



VICNEWS

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2002 looks like being a big year for media policy in Australia. The Federal Government has signalled that it intends to radically review Australia's cross media ownership laws. These are the rules which to date have prevented media owners in general terms controlling both newspapers and radio/TV outlets in the same markets. They are meant to ensure diversity of opinion in Australian media, and also to protect local content.

Changes in the commercial broadcasting environment impact directly on the ABC, a national broadcaster viewed with envy around the world. Since the establishment of the then Australian Broadcasting Commission in the early 1930s, the Australian model of a comprehensive, independent public broadcaster as a strong alternative presence in a competitive media environment has served us well. Any constriction in that general mediascape puts additional pressure on the public broadcasters to be even more robustly comprehensive. And that costs money!

This seems to me the right context to re-engage in discussion with all involved in making public policy about the future needs of the ABC. Friends of the ABC want to talk to our politicians and those responsible for the ABC about:

- . The right level of funding for the ABC to ensure its independence. Friends believe that restoration of triennial funding to at least pre-1996 levels in real terms would be a starting point and is working to establish a realistic benchmark figure for discussion in the next round of triennial funding.
- . Ensuring that the Board of the ABC who act as our trustees is selected to be a fully independent custodian of this great national institution, with the skill and commitment to public broadcasting it needs to govern and ensure the capable management of the ABC.
- . The need to protect the ABC, including ABC Online, from the commercial pressures on its independence.
- . The value to the nation in restoring Radio Australia's capacity to be a comprehensive broadcaster in our region.

Take every opportunity you get to talk to your local member of parliament and others about these issues. What is needed is for all of us who believe in the value of the ABC (and we're the majority: that's about 80% of Australians) to be able to engage in dialogue about these matters constructively.

Members of the public need to assert their commitment to an independent and comprehensive ABC, and with FABC's support, talk to decision makers very practically about what needs to be done to allow the ABC to flourish.

FABC Vic's new President, Assoc. Prof Terry Laidler, is a former ABC journalist and presenter. Presently Terry is director of CIRCIT (Centre for International Research on Communications & Information Technologies), RMIT University.



FABC Vic thanks Lecki Ord for her valuable contribution as President over the past three years.

Funding – the Deception

Shortly after its election in 1996, the Liberal-National Government cut the ABC's triennial funding by \$66 million (12%). This cut to the ABC's annual funding base has not been restored. Yet, Senator Alston, Minister for Communications, and Mr Donald McDonald, Chairman of the ABC Board, assert ABC funding is now equivalent to the levels prior to the 1996/97 cuts.

To date, the ABC has failed to provide FABC with information requested to enable us to understand the basis for Messrs Alston and McDonald's claim. So we can only guess at how they may have reached their favourable interpretation of the ABC's funding situation.

They are likely to have included in their calculation one-off grants targeted for new services. What will happen when one-off funds, granted in an election year, expire? Will the ABC be expected to abandon any increased services that result from their expenditure, or will another area of the ABC be cut, as funds are transferred to cover the loss? Unreliability aside, one-off grants don't replace a loss of \$66m in any one year.

In an answer late last year to a Senate estimates question, ABC management revealed that taking account of one-off grants, abnormal items, depreciation and other adjusted funding arrangements, the ABC is still \$36.3m worse off in real terms since 1995/96.

So perhaps the partial funds provided by government for the ABC's conversion to digital technology are also included in Messrs Alston and McDonald's calculations. Past

governments provided full funds for the national broadcaster to switch to new technology (from radio to television, then TV to colour TV), and such funds were given in addition to the ABC's general operating funding. Possibly also included in the calculations of the Government and Mr McDonald are the funds that now have to be provided for the ABC to purchase its transmission access, since the Government has privatised the country's national transmission system.

The ABC must have access to the expanding new broadcasting technologies if it is to remain relevant, yet its funds are declining.

