



**MEDIA ENTERTAINMENT AND ARTS ALLIANCE  
(SA BRANCH)**

**SUBMISSION**

**For the Senate Environment & Communications References Committee  
INQUIRY INTO RECENT ABC PROGRAMMING DECISIONS**

**September 2011**

## **Winding down ABC TV production: the implications**

A submission from the Media, Entertainment and Arts Alliance (SA Branch) to the Senate Environment & Communications References Committee inquiry into the recent ABC programming decisions.

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## **Introductory summary**

The ABC of today and tomorrow needs to restore its internal TV production - so it can create ABC-owned content for ABC platforms, generate revenue, produce cost-effective new shows, and fulfil the obligations of the national broadcaster's Charter.

However, ABC TV is stealthily being transformed from a program CREATOR into merely a program TRANSMITTER that buys shows from companies in the for-profit TV sector. ABC management currently prefers to "rent" programs in this manner because it appears cheaper in the short term.

This outsourcing means, among other things, that the ABC:

- sacrifices content ownership and intellectual property rights;
- loses revenue streams from ABC material (e.g. program/footage sales);
- is retrenching highly trained program-makers with extensive experience;
- has a diminished ability (as a taxpayer funded cultural institution) to adequately reflect & serve Australian society;
- has a diminished ability to contribute to the entire film and television industry as a provider of training and a centre of excellence;
- can no longer deliver the diversity and originality of programming that it has in the past.

The diversion of ABC funds to the private TV sector is now so large it threatens to soon permanently end the ABC's long history of creating & owning its shows. In the multi-platform era, this has major consequences because the ABC now has so many TV channels and websites to fill with content.

As a result of the ABC's winding down of internal production, particularly in the past 5 years, the ABC Board & TV management are at a crossroad which will define ABC TV into the foreseeable future. The board and management, and the Minister for Communications, face fundamental questions:

1) If the ABC is to continue to be a recorder & custodian of Australian culture, what does the Board, and the Minister, see as the role of internal production in fulfilling that objective?

2) Will ABC TV continue to engage with Australia by *making* programs (beyond just News/Caff shows)?

The outsourcing of production means the ABC pays "through the nose" to effectively *rent* shows from private production companies that pocket the profits *and* retain the copyright.

If internal production is diminished, the MEAA submits that the ABC loses:

- skills, experience & the capacity to make programs;
- the ownership of material in the ABC's unique archives;
- the ability to make retrospective shows examining our culture & society;
- the capacity for a greater multi-platform presence (because of reduced content ownership);
- the best people to make local content that supports the ABC aim to be a genuinely national broadcaster reflecting the country's many facets & regions.

It's especially beneficial to maximise cost-efficient internal production because the cost of buying programs is now at a premium as all broadcasters have many channels to fill. If the ABC continues to dismantle internal program-making, it must spend more to acquire external shows. Worse still, revenue declines because the ABC has less internal content to sell.

**Just like a rental tenant who doesn't own the home in which they live, the ABC will lose out in the longer term by renting programs from external companies. It loses out because it won't own the program rights and, more disturbingly, it loses skilled staff and the ABC's ability to create future programs for the ABC audience.**

Furthermore, the ownership of ABC content means programs have a shelf life determined by demand rather than by limited licensing rights for repeated screening.

The ABC's Charter requires it to reflect the diversity of Australia. Until now, there have been functioning ABC TV Production units in all State capitals - including Sydney & Melbourne, and the so-called BAPH States (Brisbane, Adelaide, Perth, Hobart). But the ABC's TV privatisation means it's now failing in its obligation to reflect all of this broad land.

The ABC has a long history of buying *limited* external content and of working with independent producers in co-production partnerships which genuinely benefit the ABC. But the approach of recent years is a radical departure from that. Under these "co-productions" the ABC has minimal input in the key creative positions and the key areas of content creation (producing, editing, directing, camera and sound recording, writing and researching etc). The ABC puts in money and facilities (such as studio space) but VERY few ABC staff actually work on these co-productions in any significant form, and certainly not in key positions of content creation. This means ABC skills decline, and it boosts the argument that the ABC is not up to the job of making sophisticated programs.

