

From: David N Anderson
Sent: Wednesday, 9 October 2019 10:59 AM
To: David N Anderson
Subject: Update from the Managing Director

Dear Colleagues,

Earlier this year I promised to report back on how we plan to meet the impending budget cuts and build an ABC that continues to provide high quality and relevant services to the Australian public we serve.

The challenges are well-known. Declining real funding, the rising cost of content production and the need to maintain broadcast technologies while also investing in personalised digital services.

Very few media organisations across the globe are immune from these issues, but the solutions we find have to fit within our role as a public broadcaster. We must continue to be innovative, distinctive and courageous with our content and ensure that we are there to serve all Australians – and I have confidence we will meet these challenges and succeed.

Last week I advised you of a number of initiatives that we have undertaken that will enhance our relevance and save significant costs. This includes a renegotiation of our distribution contracts and a new partnership arrangement with Foxtel.

We are exploring other ways to realise savings without cuts to produced content, including:

- renegotiating other third-party contracts;
- addressing areas of discretionary spending; and
- assessing opportunities to increase our commercial returns.

We will also undertake reviews of our property portfolio and our acquisitions expenditure to achieve further savings.

While the indexation pause totals \$84m over three years, we need to find ongoing savings in excess of \$40 million p.a. from financial year 2021/22. To date, we have found ongoing savings that will total around \$17 million p.a. from 2021/22. It's good progress, but more needs to be done.

The savings we have already found will give us some time to take a considered and methodical approach to the next phase of the savings initiatives in order to meet the full impact of the cuts while maximising the public benefit that we provide to Australians.

The decisions we make will be based on our strategic plan, which will set the path for the next five years. We intend to release the plan in the new year and I will be coming back to you in March with details about additional savings.

In the meantime, I will be visiting ABC locations across the country to continue the dialogue about how we can best shape the ABC to serve the Australian public.

I appreciate that this is an unsettling time and that for many the past few years have been challenging. Thank you for your continued hard work and dedication.

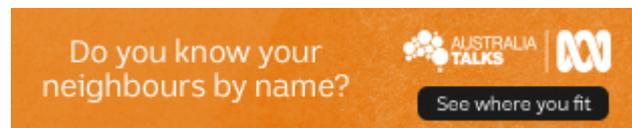
We can all take pride in the fact that the ABC is essential in the life of Australians and the work that we do is crucial to our society and sense of national identity.

Kind regards,

David



David N Anderson
Managing Director, ABC



We acknowledge Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work.

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