1. The ABC's Annual Report for 2001 shows that between 1985/86 and December 2000, ABC funding declined by 29.5%. (If the ABC has included in its calculation one-off funds outlined above, then the decline in ABC triennial funding is greater.)
2. Earlier independent analysis by Dr Allan Brown, Senior Lecturer in Economics, Griffith University reveals: between 1985/86 (the peak year for ABC funding) and 1998/99 (i.e. after triennial funding was cut by the current government), ABC funding declined 34.1% in real terms.

Dr Brown's research also revealed ABC funds have been cut well out of proportion to other areas of major government expenditure.

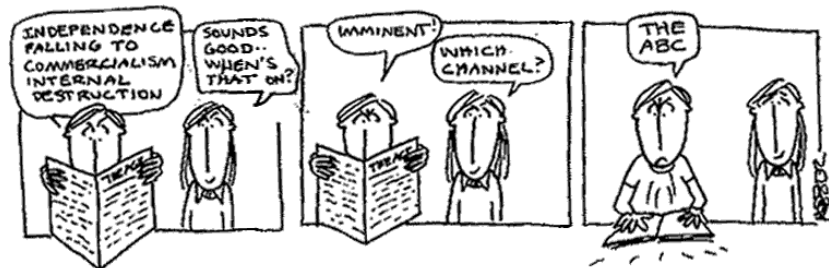
Governments have a responsibility to ensure the ABC survives and thrives as the country's independent and comprehensive national broadcaster. The ABC must be well resourced to provide both traditional and emerging services in the new digital environment. It must be funded in a manner that ensures its independence.

One-off (i.e. targeted) funding compromises the national broadcaster's independence. It enables government to determine what the ABC will, and what it will not do. This arbitrary manner of funding increases the pressure on the ABC not to offend the hand which feeds it.

Friends of the ABC wants :

1. funding to continue on a triennial basis. Triennial funding is essential for effective financial planning and because it promotes an arms-length relationship with government; and
- ∅ the ABC's triennial funding restored to its 1995/96 level in real terms and increased to enable its full participation in the new media environment.

Joan Rosser



What the ABC is, what it should not be

The ABC's role is to be an independent and comprehensive national public broadcaster, able to inform, educate and entertain Australians, reflect our cultural diversity and contribute to a sense of national identity; and through Radio Australia, to inform Australians abroad, and encourage overseas awareness and understanding of Australia.

Commercial ventures with outside companies risk the ABC's independence. It is not possible to quarantine program and editorial decisions from commercial influence. Commercial imperatives erode the quality of programming, affecting both the content and

selection of programs. Commercial influence would result in ABC programs increasingly varying little from the programs of commercial broadcasters.

And what happens as the ABC comes to depend on raising funds through its own commercial ventures? Many in the public already question the use of valuable TV airtime to subject them to the endless promotion of ABC products. Unless the broadcaster's own commercial operations are tightly controlled, and only a by-product of the work it exists to produce and broadcast, the proverbial tail will end up wagging the dog.

The ABC does not exist to raise revenue. Its focus must not be redirected toward, or compromised by, revenue-raising activities.

Much achieved ...



outside the ABC Board Meeting – Southbank Oct '01

Though the future of the ABC as an independent and comprehensive public broadcaster remains under threat, we can celebrate considerable achievements. The steady, continued efforts of the public and Friends to let politicians and the ABC Board know

the ABC's secure future is important and dear to Australians has had an impact.

The ABC Board finally faced up to its responsibility and removed the former managing director, Jonathan Shier. All major parties, recognizing

the popularity of the ABC to the electorate, have felt it necessary to at least profess support for the national broadcaster. This was particularly evident in the lead up to the Federal election last year.

But the danger remains

When governments find it politically unwise to openly wind back a service which has the popular support of the public, not infrequently, they look to other means to achieve that end. One method is to starve a service of

funds, while disguising the extent of its loss. And while publicly claiming support for the service, the government appoints people to manage and steer it in the direction the government desires.