Over the past ten years the ABC has wound up or reduced internal production at a national level - affecting drama, natural history, documentaries, the arts, science, children's television, sports coverage and now what is left of national studio-based productions such as *Talking Heads*, *Collectors* and *The New Inventors*.

ABC staff members are now struggling to feel a part of a vibrant, creative broadcaster that takes risks and is distinctive and original. They are excluded from putting up program ideas and have no representation in Sydney and no representation on the board. A wealth of talent is being whittled away in short-form and long-form programming, in children's and adult television entertainment, and in factual drama and documentary. Further, staff members have no voice in their organisation and no sense of the future mixed production model and the degree to which it will balance internal and external content.

This submission will directly address the Inquiry's Terms of Reference while outlining what the ABC is doing, why it's doing it, and what are the implications of the program/staff cuts which stem from an ongoing policy to outsource program production.

This submission raises issues of national significance for the ABC and also outlines the impact of the cuts on ABC Adelaide in particular.

For more than a decade ABC Adelaide's output has been the largest of the BAPH States, with an array of award-winning prime-time documentaries & long-form factual programs including *Poh's Kitchen*, *The Cook and The Chef*, *George Negus Tonight*, and *Talking Heads*. Working to small budgets, the Adelaide unit aggressively contributes to ABC Commercial revenue through worldwide program & DVD sales for series including *The Cook & The Chef*, *Poh's Kitchen* and the cricket programs. ABC Adelaide is entrepreneurial & innovative; being the first ABC program unit to shoot & edit in High Definition, an in-demand format that doubles sales returns for *Poh's Kitchen*. *Talking Heads* (axed by the ABC late last year) helped pioneer the ABC's use of tapeless technology and introduced desktop editing by producers.

Adelaide's also made nine internationally acclaimed cricket history documentaries (with gross retail sales of more than \$8m for the series' DVDs/videos/books), two documentaries on Wagner's Ring Cycle, a Gurindji land rights documentary, and a 4-part Federation history series. In recent years, however, internal documentary commissioning has ceased.

The Adelaide unit's future is in doubt – and skilled staff are being lost to the ABC - because an internally-made show wasn't commissioned to replace the *Talking Heads* series. Its discontinuation reduces ABC Adelaide's production capacity by 50% & diminishes its ability to continue making award-winning, cost-effective internal shows that are owned by the ABC.

After cutting *Talking Heads*, ABC's Sydney management announced that internal funding would instead be allocated to a deal involving the SA Film Corp and producers from the for-profit sector. This is called the FACTory initiative, and it channels ABC funds to external producers who have no contractual obligation to use ABC staff.

The FACTory is a production template which could soon result in the outsourcing, in all States, of all ABC TV production (outside News/Caff) to the private sector.

The ABC is a 50% financial partner in the FACTory initiative. But SAFC documents show the ABC surrenders 99% ownership (of the programs produced) to private production companies.

Since its launch in December 2010, there's been negligible ABC Adelaide involvement in the FACTory initiative.

With no requirement to engage ABC professionals, this deal will dilute the skills & experience of internal staff, and prompt retrenchments that further diminish the ABC's unique creative inventory & its ability to generate content.

- Was there ABC board approval for the SAFC deal and, if so, was the board cognisant of the implications for internal production?
- The FACTory initiative uses SA government funds allocated to the SAFC. Is this co-production model sustainable given the inevitable fluctuations in State government policies and funding priorities?

The internal cuts also increase the size of the question mark currently hanging over the ABC coverage of local football (in Adelaide it's the SANFL). Only the ABC has the resources & facilities in SA to cover the SANFL to the degree it is currently broadcast. Over 27 weeks per year, ABC Adelaide broadcasts 90 hours of football. It is a lean operation (for instance, the producer is also the director, writer, vision switcher and does some of the editing). Due to the ABC's good relationship with the SANFL, the telecasts show highlights from every game in every SANFL round. The ABC's coverage also has a large web component. The coverage is comprehensive, efficient and – through its web content – is moving with the times.

