Technology and the Arts.

As we entered the digital century, countries around the world reviewed the role of public broadcasting and reached the same conclusion – the role of public broadcasters is becoming more, not less, important.

Freedom of speech and cultural expression is a fundamental human right and a cornerstone of democracy. During the last century, television broadcasting established itself as the most pervasive and invasive of media. In 1978, the then Minister for Posts and Telecommunications, Hon. Tony Staley, noted, “It projects, influences and reflects socio-cultural values and opinions to an extent unrivalled by any other medium.”<sup>1</sup>

In that context, the role of public broadcasters has been a crucial one, ensuring universal access, diversity of programming and catering to niche interests. Conversely, commercial free-to-air broadcasters are in the business, not of broadcasting programs, but of producing audiences. Their role is to sell advertising space and to that end their success is measured by the extent to which they are able to maximise audiences, earn revenue and deliver returns to shareholders. Consequently, commercial broadcasters seek to attract the largest audiences at the lowest cost. As David Gonski commented, “Government involvement in television broadcasting is therefore required to ensure that Australian audiences have access to the diverse slate of programming considered necessary to achieve its cultural objectives”.<sup>2</sup>

The Australian Broadcasting Corporation has a vital and on-going role in ensuring equal access, free at the point of entry, for all Australians, to diverse high quality programs that reflect the national identity and that inform the nation, free from political or private sector influence. The ABC is able to set standards and take risks and, in so doing, enhance broadcasting standards as a whole.

However, the Alliance believes that the ABC is not currently adequately resourced to fulfil its charter obligations. Unless this situation is rectified as a matter of urgency, it will have repercussions that could last for generations.

The ABC provides a comprehensive national television and radio broadcasting and online service on a budget approximately two-thirds that of the average Australian commercial television station.

Its budget has declined by approximately 25 per cent in real terms over the past two decades.

In a study of public broadcasting released in 2001, the OECD found that “In terms of dollars per head of population, for example, the BBC’s budget was about 2.5 times the ABC’s,”<sup>3</sup> the second lowest of the 17 countries surveyed.

Unsurprisingly, the ABC has had to respond to budget constraints by producing less of those programs that are the most expensive to produce, specifically drama programs. This year the ABC will produce and broadcast only 20 hours of adult drama, down from 260 hours of drama programming in 1996-1997.

Notwithstanding the financial constraints within which the ABC operates, the Australian community rates its services very highly. 74% of Australians consider that ABC Television does a good job in terms of the number of shows it provides that they personally like to watch, compared with 47% in respect of the commercial television broadcasters.

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<sup>1</sup> Minister for Posts and Telecommunications, Hon. Tony Staley, House of Representatives, cited in the Productivity Commission Review of Broadcasting, Report No. 11, 3 March 2000, page 381.

<sup>2</sup> *Review of Commonwealth Assistance to the Film Industry*, David Gonski, January 1997, p19

<sup>3</sup> OECD Communications Outlook 2001 cited in *How Australia Compares*, Rodney Tiffen and Ross Gittens, Cambridge University Press, 2004, page 187.

93% of those who use the ABC's website rate it as good and only two percent rate it as poor. The figures speak for themselves. Australians value the ABC.

The ABC should be taking a leading role in digital free-to-air broadcasting. However, without new funds it will be unable to do so. This was amply demonstrated with the short-lived *ABC Kids* and *Fly* and can be seen in the very low level of new programming on ABC2.

Were the ABC able to take a leading role in digital television and offer audiences a diverse range of new Australian programs not elsewhere available free-to-air, the ABC would be able to play a key role in driving the take-up of digital services.

The results of declining funding in real terms that the ABC has sustained over the past two decades is also manifesting itself in skills shortages in the industry more generally. Once the principal training ground in the industry, the on-the-job training available at the ABC that nurtured producers, writers, directors and technicians has evaporated with consequences for the commercial broadcasting sector and the film industry more broadly.

In 2002, the Macquarie Bank found that additional funding of between \$200 and \$700 million per year was needed to bring ABC funding in line with its international peers and since that time the BBC, for instance, has received further increases in its funding to accommodate the financing of additional programs for its range of digital services.

In short, the ABC needs to be adequately resourced if it is to assume the flagship position it is capable of assuming, meet the challenges posed by changing technology at a time of dramatic changes in the media landscape and, most importantly, fulfil its charter obligations, particularly in respect of providing services "that are comprehensive, innovative and of a high standard, that inform and entertain and which contribute to national identity and reflect the cultural diversity of the nation ... and encourage and promote the performing arts in Australia."

## **The ABC from inception to 2005**

Throughout the twentieth century, successive Federal Governments “sought to harness the power of broadcasting to achieve social, cultural and educational objectives, and to minimise its scope to do harm, particularly to children”<sup>4</sup>.

Radio was introduced to Australia in 1923 and over the course of the century developed from the crystal set to the walkman, from a delivery platform that dominated the lounge room where family members gathered to listen in silence to a delivery platform as mobile as the listener with the ABC now enabling the listener to “tune in” at a time of their own choosing with pod-casts down-loaded to the listener’s iPod.

Prime Minister Joseph Lyons inaugurated the Australian Broadcasting Commission on 1 July 1932. With 12 radio stations, the ABC from the outset broadcast a wide range of programs. While almost half of all programming was music, drama was performed live with all 36 of Shakespeare’s plays being produced and broadcast between 1936 and 1938. Support for Australian artists was a priority with competitions to encourage Australian dramatists commencing in 1934 and the establishment of studio broadcasting orchestras in all states commencing in 1936.

The first journalist was hired in 1934 and the first Federal News Editor in 1936.

Australia’s first short wave radio broadcasts overseas were in 1939, firstly to Papua New Guinea and the Pacific and then, as war engulfed Europe, *Australia Calling* sent wartime message in several languages. When Japan entered the war, *Australia Calling* broadcast to Australian troops both in Europe and in the countries to our north.

The *Australian Broadcasting Act* was passed in 1942. After the war, the ABC expanded its news department and in 1947 its independent national news service was inaugurated.

Amendments to the *Broadcasting Act* in 1948 changed the finance base for the ABC from reliance on licence fees to government appropriation.

The following year, Prime Minister Chifley committed the Government to introducing television. The incoming coalition Government under Prime Minister Menzies approved the ABC’s request to plan a television station in Sydney. In 1953, a *Television Act* was introduced that provided for a national network of television channels and the issuing of licences to commercial stations. The Royal Commission established to consider the implementation of the Act recommended that two commercial licences be allowed in both Sydney and Melbourne as the first two cities to receive television.

TCN-9 was the first to broadcast television in Australia in September 1956, followed in November by the ABC, just in time for the coverage of the 1956 Melbourne Olympic Games. From 1960, the ABC broadcast to all states.

The 1990s saw the introduction and burgeoning of the internet. The ABC acted quickly to establish a web presence that is arguably one of the most sophisticated media web sites in the world. Its audience appeal is evident from its usage. In May 1999, there were 2.5 million page impressions weekly. Two years later the figure was 10 million impressions weekly. By 2005, ABC Online had grown to more than 1.7 million pages of content, reaching an average 1.4 million Australian internet users monthly.

By 2000, the ABC network comprised four national radio services, one national television service, nine metropolitan and 39 regional radio stations.

The 21<sup>st</sup> century started with another significant milestone in the history of television broadcasting with the five free-to-air broadcasters (the three commercial broadcasters and the two public broadcasters) commencing digital transmission in the five metropolitan markets, obliged by legislation to extend digital broadcasting to regional markets by January 2004.

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<sup>4</sup> Broadcasting Inquiry Report, Productivity Commission, Report No 11, 3 March 2000, page 7.

Now, half way through the first decade of the 21<sup>st</sup> century, the ABC is operating in a media environment unimaginable when Australians first tuned into a wireless channel.

As noted in the Introduction, today, operating on a budget a mere two-thirds that of the average Australian commercial television broadcaster, the ABC provides two television networks, four national radio networks, three internet radio stations, ABC Online and Radio Australia.

ABC Television is a national television service, broadcast free-to-air in analogue and digital and available on subscription platforms. ABC2 is a digital service available free-to-air and on subscription platforms. The national radio network comprises Radio National, ABC Classic FM, *triple j* and ABC NewsRadio. A further 60 local radio stations are available around the country and the ABC now has three internet music-based services – *dig*, *digJAZZ* and *digCOUNTRY*. ABC Online contains 1.7 million pages of content including content designed for broadband delivery. ABC services are also available via WAP, SMS and i-mode. Its international radio service, Radio Australia, can be received by short wave, satellite and rebroadcast arrangements in Asia and the Pacific. The international television and online service, ABC Asia Pacific, is available via satellite and rebroadcast arrangements in Asia and the Pacific.<sup>5</sup>

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<sup>5</sup> Annual Report 2005, Australian Broadcasting Corporation, available online at [www.abc.net.au](http://www.abc.net.au).

## The Case for Public Broadcasting

In 1999, the Federal Government commissioned the Productivity Commission to review broadcasting and what resulted was the first comprehensive analysis of broadcasting ever undertaken in Australia. Australia was not alone. The United Kingdom, Canada and New Zealand, amongst others, reviewed the role of broadcasting and the intersection between public broadcasting and commercial broadcasting.

Increasing so-called globalisation, the proliferation of delivery platforms, the impact of the internet and the roll-out of digital services all combined to prompt serious analysis of media long taken for granted.

