



# Robbing Radio Oz to pay ATV

**A**fter a recent ABC board meeting which looked at strategies for tackling the financial black hole made by the Corporation's Australia Television (ATV) international service, reports in *The Australian* and on the ABC's own *PM* program suggested that there might be cuts to Radio Australia, the ABC's international short wave radio service, in order to prop up the ailing ATV.

An ABC spokesperson vigorously denied to *CU* that any firm decision had yet been made on where the cuts would come from, and said *PM*'s story was 'full of factual errors'. The fact that the two separate reports ran with the Radio Australia (RA) story however suggests that some type of cut to RA may be an option being seriously considered by the board. Certainly some RA staff thought so.

Ironically, RA provides news bulletins in specific regional languages for ATV - one of the few aspects of ATV's services which is tailor-made for its audiences.

The great majority of ATV's programs - understandably enough for a service running on a relative shoestring - comprise recycled material from domestic television. Critics of the service have questioned the relevance of much of its programming to its target audience.

Anyone who thinks that RA is the ABC's poor cousin should consider the story of Radio Australia. During its 56-year history RA has been shunted from the (then) Department of Information to the ABC, back to

the Department and finally, in 1950, back to the ABC where it remained in a sort of legislative and status limbo until the new ABC Act endorsed the Corporation's responsibility for overseas broadcasting in the mid-80s.

Radio Australia, a service of which most Australians are only dimly aware, has in fact been a great, largely

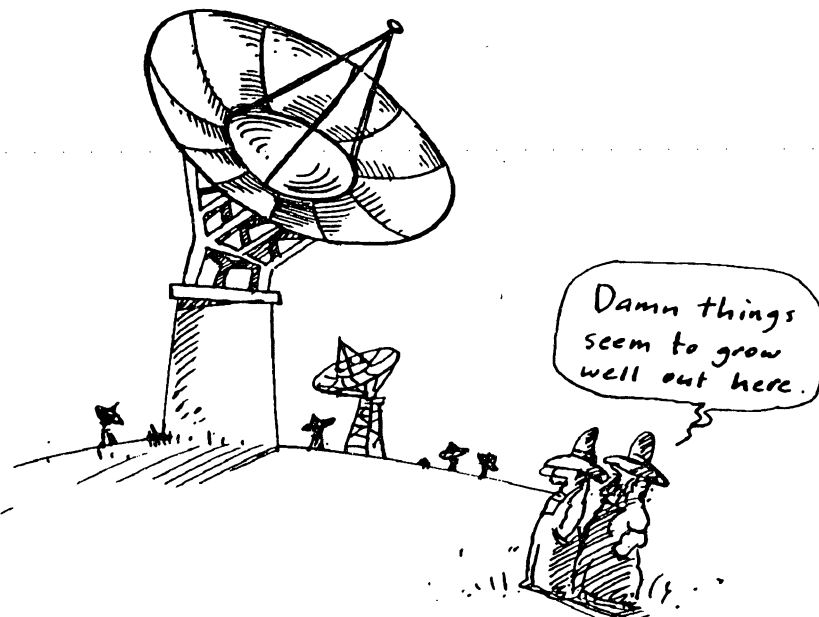
ing news and information relevant to its region remains low, and perhaps as a consequence, RA's status may have remained low within the Corporation itself. After all, broadcasting successfully to millions outside Australia is not as sexy, or marketable, an achievement as winning a drama Logie. From the outset, a major concern with

ATV has been the lack of any reliable audience research or feedback which could be used to woo potential sponsors. The difficulties, especially the cost, of monitoring audiences for such a service are intractable. By contrast, Radio Australia, transmitted over a medium which is accessible to millions via inexpensive and readily

available receivers, in a variety of regional languages, receives constant feedback from its audiences via letters and through audience responses to competitions and to language courses.

*CU* understands that one view in the ABC is that short wave radio is 'not the medium of the 21st century'. While this is undoubtedly true, it will remain for a significant period the only medium to which many people in the region have access on a daily and individual basis, a thought which should inform any plans to diminish RA services.

The financial troubles of ATV have come as no surprise to those, *CU* among them, who thought at the



unsung, success story. Distributed by short wave, RA broadcasts 24 hours a day from a total of 14 transmitters, in eight regional languages as well as in English. It has regularly topped listener polls for the most popular overseas service. A reliable survey in the 1980s estimated a listening audience of around 100 million, of which about one third were in Indonesia and a quarter in China.

An enlightened move during the Hill era was, in opening the Radio National transmitters to a 24-hour service, to broadcast RA's English language service on Radio National between 1am and 5am.