The ABC's latest round of internal program cuts and threatened axing of local football coverage has received warranted attention but the latest cuts are just that: the latest. In what has been a death by a thousand blows, TV Production within the ABC has been in decline for more than twenty years and this has had a significant impact on Australian film and television production in general and, specifically, on the ABC's ability to produce and own its content.

The experience of our South Australian members, and their colleagues, reveals the loss of programming has negatively impacted on the broadcaster's opportunities to:

- train people;
- contract people from all over the media & arts industries;
- build and sustain links to the wider SA community;
- produce diverse, quality programming;
- continue to build on a rich archive of ABC-owned content.

Twenty years ago, in addition to core news and current affairs and SANFL coverage, ABC TV Adelaide was producing: national schools television, Children's drama, BTN, Children's entertainment and a parenting program (named "PGR") as well as numerous documentaries and arts programs. These programs were important training grounds for people in all areas of production, including studio and field production. They employed not just people from within the ABC but external producers, directors (including Scott Hicks), set designers, graphic artists and camera crews, as well as many established and emerging actors. Many of the ongoing programs were greatly valued in the community, particularly the early childhood "*PGR*" series, and the programs made for schools (such as "*For the Juniors*" plus series on geography, economics, mental health and well-being programs for primary and secondary school students).

Over the years, programming has disappeared. Significantly, ten years ago children's entertainment and schools education television was cut by the ABC. Until recently ABC Adelaide was left with two strands of non-news production, *Talking Heads* and *Poh's Kitchen* (BTN now comes under news and current affairs). As of last year, ABC Adelaide has just *Poh's Kitchen* and no guarantee of production beyond the current contract.

The MEAA (SA Branch) notes that ABC staff, and ABC viewers, applaud the Senate for investigating this issue. Staff and audience members hope Senators, and all parties, will use the results of this enquiry to implement corrective action that redresses the cuts to internal production.

**Term/s of reference**

**(a) the implications of this decision on the ABC's ability to create, produce and own its television content, particularly in the capital cities of Brisbane, Adelaide, Perth and Hobart;**

**(b) the implications of this decision on Australian film and television production in general and potential impact on quality and diversity of programs;**

**(d) the implications of these cuts on content ownership and intellectual property;**

If a broadcaster makes a show and owns the copyright, it can show it at virtually no charge on its channels. It costs more initially (because it has to make the show rather than rent it) but in the longer term it can be shown repeatedly - and at no charge - on the broadcaster's various platforms.

**In contrast, the ABC owns little or no copyright on externally-made shows, and the ABC effectively pays a fee each time these programs are broadcast. At a time when content-ownership is king (because the ABC must fill 4 channels and multiple web platforms) it's more important than ever to have shows that are internally made and internally owned.**

For instance, Adelaide's *The Cook and The Chef* was created and produced by the ABC. This means the ABC can broadcast it as many times as it wants (on any of its channels and web platforms) at no charge. The ABC also makes money by on-selling it to networks overseas and in Australia (e.g. Foxtel). Plus the ABC receives a revenue stream from continuing sales of *The Cook & The Chef* DVDs, books, CDs etc.

The ABC's *creative inventory* is being demolished. Internal production is being repeatedly cut, programs are being axed and not replaced, skilled staff are being sacked (and more will go), and resources are being lost at ABC TV in Adelaide and nationally.

The MEAA understands that, as a result of the planned cuts, Perth will be left with just *one* ABC TV producer. In Brisbane (and this has been the case for some years) there is *no* ABC program production outside its news & current affairs (News/Caff) shows. (News/Caff is a completely separate division from ABC TV Production; and the Director of Television, Mr. Kim Dalton, does not control News/Caff.)

The dire situation facing BAPH States, as well as retrenchments & program cuts in Sydney & Melbourne, suggest ABC TV is on a path to outsource the bulk of its content creation.