Much airspace has been given to the role of public broadcasting and whether the wide-ranging changes in broadcasting that will increasingly transform the landscape will render such services irrelevant.

- We remain committed to ensuring that public service TV channels are available to everyone, as now, free at the point of consumption, both before and after the switchover from analogue to digital television.
- We will maintain and extend obligations to secure the carriage of public service channels over cable and satellite.
- We will give OFCOM powers to ensure that public service broadcasting channels are given due prominence on devices such as electronic programme guides and that access to them is easy.
- We will continue to support the universal availability of BBC radio services and the widest access to commercial radio channels.
- We will continue to ensure that those telephone services which are used by the majority, and are essential to full social and economic inclusion, are made available to everybody on reasonable request, at an affordable price.
- We aim to achieve universal access to the Internet by 2005.
- We will retain and strengthen the regional dimension to public service broadcasting, and ensure that public service broadcasting continues to meet the needs of different communities and cultural interests.
- Public service broadcasting will continue to have a key role to play in the digital future, potentially an even more important role than it has now.<sup>6</sup>

Communications White Paper, *A New Future for Communications*  
United Kingdom Departments of Trade and Industry and Culture, Media and Sport

The 20<sup>th</sup> century opened with cinema capturing the public imagination. At first a novelty, people quickly grasped the potential of the medium – to convey information, to disseminate information to audiences, audiences that were to be larger and communicated with both more quickly and more widely than had previously been the case with the printed word. And to entertain – to tell stories and to see their stories reflected back.

Broadcasting fuelled the democratic explosion of information and entertainment.

At the beginning of 21st century, there were approximately 1.5 billion television sets and 2.5 billion radios world wide.

The printed word, film, television and radio allow people to measure themselves against a wider universe. Access to information is a key driver of democracy. For democracies to thrive and flourish, it is essential that access is free for all. It should neither be restricted by governments nor controlled or dominated by the private sector.

Restricting access to information is a critical tool in the armoury of authoritarian regimes.

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<sup>6</sup> Executive Summary, Communications White Paper, *A New Future for Communications*, pages 1 and 2, available online at [www.communicationswhitepaper.gov.uk](http://www.communicationswhitepaper.gov.uk).

If information is transformed from freedom into power, corrective measures – entrusted to laws and to nation states – become necessary.

Public broadcasting radio and television networks in Europe have the essential function of guaranteeing pluralism and giving substance to the right to information. This is the solemn pronouncement of the European Union's Amsterdam Protocol.

Roberto Zaccaria, Chairman RAI<sup>7</sup>

Public broadcasting is the mechanism by which nation states are able to ensure access for all. Public broadcasting is to this medium what public lending libraries are for the printed word – guaranteeing availability of a diversity of material and access, free at the point of entry, to the highest quality books or programs.

In 1853, the first government-maintained free library was established in Australia. In 1859, it became the Public Library of Victoria. In New South Wales, the Australian Subscription Library, established in 1826, became the Sydney Free Library in 1869, and today is known as the State Library of New South Wales.

Conversely, in broadcasting, successive federal governments have been “in on the ground”, able to respond to changes and developments in broadcasting, protecting the public interest and guaranteeing public access by way of legislation, in advance of the implementation of such changes and developments.

Public broadcasting has developed around the world in a number of different ways. In much of the developed world – other than in the United States – “the architecture and values of public broadcasting were set in an environment of limited or no competition”<sup>8</sup>.

In Australia, public broadcasting developed within the context of a two tier broadcasting system with limited competition. The ABC was inaugurated at a time when a healthy but small commercial radio broadcasting framework was already established and ABC Television was broadcasting within months of the first commercial broadcast.

The stand-out exception was Canada where the proximity of the American border to so many of its population centres made the environment in which it approached broadcasting regulation a unique case.

“European public broadcasters followed the CBC's progress in this very tough market for years, thinking how lucky we were that geography had not placed us so close to so much competition and such a powerful cultural influence.

“Well, the technology is seeing to that. We all live around the Great Lakes now – and though the lakes may be virtual, the impact on audiences is real.”<sup>9</sup>

Like European countries, the impact of technology is bringing the United States ever further into our broadcasting hemisphere. Whilst Australians have consumed a regular diet of American television since the advent of commercial television, without appropriate content regulation and a healthy public broadcasting system, the introduction of pay television and the services that will roll out in coming years could impact in ways that might well be starkly reminiscent of the collapse of the Australian feature film industry in the 1930s. When access to distribution was wiped out, Australian content on Australian cinema screens – other than the newsreels – disappeared for more than three decades.

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<sup>7</sup> Roberto Zaccaria, Chairman Radiotelevisione Italiana, speaking at the United National World Television Forum 2000, [TV@GLOBE//adding values in the digital era](#), November 2000, Final Report, page 17

<sup>8</sup> *Why public service TV has to change*, speech given by Mark Thompson, Director of BBC Television, Banff, June 12, 2000, available online at [www.bbc.co.uk](http://www.bbc.co.uk)

<sup>9</sup> Ibid.

We need public libraries of the air waves – inclusive channels, which provide variety, high quality, distinctive programming, which inform, entertain, educate and challenge, and which support and stimulate the diversity of the United Kingdom in a way which underpins and provides a unifying voice for the nation.

The Hon Chris Smith, UK Secretary of State for Culture, Media and Sport<sup>10</sup>

### Quality public broadcasting

In 1999, McKinsey & Company surveyed public service broadcasters around the world for the BBC. Discussing the results of that survey in his address, *Putting Quality First*, delivered to the Business/Higher Education Roundtable on 9 August 2000, ABC Chair, Donald McDonald summarised the McKinsey Report findings in this way:

- Public Service Broadcasters are probably more relevant than ever before;
- the best broadcasters are those which are truly the most distinctive and those that popularise new program formats;
- those with a clear mission or distinctive programming – a recognisable brand if you like – are likely to be most effective;
- the most successful are modernising their operations, reducing overheads and looking for new areas of activity as the market changes;
- and the better the quality of the public Broadcaster the better will be the quality of the country's broadcasting system in general.<sup>11</sup>

It can easily be argued that the ABC has, in the past, scored well against the above measures.

Ratings are of course one measure but, for a public broadcaster with its specific remit, ratings are not the only measure.

That the ABC has captured a place in the public imagining is demonstrated time and again. In 1996, the Mansfield Report noted the astonishing levels of public support for the ABC. The review attracted an unprecedented level of submissions – some 10,600. By way of comparison, most Government inquiries receive less than 100 formal submissions. Even the current hotly debated Inquiry into the Workplace Relations (WorkChoice) Bill, which prompted some 5,200 submissions, cannot compare with the public interest the Mansfield Inquiry generated.

The most recent Newspoll ABC Appreciation Survey found that nine in ten Australians “continue to believe the ABC provides a ‘valuable’ service to the community, including 47 percent who regard it as being ‘very valuable’”<sup>12</sup>. Somewhat extraordinarily, “61 percent of non-users believe it is ‘valuable’” (including 18 percent who consider it to be “very valuable”).<sup>13</sup> It is difficult to think of many other services that non-users would feel confident in rating as valuable or very valuable.

Consistently, the ABC has been at the cutting edge of program development, making the good popular and the popular good.

ABC television drama programs proved as popular as their predecessors on radio such as *The Lawsons* and the long running *Blue Hills* – from *Bell Bird* to *Certain Women*, *Mother and Son*, *G.P.*, *Phoenix*, *Janus*, *Wildside*, *White Collar Blue*, *SeaChange* and *Grass Roots*. ABC mini-series have provided some of the most memorable television viewing experiences in Australia. Programs from *Seven Little Australians*, and *The Timeless Land to Come in Spinner*, *The True Believers*, *Police State*, *Bordertown*,

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<sup>10</sup> Public Service Broadcasting for Digital Citizenship, Smith Institute Speech, 11 July, 2000, delivered by the Hon Chris Smith, UK Secretary of State for Culture, Media and Sport, available online at [www.culture.gov.uk](http://www.culture.gov.uk).

<sup>11</sup> Available online at [www.abc.net.au](http://www.abc.net.au).

<sup>12</sup> *ABC Appreciation Survey – Summary Report*, Newspoll Market Research, June 2005, page 11, available online at [www.abc.net.au](http://www.abc.net.au).

<sup>13</sup> *ABC Appreciation Survey – Summary Report*, Newspoll Market Research, June 2005, page 11, available online at [www.abc.net.au](http://www.abc.net.au).

*Brides of Christ*, *The Leaving of Liverpool* and *Changi* have shown Australian audiences Australian stories.

[public] broadcasting should challenge and form taste as well as satisfy demand. Strange new lines of inquiry may be opened up after a broadcast opens a door. The market cannot do this – since the consumer cannot demand to go through a door that he or she does not even know exists in advance ... I do believe that from time to time all public service broadcasters should aim slightly above our sightlines, should lift our eyes up, should enable us to experience something new and different and perhaps at times a little difficult. In a world of niche channels and almost infinite choice this role of surprising us and uplifting us remains a vital one.

The Hon Chris Smith, UK Secretary of State for Culture, Media and Sport<sup>14</sup>

It is easy to forget just how significant ABC drama programs have been in the history of television drama in Australia. For instance, the series *Bellbird* was a truly radical departure from the programming of the day. “A close relation of radio’s *Bluehills*, it was Australia’s **first** stripped serial (programmed across successive nights) playing at 6.40pm Monday to Thursday, and was the **first** Australian program to establish a loyal TV serial audience”<sup>15</sup> [emphasis added]. It ran for just over ten years.

