

Preserving and Re-shaping the ABC

Brian Johns emphasizes the ongoing importance of the ABC and gives his thoughts on the ABC's response to budgetary constraints.

Changes in broadcasting are occurring so fast that it is difficult for public policy makers to find the balance between the response to new opportunities and the preservation of valued traditions. It is a testing environment. If the ABC is to continue to be relevant to Australia, it must confront that environment.

Undoubtedly there is widespread public support for the ABC, even amongst people who say they do not regularly watch or listen to its services. According to the latest AGB McNair poll, 61% support maintenance of ABC funding; and another 24% support an increase in funding. The message is clear - it is good to have the ABC, and it needs to be funded.

Overseas experience

Look at what has happened overseas. For a while, the debate was swinging against public broadcasting in the public policy climate which emphasised small government, privatisation and financial accountability. But more recently, the idea of public broadcasting has undergone a resurgence.

The BBC has had both its Charter and its guaranteed funding extended to the year 2007. With the firm backing of Parliament, it has been able to position itself for conversion to digital technology and all the opportunities made possible by that.

In the United States, the public broadcasting system - relatively small by our standards - is to benefit from the establishment of a trust fund between one and three billion dollars.

The environment here is yet to turn. But turn it must.

Pressures on the ABC

Overall Australian commercial television channels increased their profit by almost twenty per cent in the year 1994-1995. The commercial stations have access to capital to invest in their future. But the ABC has a declining real funding base and the present atmosphere is ominous. The ABC faces the

possibility of substantial further cuts - cuts which could undermine the foundation of public broadcasting as we have known it.

Notwithstanding those external pressures, the ABC accepts - in fact embraces - the inevitability of radical change. Change must occur to ensure that the ABC maintains a central role in Australian cultural life.

Recently, the report of the National Commission of Audit raised important issues of public management. The report included specific references to the ABC - which are either misleading or misinformed.

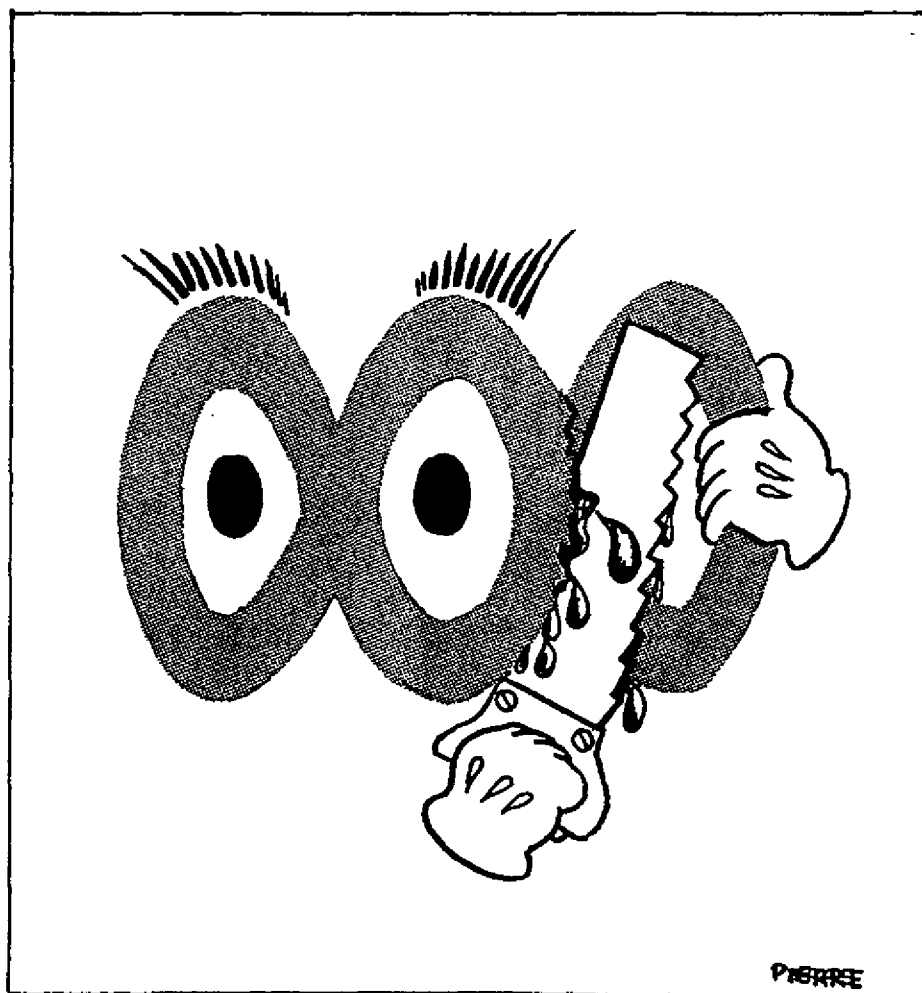
Let's look at the bottom line of the National Commission of Audit's agenda for change if implemented and applied to the ABC. It calls for savings of between ten and twenty per cent from Commonwealth organisations over three

years where: 'Rationalisation, the broader application of management tools, and the capacity to reduce complexity will deliver large gains'.