In Perth, the ABC has axed production of its *Can We Help?* program. Hobart faces an uncertain future after the "resting" of *Collectors* (to be "temporarily" replaced by a shorter run series about auctions).

Adelaide's had its internal TV Production capacity halved in recent years and more jobs & skills will soon go. Last year, ABC Adelaide made and broadcast 80 half-hour episodes (40 x *Poh's Kitchen*, 40 x *Talking Heads*). This year, SA will broadcast 13 primetime episodes of *Poh's Kitchen*. After *Talking Heads* was scrapped and not replaced, the ABC did a deal with the SA Film Corp to give ABC funds to external producers who have no contractual obligation to use ABC staff. As part of that deal, the ABC puts in significant funding but has extremely minimal content ownership rights over the material produced by the ABC/SAFC "FACTory" initiative.

ABC TV management will justifiably argue that TV is a dynamic business in which old shows are culled and new favourites are brought forth; but in recent years, there's been lots of culling and very little "bringing forth" of new internal shows on the ABC.

For example, *Bananas in Pyjamas* (an icon of internal program creation) is now made & distributed by a consortium including the Dutch-based Endemol company (which also gave the world *Big Brother*).

**Some background.** First, ABC TV cut internal production of drama. Then it closed its Education/Children's unit (which, from Adelaide, produced internationally-awarded education docos for schools, as well as parenting programs, kid's entertainment shows and children's drama). In 2007 Mr. Dalton closed ABC TV's internationally-acclaimed Natural History (wildlife) unit in Melbourne. Mr. Dalton then oversaw the effective end of internal documentary production, ending decades of in-house documentary creation, and he closed the TV Development unit which assisted the creation of new programs. Now the ABC is increasingly outsourcing production of its factual, light entertainment, and studio-based shows.

In light of ABC Adelaide's program record in children's and education TV, it's worth noting the ABC Charter stipulates the ABC must be "broadcasting programs of an educational nature". By having cut the ABC's Education/Children's unit/s, has the ABC breached its Charter obligations? The excellent *BTN* news and current affairs shows do not, on their own, fulfil the ABC's education TV obligations.

The outsourcing of so much production is dubious because content - and content ownership - is now an essential element of broadcasting success in the digital age. The long-tail of viewer interest in programs - stretching ahead for decades on multiple platforms - means it makes long-term sense for the ABC to continue to generate content in-house.

Every time a show is made in the ABC - be it drama, documentary, light entertainment etc - taxpayers and the broadcaster benefit from the increased skills of the ABC staff who work on the program. The reverse is true whenever ABC management opts to fund an *external* production using ABC *internal* funding: quite simply, it lessens the ABC's skills base.

Mr. Dalton has suggested to ABC staff working on some successful in-house programs that they should consider leaving the ABC and selling programs back to the national broadcaster. He does this because, if the show is made externally, it can apply for funding from film financing bodies and private investors; these group/s put up money and take ownership of the program's valuable rights (copyright etc) and its profits.

As a result of the loss of *Talking Heads*, four producers have been targeted for redundancy at ABC Adelaide. One of the producers created the highly successful cricket series for the ABC and directed the ANZAC coverage each year; all four have created SA content for national ABC programs such as (but not limited to) *Gardening Australia*, *Collectors* and the *Can We Help?* show, among others.

ABC TV has rapidly grown from one to four channels, an expensive expansion which – some fear – diverted so many funds that there's little left for actually making content to screen on these channels.

Mr. Dalton has reassured the community (for instance, on ABC radio) that the ABC maintains strict editorial control over what is made by external producers for the ABC. But talented *Angry Boys* creator Chris Lilley appears to contradict Mr. Dalton in this excerpt from an article about Lilley (written by Andrew Fenton and published by News Corporation on 23/4/2011):



