



PARLIAMENT OF AUSTRALIA • HOUSE OF REPRESENTATIVES

PAUL FLETCHER MP
Federal Member for Bradfield
Minister for Communications,
Cyber Safety and the Arts

Mr David Anderson
Managing Director
Australian Broadcasting Corporation
GPO Box 9994
Sydney NSW 2001

Dear David

Thank you for your letter of 24 January.

The Government expects the Australian Broadcasting Corporation (ABC) to operate efficiently and with the maximum benefit to the Australian people. To support this aim, the ABC has content and operational independence guaranteed by the Parliament. This means that the expenditure of funding provided by the Government to the ABC, including where you choose to find efficiencies and what programs you broadcast, is a matter for the Board and your executives.

At our recent meeting with you and ABC Chair, Ita Buttrose, the Prime Minister and I discussed a number of important matters, including your five year strategic plan to be released in March, which will outline opportunities for tangible efficiencies in the delivery of the ABC's broadcasting services.

I recognise that all Australian broadcasting organisations are operating in a tough environment and the ABC is not immune to sectoral headwinds. Audience tastes are changing; new technology is impacting the delivery of content; competition from international streaming platforms has transformed viewing habits; and because content on those platforms typically has higher production values, this creates pressures for you to spend more on content.

A strategic plan which addresses the challenges of the modern media environment is crucial. Media companies across the broader Australian media sector are responding to this challenging environment in a variety of innovative ways, including through sharing broadcast infrastructure, outsourced and shared services, better and more efficient utilisation of real property (including decentralisation initiatives), and the implementation of agile work practices in purpose-built facilities to boost the productivity of the modern workforce. For example, Seven has consolidated its Sydney operations to a principal facility in Eveleigh (supported by news resources at Martin Place) and Nine has sold its premises in Willoughby and staff currently based there and at Pyrmont will relocate to leased premises in North Sydney later this year.

Consolidation of the ABC's capital city property portfolio presents an opportunity to transition to new, purpose-built facilities and to secure the Corporation's long term future. I would strongly encourage you include a detailed property asset strategy as part of your strategic plan.

The recent half-year results of listed Australian media companies demonstrate the continuing significant financial and operational challenges faced by the sector and that measures to increase workforce productivity will be increasingly important. These companies have emphasised their need to refocus cost structures, improve core business resilience and efficiency, and apply entrepreneurial thinking in delivering quality news and entertainment content to audiences.

The economics of regional media markets, exacerbated by recent bushfires, also challenges the viability of traditional broadcast models, including local news and journalism. I would encourage the ABC to consider how its own operations are responding to the need to maintain public interest journalism for a healthy Australian democracy.

Finally, as federal Communications Minister I was proud to see the work of the ABC and the entire media sector in responding to our national bushfire crisis. You have played a vital role in reporting the news - and keeping Australians informed about immediate bushfire threats to their own local communities, and relaying critical information about actions they should take. The ABC, like its commercial counterparts, has done exceptionally important work throughout a difficult summer. As I have indicated, if the ABC provides detailed information about incremental costs it incurred in responding to this summer's bushfire challenge, the Government will of course consider that information.

Yours sincerely

Paul Fletcher

2/3/2020