The cutting edge drama programs like *Scales of Justice* (1983), sensational at the time, exploring as it did police corruption, paved the way for the truly groundbreaking dramas (based on real events) of *Police State* (1989), *Police Crop – The Winchester Conspiracy* (1990), *Joh’s Jury* (1993) and the mini-series *Blue Murder* (1995). Such was the power of these programs that *Police Crop – The Winchester Conspiracy*, although rating highly around the country, has yet to be screened in New South Wales, the subject state of the program.

The ABC’s track record in comedy programming speaks for itself, pushing the boundaries, its initiatives in programming being “copied” or acquired by the commercial networks.

*Da Kath and Kim Code*, which screened on 27 November 2005, scored an average audience of 2.1 million across the five capital cities, peaking at 2.4 million viewers.<sup>16</sup> As David Dale, writing in the *Sydney Morning Herald* put it, “What an irony. If the ABC had shown Sunday’s Kath and Kim movie a day earlier, the network would have had the year’s most watched Australian drama. But because *Da Kath and Kim Code* was shown outside the official ratings period, its audience ... will be just a footnote to a ratings year in which the top Australian drama is registered as Nine’s *Little Oberon*, with 1.54 million.”<sup>17</sup>

But with the series being the highest rating Australian comedy for the third consecutive year, its place in the minds of those audiences is much more than a footnote. Sold internationally including to the United States and the United Kingdom, it has been nominated in this year’s British Comedy Award’s international category, alongside *The Simpsons*.<sup>18</sup>

The ABC has produced some of the highest quality and most enduring children’s programs in the history of Australian television, from *Mr Squiggle* to *Playschool* and *Bananas in Pyjamas*. And for school age children, *Behind the News* was viewed in schools across the country until budget constraints saw it dropped from the schedule to be subsequently picked up successfully by Network Ten as *Behind*

<sup>14</sup> The Hon Chris Smith, UK Secretary of State for Culture, Media and Sport, address to the Smith Institute on 11 July 2000, available online at [www.culture.gov.uk](http://www.culture.gov.uk)

<sup>15</sup> *The ABC of Drama 1975 – 1990*, Elizaeth Jacka, Australian Film Television and Radio School, 1991, page 17.

<sup>16</sup> *2m watch Kath and Kim telemovie*, 28 November 2005, see online at <http://finance.news.com.au/story/0,10166,17389465-31037,00.html>.

<sup>17</sup> *Noice... Kath and Kim win 2005*, David Dale, *Sydney Morning Herald*, 28 November 2005, <http://www.smh.com.au/news/tv--radio/noice-kath-and-kim-win-2005/2005/11/28/1133026380292.html>.

<sup>18</sup> *2m watch Kath and Kim telemovie*, 28 November 2005, see online at <http://finance.news.com.au/story/0,10166,17389465-31037,00.html>.

*Ten News*. Fortunately, *Behind the News* is now again part of ABC TV's programming for school-aged children, backed up with comprehensive materials available on ABC Online.

In news and current affairs the ABC has positioned itself as the network – radio, television and online – to whom Australians turn for fair, informed, current, accurate and impartial reporting and commentary. ABC Radio National offers possibly the most comprehensive news and current affairs programming to be found on any radio station anywhere in the world.

The sheer longevity of some of the ABC's programming is testimony to the fact that they have succeeded in making the good popular – *AM*, *PM*, *The Science Show*, *Singers of Renown*, *Four Corners*, *The 7.30 Report* and *Lateline* to name just a handful.

I don't want to exaggerate, but this globalisation of the media by additional technology is also a kind of colonialism, as happened after the industrial revolution ... It's exactly the same procedure: enhancing markets, enhancing economical and mental influence, enhancing a particular way of life and spreading it all over the globe. Therefore and by all means of distribution of public broadcasting, mass communication is public responsibility and has to balance this global infiltration as an alternative offer at least, giving the people in their near vicinity of societies, in their national and historical context, in the national environment, what they really need to exist in human dignity.

Albert Scharf, Director-General Bavarian Broadcasting Corporation;  
President European Broadcasting Union – EBU<sup>19</sup>

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<sup>19</sup> Albert Scharf, speaking at United Nations World Television Forum 2000, 16-17 November 2000, reproduced in the Final Report, page 56

## The case for funding for success and growth

While the ABC has demonstrated it is competent and capable of fulfilling the obligations and responsibilities set out in its charter, it can do so only if the commitment to public broadcasting is matched by adequate funding.

The ABC is currently underfunded.

In September 1999, Donald McDonald compared the funding of the ABC with that of the BBC:

“... it is worth noting that in this year [1999/2000] the Government will provide the ABC with some \$574 million to enable the Corporation to carry out its Charter responsibilities. Certainly a substantial investment of public funds and of public trust, but if you like comparisons you might bear in mind the BBC’s licence fee funds alone of GBP2.2 billion (\$A5,360 million), over 9 times as much, and a dramatically different geographical spread of services and responsibilities.”<sup>20</sup>

In March 2001, Jonathan Shier made the point, referring to the McKinsey funding analysis of major public broadcasting systems, that, despite the greatly enhanced level of funding available to the BBC when compared with the ABC, the BBC ranked only eighth out of 19 countries. “Per capita, Denmark’s spending on public broadcasting is almost two and a half times greater than in Britain.”<sup>21</sup> Australia ranked 13<sup>th</sup>, just ahead of Portugal and South Africa.

Between the years 1996–1997 and 1999–2000, the ABC increased its local content hours from 5,111 to 5,147 – from 57 per cent of total airtime to 59 per cent. However, during the same period drama output declined by 43 per cent, from 260 hours in 1996-1997 to 147 hours in 1999-2000. In 1996-1997, Australian drama comprised 45 per cent of all drama broadcast on the ABC. By 1999-2000, Australian drama had plummeted to 24 per cent with 76 per cent from overseas.

While Australian drama hours constitute a relatively small part of the ABC’s output, given their cost, drama remains the largest single area of ABC Television production expenditure after news and current affairs, making it the easiest programming area to cut.

However, broadcasting quality first release Australian drama is crucial to the ABC’s overall program output if it is to “provide within Australia innovative and comprehensive broadcasting services of a high standard ... broadcasting programs that contribute to a sense of national identity” and “entertain, and reflect the cultural diversity of the Australian community”<sup>22</sup>, in accordance with the its charter obligations.

The downward trend continues today with drama hours plummeting.

During 2004-2005, the three commercial free-to-air broadcasters invested \$102.4 million in Australian television drama programs, an overall increase of six per cent on the previous year. By way of contrast, the ABC was able to spend a mere \$13.1 million, down even on the previous year (\$13.2 million).<sup>23</sup>

And the current financial year’s expenditure on Australian drama looks likely to be worse again. Put in perspective, first run local adult drama programming on the ABC has decreased from 102 hours in 2001 to 20 hours in 2005.

Australians consistently vote with their television dials in favour of Australian programs. Australian programs – lifestyle, infotainment and drama – are amongst the highest ratings programs on television. Reducing levels of Australian content is not the way to attract audiences to the ABC.

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<sup>20</sup> Donald McDonald, *The Importance of Public Broadcasting*, an address delivered to the Melbourne Media Club, 3 September 1999, available online at [www.abc.net.au](http://www.abc.net.au)

<sup>21</sup> Jonathan Shier, *An ABC for All Australians*, an address to the National Press Club on 6 March 2001, available online at [www.abc.net.au](http://www.abc.net.au)

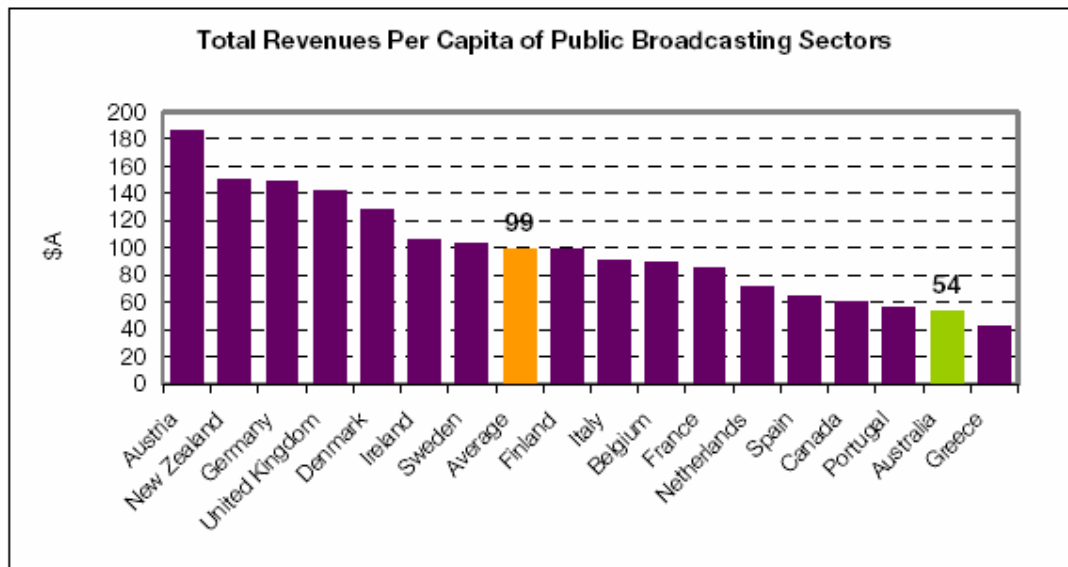
<sup>22</sup> Australian Broadcasting Corporation Act 1983, Section 6 (1)

<sup>23</sup> *TV drama: Sources of finance for Australian productions, Get the Picture*, Australian Film Commission, available online at <http://www.afc.gov.au/nps/npstvinsrc.html>.