What would that mean for the ABC if implemented? The twenty per cent cut over three years:

- represents about \$106 million per year at the end of three years;
- in isolation, it is more than sixty per cent of the total budget of ABC radio;
- or, just under forty per cent of ABC Television;
- or, more than three times the level of funding to the six symphony orchestras.

A ten per cent cut over three years would be around \$53 million per year at the end of three years.



Financial targets of this magnitude would have little to do with improving efficiency and accountability. They would reflect an ideological or political position to fundamentally challenge the status and role of public broadcasting as we have known it in this country. They would undermine the foundation of an Australian public policy tradition.

Policy issues

Over the years, communications policy in Australia has struck a reasonable balance between social and economic objectives. It has taken into account access in a vast continent, diversity of services and industry opportunities. There is no reason why, today, we cannot continue to find our own solutions and set out our own agenda in Australia.

But not as far as the National Commission of Audit is concerned. It also proposes that public broadcasting be structured and funded as a purchaser-provider model, a model taken from elsewhere.

Under this model, the funding agency and the service provider are separate. In this case, the service provider would be the ABC. The Commission says:

'Funding of specific categories of public broadcasting could be allocated to broadcasters on a contestable basis or tied to the ABC.'

If done on a 'contestable basis', the ABC would bid for money, alongside other broadcasters and program providers. If tied to the ABC, it would be on a prescriptive basis - defining program genres, hours of broadcast and costs.

This raises the very serious issue of program diversity. It is likely that programs would become homogenised, whether produced by public or private broadcasters. And it raises an even more fundamental question about the ABC's role as a major provider of news and a broad range of information programming.

Accountability

This is an approach which confuses the issues of independence and accountability - both prerequisites for effective public broadcasting. If the Government specifies program activities, then the ABC becomes an agency of government. On the other hand, if a new agency is set up to dispense the funding,

it may usurp or duplicate the role of the ABC Board. The issue of accountability is really quite different.

Central to the model I am talking about is the question of what the public broadcaster, acting alone, does with the public money at its disposal. My response is that the ABC does not act in isolation or without public accountability. It does not take on major new initiatives - for example, pay TV - without the endorsement of Government and the Parliament.

Accountability begins with the ABC Charter - a good and relevant document, enabling rather than prescriptive. It gives use the space to do what is expected of us. To be innovative and to adapt to changing audience needs.

The experience in New Zealand

We must not simply borrow foreign concepts of public broadcasting, concepts which have proved to be badly flawed. Why do we need someone else's model? Can't we set out our own agenda?

The purchaser-provider model, proposed by the National Commission of Audit, has been applied in New Zealand. Licence fees are paid to a public agency called New Zealand on Air. The agency then decides which production activity it will support financially, based on competitive submissions from public and private sector entities.

Around 40 public radio stations in New Zealand have been privatised, leaving a small rump of the former Radio New Zealand to satisfy community service obligations.

For some years, Television New Zealand has been operating as a successful commercial business. But take note:

- the local content level on TVNZ is a low twenty three per cent, the rest being imported programming; and
- more than twenty five per cent of TVNZ prime time is taken up by advertising, significantly more than the ratio of ads on Australian commercial channels.

On ABC Radio a week ago, Dr Denis Dutton, a member of the Radio New Zealand Board said that New Zealand has 'the most degraded television in the English-speaking world.'

The role of the ABC

Survival of the ABC goes to the heart of the public interest debate. The public broadcaster offers:

- editorial independence from vested interests;
- a commercial-free zone;
- commitment to both the nation and the diverse local communities which make up the nation;
- quality Australian content amid the rising flow of foreign programs; and
- an industry platform to support innovation and creative programming for use here and overseas.

The ABC's role is all the more critical at a time of globalisation and concentration of media ownership. I have always argued that it is the most important media and cultural institution in the country.

Transforming and re-shaping the ABC

In order to maintain its position and remain relevant, the ABC needs to be transformed and re-shaped. A complex task: the stakes are high and it needs to be a very deliberate and careful process. It is not a construction or furniture business. Solutions that might work in manufacturing cannot be expected to work for the ABC.