Thus the public needs to be wary that the ABC is not gutted from within. We need to ensure Australians do not end up with a national public broadcaster which is alive in name but without significant substance.

At this time, two key dangers face the ABC:

1. **funding which is inadequate and undermines independence**

The ABC's budget is inadequate to fulfil its responsibilities. The Government's \$66m (12%) cut to the ABC's annual budget continues. As concerning, the Government has commenced to fund in a manner which increases government control over the use of those funds. (read newsletter item on funding)

2. **privatisation through the backdoor**

With pressure from the Government, insufficient funds, and a Board with members whose political philosophy favours commercial over public, there is pressure to increase and to extend the nature of ABC commercial activities.

In recent Senate estimates the ABC's payout to its former managing director was revealed to be over one million dollars. Mr Jonathan Shier had served less than two years of a five-year contract when he left the ABC in October last year.

Prior to his departure Mr Shier had cost the ABC dearly. His salary and those of other executives increased exorbitantly. In his reign of mass sackings and redundancies, the ABC lost talented staff. Redundancy payments to 383 personnel cost the ABC \$26.6 million.

What do these financial costs mean to the ABC?

- § The whole local radio network in a state like Victoria –774 Melbourne/ 3LO and all the regional stations - costs about four million dollars a year to run.
- § ABC TV's drama division annual budget is around \$15 million.

Mr Shier proved costly to the national broadcaster as a managing director, and has proved costly to get rid of.

Shortly after the announced departure of Mr Shier, Friends of the ABC wrote to the ABC Chairman, Mr Donald McDonald. FABC Vic President, Terry Laidler, wrote:

'Friends of the ABC is thankful that the Board finally took action to dispense with the services of a failing Managing Director. Important now is the question of MrShier's replacement. There is relief, but still considerable public anxiety about the ABC's future. The next appointee must have the capacity to repair damaged staff morale and public confidence in the independence of the national broadcaster. FABC is vitally concerned that any person appointed to manage the ABC has the dedication and the capacity to manage this important and unique institution in Australian life. We want to know that all reasonable steps will be taken to secure the best person for the job. We seek the Board's assurance that it will appoint a managing director who has the understanding, commitment to, and skills to manage an independent and comprehensive national public broadcaster. Clearly any appointee to this position must be free of political taint and commercial influence. The Managing Director must be, and be perceived by the public to be, someone who will act in the interest of independent public broadcasting.'

FABC is pleased to be have been advised, in a letter from the ABC, that Mr McDonald is in agreement with FABC's views about the nature of the appointment that is required.



What can I do?

. **Make the Rhetoric a Reality** Make sure the Government knows you are not misled by claims the ABC receives as much funding as it did prior to the Coalition's election in 1996. We must maintain pressure on Federal Governments of all political persuasions for the ABC to be fully funded and funded in a manner which preserves the broadcaster's arms-length relationship from government, that is, through triennial core funding.(see *newsletter item on funding*)

. **Insist on Information** If the ABC engages in commercial operations, ABC audiences can never know the full extent to which programming is influenced by external or internal commercial factors. We have no way of knowing if content was changed, an item or entire program was omitted or favoured for broadcast or production, or a particular program type was selected over others because it has spin-offs, such as cook books which generate revenue.

The only certain way to protect the ABC from commercial influence is to prohibit all commercial activities that risk its independence. We must insist the ABC Board provides the public full information about the nature of the ABC's present commercial activities and those under consideration.

. **Look for Beaches of Independence** Take details of any instances where you observe the ABC's quality declining or believe its independence is compromised. Expose 'product placement' where a brand product is slipped into a TV program. Find the links on ABCOnline which lead to private companies. When you shop, identify products which imply ABC endorsement by displaying a character or logo clearly identified with the ABC (almost always with the ABC's approval!).

Complain to the ABC Board. Demand to know what will occur to rectify the matter and ensure it does not occur again. Inform FABC.

FABC will need your continuing support if we are to ensure the ABC's healthy survival as a quality national public broadcaster.