The BBC is able to claim that it regularly captures up to 60% of the viewing audience – ratings levels the ABC would love to emulate. Yet the BBC has the resources to commission and broadcast high quality British programs to a level that has never been achievable by the ABC. Little wonder then that with dwindling resources, the ABC must resort to the low cost option of broadcasting re-runs of British series. Without the resources the ABC will never be able to deliver the levels of Australian content clearly desired by Australian audiences and clearly within the ABC’s ability to produce or commission. (*SeaChange*, for instance, was the highest rating drama on Australian television when it was broadcast. So it was axed not because it didn’t rate. It was axed because it did not sell internationally and the ABC could not afford to continue producing it without overseas sales, notwithstanding the fact that the remit of the ABC is to produce programs that appeal to Australian audiences, which *SeaChange* clearly did.)

As noted earlier, around the world, nation states have been reviewing public broadcasting and coming to the clear understanding that it is important. Axiomatically, if it is important it must be funded appropriately.

In 2002, the Macquarie Bank prepared a report for the ABC entitled *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*. The report, which was tabled in the Senate during Additional Senate Estimates Hearings in February 2004, noted that “Australia’s public broadcasting sector operates on a relatively small amount of income compared to its peers, with only 54% of the average per capita revenues for the public broadcasters surveyed”.<sup>24</sup> Funding for the ABC and SBS was combined in the Macquarie Bank analysis.



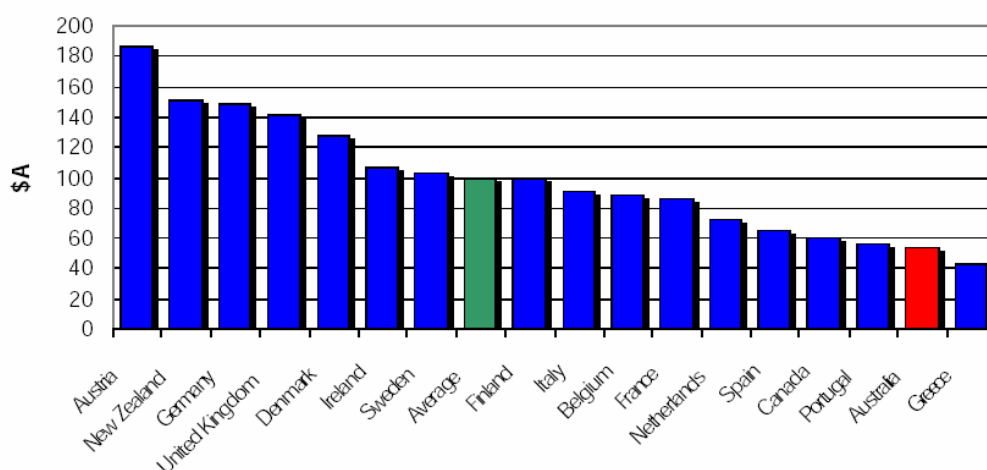
Source: *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 22.

The Macquarie Bank report found that “On a per capita measure, Australia’s annual per capita government funding is 79% of the average of all surveyed broadcasters, and only 49% of the BBC’s government funding per capita”.<sup>25</sup>

<sup>24</sup> *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 22, available online at [http://www.apf.gov.au/senate/committee/ecita\\_ctte/quest\\_answers/addest0304/cita/abc\\_q009att1.pdf](http://www.apf.gov.au/senate/committee/ecita_ctte/quest_answers/addest0304/cita/abc_q009att1.pdf).

<sup>25</sup> *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 23, available online at [http://www.apf.gov.au/senate/committee/ecita\\_ctte/quest\\_answers/addest0304/cita/abc\\_q009att1.pdf](http://www.apf.gov.au/senate/committee/ecita_ctte/quest_answers/addest0304/cita/abc_q009att1.pdf).

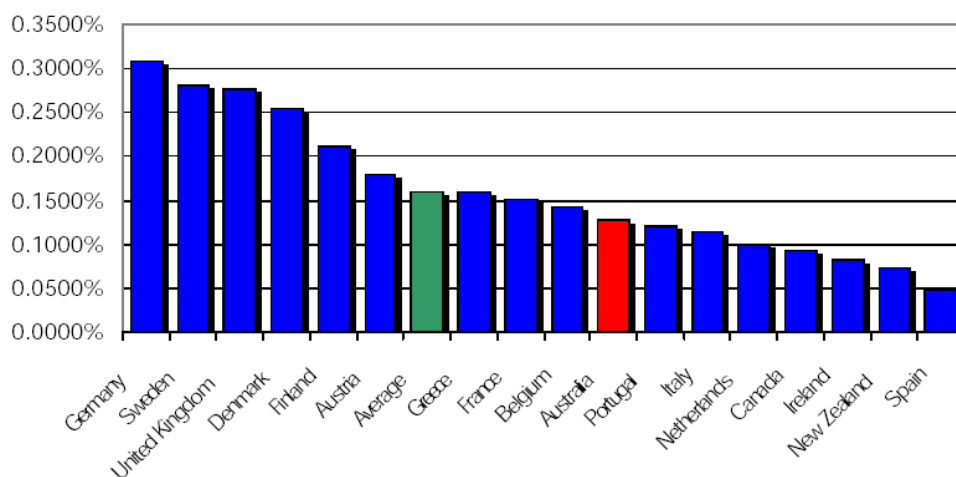
### Total Revenues Per Capita of Public Broadcasting Sectors



Source: European Audiovisual Observatory Statistical Yearbook 2002, CBC Annual Report 2000-2001, ABC and SBS Parliamentary Appropriations and Budget Papers, NZ On Air Annual Report 2001, TVNZ Annual Report 2001.

As a range of factors, including geographic reach of broadcasters, population size and density and broadcasting in more than one language, can distort direct comparison, the Macquarie Bank also compared government funding of public broadcasters as a percentage of gross domestic product. Using this measure, Australia ranked tenth out of the seventeen countries surveyed.<sup>26</sup>

### Government Funding as a % of GDP



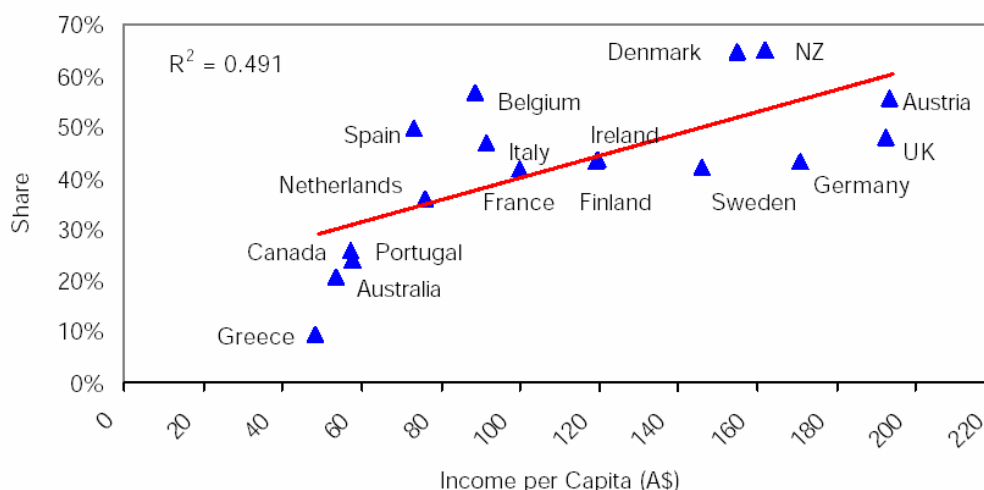
Source: European Audiovisual Observatory Statistical Yearbook 2002, ABC and SBS Parliamentary Appropriation, CBC Annual Report 2000-2001, TVNZ Annual Report 2001, NZ ON Air Annual Report 2001, World Bank GDP data.

Interestingly, the Macquarie Bank report found that “Those countries where public broadcasting has higher income levels tend to have public broadcasters with greater market share”<sup>27</sup> and, with a relatively small income per capita, the ABC and SBS captured 20.8% of the market.

<sup>26</sup> *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 24.

<sup>27</sup> *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 26.