The gateway to re-shaping has been opened by an historic Enterprise Framework Agreement negotiated between the ABC and the unions. It provides the basis for a true partnership, which is necessary given that every part of the ABC, and every individual, will be affected. It is more than an enterprise agreement - it is the way ahead for the ABC in a four-year process of restructuring which requires the active engagement of all parties.

We intend to have marked the signposts of transformation in the coming months. I have told staff what I would like us to achieve and it is broadly this.

I would like the ABC to become a far more modern, responsive and flexible organisation than it is today. It is premature for me to identify likely management structures, but I do want to

see a flatter structure focussed around program functions. And inevitably, a tighter organisation. But everything we do must support the primary role of the ABC, offering quality Australian programming.

For the past decade, the ABC has been organised into distinct operational divisions - Television, Radio, Radio Australia, Concert Music and Corporate.

The first element of re-shaping is to acknowledge the ABC's responsibility as the national public broadcaster within a federal system. The ABC must strengthen its presence in centres outside Sydney and Melbourne, taking into account regional and state diversity. I want to see a devolution of certain functions as well as decentralisation. And further development of the idea of centres of excellence. Current examples include Perth as the centre for TV children's drama, Melbourne for comedy and natural history, and so on. But we can also think about shifting corporate functions or technology functions, as well as production.

We need to decentralise the management prerogative to give the branches more power to harness local energy and to deliver services or relevance. Therefore, I see Sydney having a co-ordinating rather than controlling role.

ABC Radio has an extensive presence throughout regional Australia while Television is confined pretty much to the metropolitan centres. It makes sense to extend television coverage, making greater use of the forty-nine regional radio locations around the country. Underlying this is a bi-media approach. However, I am not talking about a return to the days before the media split.

Other opportunities for a bi-media approach might include some specialist program areas, for example, education. They might also include support services and certain management functions. There may be different solutions to satisfy different ends. What works for Perth may not work in Hobart. The Enterprise Agreement has given the ABC the flexibility to come up with local agreements.

Let me make it clear that any bi-media approach is not designed to be a drain on ABC Radio. I am sensitive to Radio's resource constraints. Clearly, there are challenges because the output is now stretched far too thinly. Radio must

re-focus its network and programming strategies to ensure it delivers quality and relevance. Broadly the options being considered fall into two categories: program change within the existing network structure; and change to both the configuration of the networks and programming.

ABC Television is committed to reversing the downward trend in Australian content. A local content level of sixty five per cent is the aim for the year 2000. But it has to be quality as well as quantity. ABC Television must be clearly differentiated as the home of quality. It must be a powerhouse of Australian content:

- diverse in its gathering of news and information;
- open in the presentation of opinion and debate;
- relevant; and
- supportive of established and emerging talent.

How will ABC Television generate the quality and the quantity? We need to examine options for structural change, among them increased outsourcing of television programs. There has been speculation that the ABC might adopt the so-called Channel Four model, outsourcing all programming. I cannot envisage a time when the ABC would cease to produce its own news and current affairs.

We are not simply going to adopt someone else's model. Whatever we do, it will involve substantial change. We will work through it carefully and deliberately in consultation with unions and staff.

ABC Television also needs to keep in mind its role in offering creative infrastructure for Australia's independent production sector. Almost all drama series, and many feature programs, are not developed as co-productions.

Another key feature of the landscape that I see ahead is the maintenance of the commercial-free zone in domestic radio and television services. In every poll that has ever been done asking the question about advertising and the ABC, Australians make it clear they do not want it.

I would like to see the ABC diversify its sources of program funding. Already, for example, we have a relationship with Film Victoria to collaborate in the production of programs, including short dramas and feature films. We should be looking for more opportunities like that given our role in the creative community. We need to broaden relationships with other creative and cultural organisations.

I see an ABC which continues to build support for the symphony orchestras, welcoming increased involvement of State Governments. Encouraging their development, not impeding it.

Conclusion

We are undergoing a transformation to take the ABC into the 21st century in every respect. Our ability to deliver the transformation depends on a stable funding base from the Parliament. But it also depends on galvanising our own people from the top down. There is an appetite for change throughout the organisation and we have now established a framework for it. The process must be careful because there are so many stakeholders - we need to take them along with us. But as far as I am concerned, the process has begun. There is no turning back.

Brian Johns is the Managing Director of the ABC. This is an edited version of the speech presented to a CAMLA lunch in Sydney on 10 July 1996.