Sadly, however, general public awareness of RA's expertise in cover-



outset that the service, which was too hastily set up in response to an inadequate (and non-renewable) gift horse of \$5.4m from the Government, was ill-conceived and doomed to a shortfall in sponsorship revenue - certainly during the establishment period.

To add to its woes, ATV's operation has coincided with galloping expansion in satellite television services in the Asia-Pacific region so that in 1995 it faces considerably more competition than it did at start-up.

Despite claims to the contrary by the ABC, fears that ATV would inevitably drain funds from other ABC activities have proved only too true. The ABC provided ATV with over \$4m worth of 'resources' in 1994. In the latest announcement, the ABC will provide up to \$2.5m to allow the service, which looks set to lose about \$4m this year on top of a loss of nearly \$3m last year, to continue.

### Satellite costs

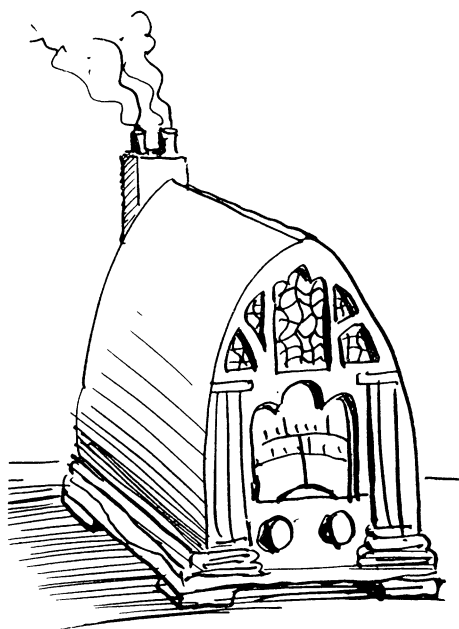
Fears about cuts to RA may have arisen following a statement by chairman Mark Armstrong that relief from satellite costs for ATV was one option the board would like considered. Satellite facilities for ATV are controlled and operated by the National Transmission Authority (NTA), and are a charge on the ABC. The *PM* story suggested that a couple of RA's transmitters could be shut down to save on transmitter costs. If this is indeed an option under consideration, it presumably represents a trade-off against relief from charges for ATV. In 1994, the NTA paid RA transmission costs of \$13.9m.

The ABC spokesperson denied that any transmitters would be shut down, or - as also reported by *PM* - that two-thirds of RA's frequencies would be cut. It was conceded only that one possible option was cuts to transmitter **hours** to save on electric costs.

At the time of the establishment of ATV, the Government foreshadowed a review of the service in three years. The board is now asking the Government to bring forward its review of international broadcasting, and Minister Lee is reported to be sympathetic to this proposition.

### Timely review

There is a lot to be said for a review at this time to consider both radio and television services, which should be viewed as complementary to one another rather than as two disparate services in competition for scarce funds. It is some time since RA's operations have been thoroughly reviewed, and some rationalisation or re-ordering of priorities may well be appropriate, especially in a regional environment of burgeoning, diverse



services which could hardly have been imagined a decade ago. Any suggestion that RA should accept sponsorship, however, should be strongly resisted. The perceived independence of the service from commercial, or direct government influence is possibly its greatest strength.

In the background to this current controversy lurks the issue of the ABC's non-ownership and operation of its transmission facilities, a fact which has been a thorn in the Corporation's side for decades. The 1981 Dix inquiry recommended that the ABC should 'be the body functionally responsible for the operation of its transmitters' but no government has yet bitten this bullet, and with the establishment of the NTA a solution satisfactory to the ABC seemed to grow ever more distant.

Both the ABC and the SBS have participated closely in a current review of the NTA (oversighted by the Department of Communications and the Arts) which is expected to put options for the Minister's consideration. The NTA provides no detail to the ABC on its charges for transmission services but simply a lump sum figure for the Corporation's balance sheet. (Indeed, *CU* understands that the current controversy about RA arose from an attempt by the ABC to have these charges clarified). Meanwhile the NTA has regularly returned a substantial sum to the Government at the end of each year. Perhaps the review of international services will afford the Government another opportunity to consider the appropriateness - or otherwise - of the 'client' situation of the ABC in relation to the NTA. But no-one is holding their breath for significant change on the transmitter question to emerge from either review.

Management's paper to the board about how the ATV service could be subsidised, proposed that savings would be made in areas like support activities and domestic and international travel, 'as far as possible...without a direct impact on program output'.

The tragedy is that the situation Brian Johns has inherited as a result of David Hill's headlong rush to embrace new services, should ever have been allowed to develop. □ *Gil Appleton*