### Income Per Capita and Market Share

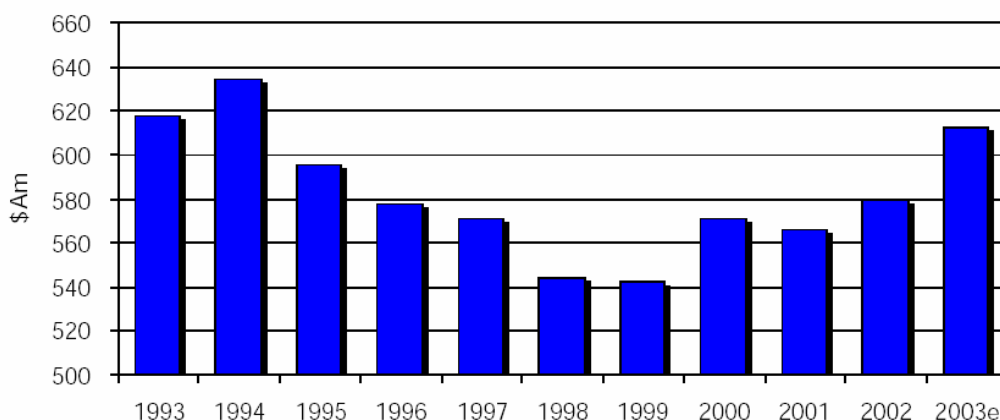


Source: European Audiovisual Observatory Statistical Yearbook 2002, AC Nielsen data, CBC Annual Report 2000-2001, ABC and SBS Parliamentary Appropriations and Budget Papers, TVNZ Annual Report 2001, NZ ON Air Annual Report 2001.

Historically, funding of the ABC has been by way of annual Government appropriation. In 1989, the Government introduced a three-year appropriation to give the ABC greater certainty. However, it is not a binding agreement and is still appropriated annually as part of the budget process. Consequently, actual funding can vary from that specified in the triennial funding agreement. For instance, in the financial year 1997, funding was reduced by \$10.8 million in the second year of a triennial period but increased by \$17.8 million in 2002.

Government funding to the ABC fell steadily from 1994 until 1999. Whilst funding increased from 1999, by 2003, funding had only been restored to the funding level of 1993.<sup>28</sup>

ABC Government Funding  
- In Dec 2002 Prices



Source: ABC Annual Reports; ABC; Macquarie, Australian Bureau of Statistics (ABS)

<sup>28</sup> An Analysis of the ABC's Funding Relative to International Public Broadcasters and Domestic Peers, Macquarie Bank, September 2002, page 26.

Consequently, with levels of funding being low by international standards and currently comparable to funding considered appropriate over a decade ago, it is little wonder that the ABC is not able to deliver to Australians what Australians expect from the national broadcaster.

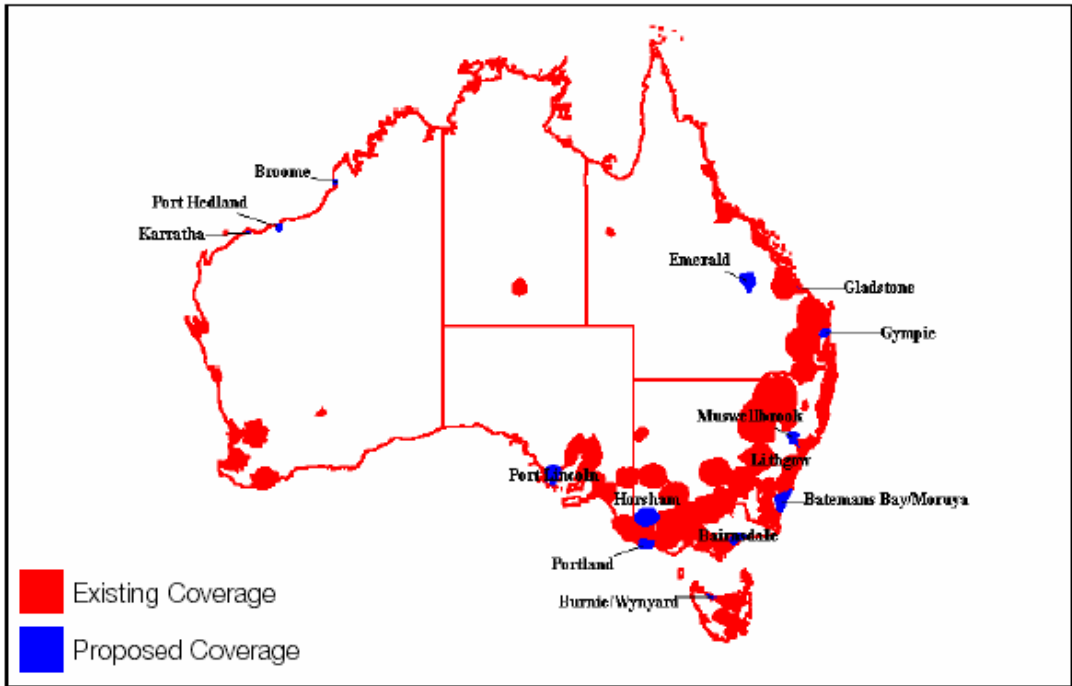
It is only necessary to look to the ABC's short-lived digital multichannels, *ABC Kids* and *Fly* to see a glimmer of what the ABC in the digital future might look like. However, as they were launched and financed on a non-recurrent basis, they could not be sustained without on-going additional funds. Although ABC2 has recently been launched as a generalist channel, it is suffering from a lack of funding, able to offer primarily time-shifted ABC programming with a small amount of new programming. It also remains constrained by the current genre restrictions.

Further, despite being the national public broadcaster, many Australians do not have access to all the ABC's services.

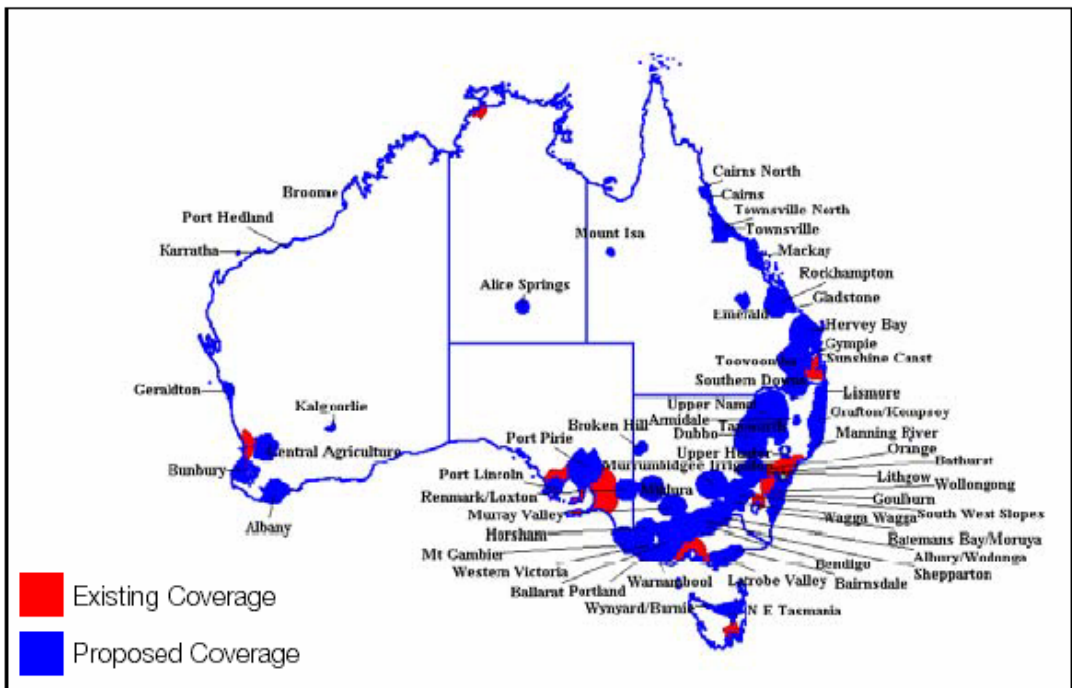
In its Triennial Funding Submission for 2003-2006, the ABC noted, "More than 1.2 million Australians do not have access to the terrestrial reception of Triple J. The Parliamentary and News Network (PNN), incorporating ABC NewsRadio, reaches only 74% of the population. There is also a small number of areas that are unable to receive the services of the other ABC Radio networks or ABC Television services."<sup>29</sup> The submission proposed a five-year plan to extend the reach of Triple J and NewsRadio to Australian communities with a population of 10,000 or more. To that end, the ABC unsuccessfully sought additional base funding of \$6.268 million for the financial year 2003-04, \$13.661 million for 2004-05 and \$18.823 million for 2005-06.

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<sup>29</sup> *ABC Triennial Funding Submission Summary 2003-06*, ABC, page 8, available online at [www.abc.net.au](http://www.abc.net.au).



Triple J, current and proposed coverage



ABC NewsRadio on PNN, current and proposed coverage

See Triennial Funding Submission Summary 2003-06, ABC, page 8.

The appropriation for the ABC for the financial year 2002-03 was \$807.743 million and in 2003-04 was \$742.584 million together with a \$20 million loan.<sup>30</sup>

In the May 2001 Budget, the ABC received an additional \$17.8 million per annum for four years to support a range of initiatives that allowed ABC Radio to expand regional content and services and produce 10,000 additional hours a year of radio programs from regional Australia. In its 2003-06

<sup>30</sup> See Portfolio Budget Statements available online at [www.dcita.gov.au](http://www.dcita.gov.au)

Triennial Funding Submission the ABC sought an increase in base funding to enable this National Interest Initiative to continue into the future. In the 2004-05 Budget, the Government extended support for regional and local content programming providing \$54.4 million over three years. Whilst a welcome extension, it is of concern that the Government chose to provide the funds specially earmarked and for a determined time frame rather than increase base funding, as requested by the ABC, which would have delivered certainty for regional and local content programming.

The National Interest Initiative funding referred to above enabled the ABC to employ 23 Radio Online producers across Australia to increase online, radio and television regional content but the funds were sufficient to serve only half the country and did not allow them to exploit all new media formats. A modest increase to the funding was sought, and although the funding was extended for three years it was not increased nor converted to base funding.

The ABC has for years sought to broadcast Australian content on television comparable to the overall transmission quota required of the free-to-air commercial networks, namely 55% between the hours of 6am and midnight.

#### **Australian content in selected genre 1999/2000**

	<b>1999/2000</b>	<b>1989/99</b>
Arts/Entertainment	81.5%	81.5%
Children's/Education	42.0%	41.9%
Comedy	54.7%	22.0%
News/Caff	99.7%	99.9%
Documentary/Religion/Features/Science	51.3%	46.5%
Drama	23.5%	14.3%
Sport	100.0%	98.6%

#### **Trends in Australian content 1995-96 to 1999-2000**

<b>Year</b>	<b>6.00pm – midnight %</b>	<b>6.00am midnight %</b>
1995-96	49.4	51.8
1996-97	55.4	57.3
1997-98	55.4	54.7
1998-99	53.2	55.2
1999-2000	57.6	55.8
2000-2001 (first 9 months)	58.8	58.0

Source: *ABC Response to Cultural Ministers Council – Cultural Benefits and Value of Public Broadcasting*, June 2001, page 7, available online at [www.abc.net.au](http://www.abc.net.au).

It should be noted that the information above does not delineate between first run programs and repeats.

Alarming, however, the Alliance understands that now the ABC is broadcasting only 29% Australian content.

This is in stark contrast with the overall transmission quota that applies to the commercial free to air broadcasters of 55% of Australian content between the hours of 6am and midnight. Unlike the free-to-air broadcasters, the obligation to broadcast Australian content is set out in the ABC's charter but not quantified as a quota, as is the case in some other countries. For instance, in Canada, the public broadcaster is required to allocate 60% of broadcasting hours to Canadian programs and in both Italy and Portugal, 50% of public broadcasting programming must be local content.

As former ABC TV Director Sandra Levy recently said, the ABC's staff has declined nearly 50% in 15 years noting that the people to make the shows are not there, and the money to make the shows isn't there.

Importantly, as the ABC itself noted in 2003, continuing budget constraints meant that “Whilst ABC Television has achieved significant reductions in the cost of broadcast programming since 1995-96, it has done so by reducing levels of Australian drama and comedy production in favour of less expensive genres.”<sup>31</sup>

And whilst the decline has been most stark in drama programming, the cracks are beginning to show across its slate. Popular shows like *Australian Story* and *Foreign Correspondent* have had their program numbers cut. *Four Corners* is increasingly filled with the BBC *Panorama* productions and inadequate funding means Australia’s children must make do with more reruns of established children’s series like *Saddle Club*.

In its Triennial Funding Submission for 2003-06, the ABC sought additional funding to establish a new production trust fund to underpin an additional 180 hours of high quality first run Australian content over the course of the triennium – \$12.5 million in the first year, \$25.750 million in the second and \$26.523 million in the third. Although this modest bid would not have enabled the ABC to produce levels of new Australian drama programs anywhere near that required of the commercial free-to-air broadcasters, the outcome in the 2004-05 Budget was an allocation of \$4.2 million a year to enable the ABC “to purchase high quality domestic and overseas television programming”.<sup>32</sup>

Making the announcement, the Minister for Communications Information Technology and the Arts, the Hon Daryl Williams, acknowledged, “In recent years, the ABC has been required to adjust its program purchasing in response to significant increases in the cost of a range of television programming. Greater competition, particularly from the pay television sector, has seen the cost of some types of programming increase by up to 10 per cent per annum. Other factors affecting the cost of programming include changes in production and supply of programs internationally and rising production costs in Australia.”<sup>33</sup>

The Macquarie Bank report referred to above concluded “On a comparison of Government funding per capita, the ABC funding levels are below its peers and it would need approximately an additional \$200m pa of funding to be on par with the average of the surveyed countries. When compared against the total revenues per capital of public broadcasters, the ABC would approximately require an additional \$700m pa in revenues to have a level of revenue equivalent to the average level of total revenues per capita in our survey group. Finally, when measured against government funding as a proportion of GDP, the ABC would approximately require an addition \$200m in funding to equal the average proportion of funding of the public broadcasters surveyed.”<sup>34</sup>

In short, depending on the measure used, the Macquarie Bank considers additional government funding of between \$200 million and \$700 million per annum is required to increase ABC funding to a level comparable with its international peers, let alone to be funded at a level that might enable the ABC to become a world’s best public broadcaster.

The report notes, “The ABC maintains a high level of distinctiveness relative to its international peers. However ... additional funding would put the ABC more on par with its overseas counterparts, and help drive market share and in turn relevance in the face of an increasingly competitive media landscape.”<sup>35</sup>

The decline in staff levels noted by Sandra Levy and referred to above is also having an adverse impact on the broadcasting sector as a whole and the audiovisual production industry more generally. Once an

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<sup>31</sup> *ABC Triennial Funding Submission Summary 2003-06*, ABC, page 9, available online at [www.abc.net.au](http://www.abc.net.au).

<sup>32</sup> *More TV Programming Choice for ABC*, The Hon Daryl Williams MP, 11 May 2004 available online at [http://www.dcita.gov.au/Article/0,,0\\_1-2\\_1-3\\_143-4\\_118732,00.html](http://www.dcita.gov.au/Article/0,,0_1-2_1-3_143-4_118732,00.html)

<sup>33</sup> *More TV Programming Choice for ABC*, The Hon Daryl Williams MP, 11 May 2004 available online at [http://www.dcita.gov.au/Article/0,,0\\_1-2\\_1-3\\_143-4\\_118732,00.html](http://www.dcita.gov.au/Article/0,,0_1-2_1-3_143-4_118732,00.html)

<sup>34</sup> *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 33.

<sup>35</sup> *An Analysis of the ABC’s Funding Relative to International Public Broadcasters and Domestic Peers*, Macquarie Bank, September 2002, page 34.

important training ground for the entire broadcasting sector, the ABC's ability to provide on-the-job training has dramatically declined since the early 1980s.

Looming skills shortages have been the subject of much community debate during 2005. And shortages are soon to be felt in the broadcast sector. Rapid changes in technology have played a small role but for the most part the skills shortages are arising because of a lack of on-the-job training. Pressure points are emerging and in specific areas Australia is unable to recruit locally and employers are resorting to international recruitment. Broadcast engineers are a case in point. That this has arisen can be directly attributable to the lack of on-the-job training capacity within the broadcast sector and particularly, given its longstanding role as a training ground, within the ABC. Television production and broadcasting is unique as a sector in that it relies on a very large number of people with differentiated highly individual and specialised skills. As a result, the normal education, training and apprenticeship paradigm is often not an easy fit with industry needs. Traditionally, on-the-job training has accommodated the needs of industry but given that no incentives are available (for instance, such as those available through the New Apprenticeship Scheme), the expense involved is not accommodated by commercial entities. Thus the responsibility traditionally fell to the public broadcaster and to another government funded institutions, Film Australia. With their capacity to continue that role eroded, significant skills shortages are now emerging as a generation of industry practitioners approaches retiring age.

## The future of the ABC

The challenges of the next ten years are considerable and many are no doubt unknown at this point in time. But, providing the moment is seized, the ABC is well positioned, but not adequately funded, to tackle the challenges of the 21<sup>st</sup> century.

The ABC has proven it can be dynamic and responsive to change. It has demonstrated it has what the McKinsey report identified as crucial to success as public broadcasters: distinctive programming, a clear mission, a recognisable brand, success at modernising its operations and identifying and undertaking new areas of activity.

ABC Online has achieved with pocket money what major private sector conglomerates with hundreds of millions have failed to do – establish one of the most sophisticated media web sites in the world. The ABC was able to do that because it seized the moment – it was well ahead of most of the market – and “ABC Online is completely integrated into the ABC. It is not a separate division that sits off in a converted warehouse dreaming up fanciful schemes. It is absolutely the child of the editorial independence and excellence of the national public broadcaster.”<sup>36</sup>

The ABC can ably demonstrate its capacity to “live off the smell of an oily rag”. Australian National University economist “Professor Glenn Withers has estimated that the average hour of ABC television costs 42% as much as the average hour on commercial television, while for radio the equivalent figure is 40%. In 1981, the two figures were 71% and 48% respectively.”<sup>37</sup>

The ABC is well positioned for multichannelling and would be better able to serve its audience if current genre restrictions were removed. It has a well-developed model for multichannelling in ABC Radio. ABC Television as it is today could well be the Radio National of tomorrow, the flagship of the ABC television network in the digital era. In the same way that ABC Radio has marked out clear demographics for Triple J, ABC Classic FM, Radio Australia, News Radio and Local Radio, ABC television is now positioned for a flagship national channel, multichannelling with programming for demographically targeted niche audiences.

It is well positioned to establish an educational channel building from a solid base of programs such as *Behind the News* which, with its website, is but one of its sophisticated and much utilised schools resources. *Open Learning* might finally be able to air at times not designed for insomniacs, albeit that the future of digital will allow for program retrieval in a manner not previously imagined.

Multichannelling will, in the future, open up wide horizons. In past years, the ABC broadcast programs of niche interest and of little or no interest to the commercial free-to-air broadcasters – from ballet, to opera to live theatre and, on radio, novelisations and plays. Multichannelling will provide the opportunity to revisit many areas that, largely because of funding constraints, have been in decline in recent years. It will also offer the broadcaster the opportunity to explore new pastures and implement exciting programs building on their track record of excellence in innovation.

... it is essential that TV, radio and online should reflect the cultures of particular countries. Public service broadcasters can and should reflect the interests, concerns and shared experiences of their Nation. In the digital world we will only be able to do this with public funding.

Greg Dyke, at the time Director-General, BBC<sup>38</sup>

There will be considerable challenges that the ABC will not be able to solve alone. For instance, for a public broadcaster to survive in a digital broadcasting environment once spectrum is freed up, it will be essential that legislation is enacted to ensure it is granted adequate prominence in electronic program guides (EPGs).

<sup>36</sup> Former ABC executive Julianne Schultz quoted by Brian Johns in *A new kind of interference in the future of the national broadcaster*, *Review*, Australian Key Centre for Cultural and Media Policy, May 2001, page 10.

<sup>37</sup> *How Australia Compares*, Rodney Tiffen and Ross Gittins, Cambridge University Press, 2004, page 187.

<sup>38</sup> Greg Dyke, Director-General, BBC, speaking at the United Nations World Television Forum, 16-17 November 2000, reproduced in the Final Report, page 10

However, whilst a range of challenges exist and will emerge in coming years, for the ABC to capitalise on the opportunities that should become available with the switch-off of analogue, funding for content creation must be made available. The importance of adequately resourcing the ABC at this point in broadcasting history cannot be underestimated. With the dramatic changes in technology currently occurring, it is easy to be diverted and see funding priorities simply as technology and bricks and mortar but investment must be made in content, not simply technology. It is a self-evident truism that delivery platforms are nothing if there is nothing to deliver. What kind of broadcaster the ABC will be in years to come will depend on how adequately it is resourced.

During 2005, two inquiries have been conducted that looked at the rate at which digital services are being taken up by consumers and how long it might be necessary for simulcasting analogue and digital signals to continue before analogue can be switched off.<sup>39</sup> Neither has yet to report. However, what is clear is that digital take-up in Australia is such that analogue will not be able to be switched off for some years. The current regulatory framework mitigates against the proliferation of program choice that has been proven necessary to drive consumer interest in acquiring the technology necessary to receive digital programming.

One of the big lessons in the United Kingdom's experience has been that "In its original guise as a predominantly pay TV service, the digital terrestrial platform did not prove to be a success. The demise of ITV Digital in 2002 created an opportunity for a new digital proposition: a free-to-view digital terrestrial service which offered a limited range of channels for a one-off cost of less than a hundred pounds. This easily understood product, marketed under the Freeview brand, has succeeded in winning many customers who were not attracted by the subscription-based digital services."<sup>40</sup>

Launched in October 2002, by the end of 2003 Freeview accounted for 24% of digital homes, close to 3 million television homes. Twelve months later, by 31 December 2004, free-to-view digital households had risen to almost 5 million, comprising Freeview viewers and free-to-view digital satellite homes. The total number of homes using the latter was around 385,000 including viewers who were no longer Sky subscribers but still received public service channels through their set-top box.<sup>41</sup>

Freeview is marketed by DTV Services, a company run by its three shareholders – the BBC, Crown Castle International and BSkyB, with responsibility for the programmes shown on Freeview remaining with the channels providing those programmes.<sup>42</sup>

"Before the launch of Freeview, the demand for greater choice without a monthly subscription had not been catered for by other multichannel services. Research conducted by the BBC has indicated that almost two-thirds of Freeview customers said the one-off payment and lack of contract was extremely important to them. Freeview has also attracted a different demographic from other digital TV platforms, including older people, who often report no desire to obtain digital TV ... The channels available through Freeview have gained viewers through higher investment, greater promotion and through more tie-ins with their analogue stablemates. For instance ITV2 increased its share of viewing from 1.1% of total viewing during 2002 to 1.5%. BBC3 (available on Freeview) meanwhile enjoyed a 50 per cent increase in its viewing share compared with its predecessor, BBC Choice. Part of BBC3's increase in audience was driven by a large increase in its budget."<sup>43</sup>

Falling costs for digital set-top boxes, increasing numbers of channels available on Freeview, heavy promotion, availability of Freeview products from a range of retailers, including supermarkets, and

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<sup>39</sup> Standing Committee on Communications, Information Technology and the Arts, Inquiry into the Uptake of Digital Television, May 2005, and Department of Communications, Information Technology and the Arts, Driving Digital – A Review of the Duration of the Analogue/Digital Television Simulcast Period, November 2005.

<sup>40</sup> Source: *Driving Digital Switchover, A Report to the Secretary of State*, Ofcom, 5 April 2004, Section 3.9, available online at [www.ofcom.org.uk/research/dsoind/dso\\_report/](http://www.ofcom.org.uk/research/dsoind/dso_report/).

<sup>41</sup> *Digital television UK household penetration reaches just under 60%*, Ofcom media release, 30 March 2005, available online at [www.ofcom.org.uk](http://www.ofcom.org.uk).

<sup>42</sup> See Freeview online at <http://www.freeview.co.uk/aboutus/index.html>.

<sup>43</sup> Source: *Driving Digital Switchover, A Report to the Secretary of State*, Ofcom, 5 April 2004, Section 3.12, available online at [www.ofcom.org.uk/research/dsoind/dso\\_report/](http://www.ofcom.org.uk/research/dsoind/dso_report/).

significant investment in the creation and production of new British content are considered by Ofcom to have assisted its take-up.

While BSKyB drove early take-up of digital services, it was Freeview that accelerated the process. In April 2004, Ofcom projected “digital take-up to continue to grow strongly over the next two years.”

Were the ABC adequately resourced and were the current genre restrictions imposed on the ABC in respect of digital broadcasting removed, the ABC could become a key player in driving the takeup of digital.

As the ABC’s Managing Director Russell Balding has argued, “If the ABC is allowed to broadcast a full range of programmes, such as news, drama, comedy, on digital multi-channels, it would encourage more people to make an investment in digital television.” Balding points out that while there has been increased take-up of digital pay services from service providers such as Foxtel and Austar, this “does not benefit the millions of consumers who have not and may never subscribe. What we need is real incentives for people to buy digital set-top boxes so they can enjoy the benefits of free-to-air digital television,” adding that the ABC’s ability to offer incentives was “extremely limited with the current genre restrictions.”<sup>44</sup>

Were the genre restrictions removed and the ABC adequately resourced, it could use the switchover to digital to cement itself firmly in the centre of broadcasting in Australia, doing as the BBC has been able to do, creating a catalogue of intellectual property for the benefit of the nation.

In *How Australia Compares*, Ross Gittins and Rodney Tiffen noted: “An international report by the consultancy firm McKinsey & Company for the BBC, found three patterns among public broadcasters. In some countries, such as Italy and New Zealand, where they relied mainly on advertising income, they commanded substantial audience share, but their programming mix was indistinguishable from commercial broadcasters. In others, such as the United Kingdom, Sweden and Germany, they successfully combined substantial audience share with distinctive programming. The ABC was in a third group which had maintained their distinctiveness in programming, but poorer funding meant they commanded smaller audience shares.”<sup>45</sup>

As broadcasting becomes ever more complex and costly, the barriers to entry increase. Australia is fortunate in that it has a national broadcaster in the ABC with a significant and comprehensive presence in television, radio and online.

As Greg Dyke, at the time heading the BBC, put it, “it is our role to support originated content and as a result to sustain domestic production industries and craft skills. Because once they’ve gone you’ll notice it and I doubt many organisations could ever afford to re-establish a significant production base once lost ... this has cultural as well as economic implications”<sup>46</sup>.

A cornerstone of public broadcasting is that it is independent of Government influence. In any consideration of the future of the ABC and the funding it needs, it is imperative that the argument not be derailed into discussions of “targeted additional special purpose funding to deliver particular programs” – funding with strings attached.

Only once in the history of the ABC has the Government intervened in the manner in which the ABC managed its appropriation. In 1970, the Postmaster-General wrote to the ABC Chairman saying he was advising Treasury that half of the proposed \$500,000 cut in the ABC’s annual appropriation should come from the TV Current Affairs Department. The threat was not carried out, and it is the only recorded instance when the Government attempted to direct the ABC on how the annual appropriation should be spent on program matters<sup>47</sup>.

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<sup>44</sup> *Australian Broadcasting Corp calls for free DTV*, DTG News, 16 August 2004, available online at [www.dtg.org.uk](http://www.dtg.org.uk).

<sup>45</sup> *How Australia Compares*, Rodney Tiffen and Ross Gittins, Cambridge University Press, 2004, page 187.

<sup>46</sup> Greg Dyke, speaking at the United Nations World Television Forum, 16-17 November 2000, reproduced in the Final Report, page 10

<sup>47</sup> *A Short History of the ABC*, available online at [www.abc.net.au](http://www.abc.net.au)

In recent times, notably in the 2001 Budget, there has been some disquiet about whether or not the Government has been obliquely directing the expenditure of part of the ABC appropriation. It is to be hoped that no government will ever again, as was attempted in 1970, direct a public broadcaster about the manner in which its appropriation should be allocated across program budgets.

Be that as it may, the approach to funding the national broadcasters needs to be shifted. “Death by a thousand cuts” or “special purpose” applications for funding, inevitably only partially approved if at all, are not the way to ensure a robust and confident broadcasting sector.

Many have argued that the impact of the digital area will be a revolution with impacts more far reaching than those of the industrial revolution. The health and well-being of the nation will depend on its citizens having access to information and to their national culture in all its myriad manifestations.

These challenges cannot be left to the marketplace in the digital era. The economics of the market place pose the real risk that Australia – and the world – will disproportionately reflect one culture, one set of values – that of the United States, simply because it is, and will remain for some time to come, the dominant player in the media industries and acquisition of completed programs from overseas always has been and always will be a cheaper proposition than producing new Australian content.

The construction of the principles of public broadcasting world wide are such as to provide the plurality of voices that is needed for healthy democracies and to represent the diversity of cultural expression that might otherwise be lost as servicing niche markets, whilst essential, is rarely economically sustainable in the commercial sector.

The 20<sup>th</sup> century has been dubbed the information era. More importantly, it has been the century in which the biggest struggle was making the world safe for democracy. That struggle is far from over. In the 21<sup>st</sup> century if that struggle is to be won, crucial will be the struggle for diversity and pluralism.

The future of the public broadcaster cannot be seen in isolation. It is a public health issue and a human rights issue. Funding the consequences of loss of cultural identity will be considerably more expensive than adequately resourcing the national broadcaster.

To regard the world of communications only or predominantly as a mere marketplace for commercial interest would be the wrong approach to cope with the threats and challenges the audiovisual world is facing. It would be detrimental to humanity and therefore a fatal mistake.

Albert Scharf, Director-General Bavarian Broadcasting Corporation;  
President European Broadcasting Union – EBU<sup>48</sup>

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<sup>48</sup> Albert Scharf, speaking at United Nations World Television Forum 2000, 16-17 November 2000, reproduced in the Final Report, page 20

From: Pat Lowe  
Sent: Thursday, 8 December 2005 3:28 PM  
To: ABC-Review, ABC-Review  
Subject: Review

Dear Reviewers, I heard only very recently about the public being able to contribute to the ABC review. I wish to say that the ABC is one of the most important custodians of Australian culture as well as a vital source of news and public debate. The ABC is underfunded but still does a stirring job. It should remain independent, receive more support and funding, and be allowed to get on with its job. It should not have its independence compromised eg through advertising. It ain't broke, so don't fix it. Regards, Pat Lowe.

From: ringer  
Sent: Monday, 28 November 2005 12:45 PM  
To: ABC-Review, ABC-Review  
Subject: re FUNDING for A.B.C.

If the A.B.C. is to fully live up to its charter of Inform, Educate and Entertain it is imperative that they receive adequate funding. With so much government 'profit' in hand, surely it is not too much to expect some of it to go to the public broadcaster who is doing such a good job in a difficult financial situation.

Phyllis E Ringer

From: Paul Wellington  
Sent: Sunday, 27 November 2005 12:40 PM  
To: ABC-Review, ABC-Review  
Subject: ABC Review

To ABC Funding Adequacy and Efficiency Review

In response to the Review I wish to make the following statement:

- 1.. The ABC is the one cultural institution able to unite a culturally and geographically diverse Australia
- 2.. It is poorly funded for its charter
- 3.. Under the recent directorship the programs have lost impact and appear to have been 'dumbed down'. To show tennis programs on ABC television during peak viewing times is an illustration of the loss of relevance in the ABC's programming schedule
- 4.. I believe the ABC should be better funded and the programming improved so as to be responsive to political and economic issues.

Paul Wellington

From: Richard Chapman  
Sent: Tuesday, 29 November 2005 12:03 AM  
To: ABC-Review, ABC-Review  
Subject: Submission to ABC Review

Given the tight deadline to make a submission, this will be brief, but please do not take that to indicate that the issue is unimportant to me.

I consider the ABC as an institution to be something of which all Australians can be truly proud. The ABC is still widely held to be the most credible source of news and information within Australia, and is widely accepted as an open and honest source of information in the region.

The existence of an independent, fearless and accessible media is the hallmark of a free, open democracy. As Australians we are proud that our country has had such an institution in the form of the ABC. The communications media in Australia are heavily dominated by a very few individuals, and the ABC is the only source of news, current affairs and other information which is independent, and without commercial or political bias.

The figures show that the ABC is extremely efficient and well managed by comparison with other national broadcasters, and particularly so when compared to the commercial sector.

The ABC provides us with not only world class radio and television, but also one of the best websites on the Internet, an international television and radio service, an outlet for the development and production of Australian drama, and major support for symphony orchestras. It is also the only producer of quality Australian children's and educational programs. All this on a budget that has been severely cut in real terms.

I strongly support

- a) A major increase in funding to the ABC immediately, and with a commitment to continued improved funding at the next review.
- b) An end to political appointments to the Board of the ABC, and the institution of a transparent and democratic system for the appointment of Board members.
- c) The extension of coverage of Radio National, especially to include Donnybrook, WA.

Richard Chapman

From: Rosalind Christian  
Sent: Wednesday, 30 November 2005 11:40 PM  
To: ABC-Review, ABC-Review  
Subject: Submission to the ABC review

My husband and I submit the following in support of the ABC:

In view of the current political, economic and social climate the need for a well-funded, independent ABC is stronger than ever.

Furthermore the Corporation plays a vital role in the preservation of democracy in this country. This is particularly important as the general public does not see much difference between the major political parties.

Clearly the ABC has been constrained by inadequate government funding. Programming in many areas has been adversely affected. The previous Minister made no secret of his resentment of the service, and consequently was not an enthusiastic voice for its proper financial support.

The need for proper funding of the ABC has to be resolved. Governments of both persuasions have used the funding question to impose influence over its operations. We have to find a way to remove government as far as possible from the process. After all the ABC belongs to the people and no expense should be too great to enable it to efficiently discharge its functions for the benefit of us all.

The question we ask is how do you put a value on the services that the ABC provides. Take radio for example . The range of programmes available through that medium is extraordinary in their quality. An informed public is essential for a compassionate and educated society.

The ABC offers a service that the commercial networks can never fill in promoting an informed and entertained community. Therefore we are also opposed to advertising on the network.

The ABC has been a vital part of our lives for over 40 years. We are most disturbed by the attempts by politicians and others to undermine and diminish its place in Australian society.

Eric and Rosalind Christian

From:  
Sent: Wednesday, 30 November 2005 7:42 PM  
To: ABC-Review, ABC-Review  
Subject: Personal Appeal for Our Broadcaster

Richard Laslett

30 Nov 05

To whom it may concern.

Please consider very carefully any decision to restrict the functions of our ABC. This wonderful institution must be the best public broadcaster in the world. I am glad that it has been the subject of controversy, and there are programmes that I do not enjoy; these factors demonstrate its depth and breadth.

The ABC defines our country and I define myself by consideration of its diverse uplifting programmes.

If ever I meet a person who pooh poohs the ABC, I consider them in the same light as smokers and other misguided persons.

Yours sincerely

From: cynthia stabler  
Sent: Monday, 28 November 2005 6:22 PM  
To: ABC-Review, ABC-Review

To Whom it may Concern

The ABC provide QUALITY viewing, and deserve an increase of budget.

Yours Sincerely  
Richard Stabler

MessageFrom: Rod & Meg Durston  
Sent: Monday, 28 November 2005 12:13 PM  
To: ABC-Review, ABC-Review  
Subject: Public submission to ABC review

To whom it may concern:

I urge the Federal Government of Australia to acknowledge and support the ongoing good work done by the ABC. The high standard of programs produced and broadcast in the various media utilised by the ABC is quite amazing considering the ongoing budgetary restraints and diminishing fiscal support.

In regional and remote areas in particular the ABC provides not only entertainment but is an important source of balanced and necessary information. For those who wish to be informed of happenings beyond their immediate environs, this is invaluable. For all Australians, wherever they live, it is essential that the government cease exercising hostility towards the ABC, through fiscal and ideological attacks. This will allow the ABC to continue to fulfil its charter, unfettered by external constraints.

Rod & Meg Durston

From:

Sent: Thursday, 1 December 2005 2:50 AM

To: ABC-Review, ABC-Review

Subject: Submission

I immigrated to Australia in 1973. Before coming to Australia I was familiar with Radio Australia, thanks to Radio Ceylon, mainly because of their music programmes relayed by Radio Ceylon.

Since coming to Australia I have learnt and been educated about Australia and Australiana by the ABC. Its current affairs programmes has kept me abreast of the shifting political landscape of Australia and its cultural programmes have taught me about the country. I shall be lost without the ABC and its steadying hand.

It never fails to amaze me that the ABC has managed all this and more, with all the budget cuts, all the restrictions on funding, all the carping from the governments of the day and all the attacks it is forced to endure about its perceived bias and one-sided views.

Of all the national institutions, ABC is perhaps the one that can hold up its head high for its high standards maintained despite funding cuts and threats of more cuts.

ABC should get its guaranteed funding that will free it from political meddling, carping and arm-twisting so that it can go ahead and keep to its charter - that of independent reporting and fostering Australian culture. If it can do so much with so little, imagine what it can do with more reasonable and untied funding.

Ranjan Ray