*Between series Lilley developed a treatment for We Can Be Heroes and sent it to the ABC. "I literally rang the ABC and they were like: 'Yeah, we'll do it'," he says. "It was so easy." He also somehow secured an amazing amount of creative control for a first timer, writing the scripts, playing all the lead characters, doing the music and overseeing the editing. And whenever the ABC's script editors or executives made suggestions, he'd simply ignore them. "I sort of developed a way of just going: 'yeah, yeah, thanks for your advice, I'll definitely consider it' - and then not changing it," he says. "I think I have a really clear vision and when I hand the script over I'm like: 'This is it'. And I think they're probably clever enough to realise they're going to get a better result when they don't try and meddle with it."*

Source: <http://www.adelaidenow.com.au/ipad/revenge-of-the-tiger-lilley/story-fn3o6wog-1226042791545>

Perhaps those ABC executives should have "meddled", given that the *Angry Boys* audience fell from 1.36 million on debut to 612,000 for the show's finale. Perhaps the ABC shouldn't have simply handed its taxpayer cash, and total control, to a production company. Perhaps an ABC-produced vehicle for Lilley would have better suited the tastes of ABC audiences.

Despite Lilley's revelation about the ABC's hands-off approach, the *Angry Boys* series ends with the enormous ABC logo and the phrase "made in association with the ABC". What ABC staff were employed in the key creative areas of scripting, producing, directing, camera, sound recording, editing etc?

So, to those who complain about the vulgarity of "that *Angry Boys* ABC program", they should be advised the ABC didn't make it - it paid someone else to do that. After all, would ABC internal program makers really include repeated shots of a character's scrotum (as Lilley does in *Angry Boys*)?

The outsourcing of program-making means ABC staff are being steadily retrenched as positions & programs are made redundant; this results in a shrinking talent pool and falling skill levels - which further boosts the case for using external program-makers rather than "under skilled" ABC internal staff. It is privatisation by stealth.

It's getting to the stage where more and more of the in-house production is coming only from the News & Current Affairs division (known as News/Caff). This division covers programs such the 7PM news, 730, Lateline, Landline, Australian Story, Four Corners and Stateline. When the ABC made its excellent nature programs on Lake Eyre it was done by the News/Caff division. (The ABC's Natural History unit was disbanded by Mr. Dalton.) On the ABC3 kids channel, a great many programs are being bought-in - but not the various shows made by Behind The News - (again, because BTN is part of News/Caff).

Just as viewers expect the ABC to make its own news and current affairs programs, viewers also expect the ABC to make the bulk of its non-news shows. Would ABC radio listeners be happy if their shows were being made by commercial radio production companies rather than ABC producers and presenters? Would it be acceptable for News/Caff shows - like Australian Story, Landline, Four Corners and the 7 PM news - to be made by a for-profit company? Would that be a good use of the ABC's funding and a fulfilment of its Charter? Would that contribute to the skills development of journalists and the makers of news programs?

As a program-maker, the ABC has long made in-house shows that:

- meet its charter obligations;
- are directly targeted at Australian viewers and ABC audiences;
- comply with ABC editorial policies and quality control standards;
- assist with the training & up-skilling of ABC staff.

When the ABC makes a show itself:

- taxpayers benefit because all the money is spent on the program as there are no external parties taking profits;
- future ABC viewers benefit because the internal program making maintains and *increases* the skills of ABC staff (be they camera operators, sound recordists, tech staff, researchers, producers, directors, floor managers, editors etc) who go on to make *more* ABC programs in the future.

Further, the ABC often makes programs more cheaply because its staff are generally on lower wages than their private sector counterparts,.

ABC management has suggested that 84% of ABC TV content is “internal”. ABC staff are appalled at the gross misrepresentation that this claim implies. To arrive at this figure, the ABC is perhaps suggesting that *external* productions which use ABC studios (such as *Enough Rope*) are in fact internal programs. The ABC might also be using weekend sports coverage which occupies large chunks of time in the weekend TV schedule (e.g. ABC Adelaide broadcasts 90 hours of football each year). The ABC’s midnight-to-dawn schedule often relies on repeats of internal programs (because there are no fees to repeat them) and these repeats might also be included in this misleading figure of 84%. Nevertheless, this combination of shows (sport, midnight-to-dawn, and studio rentals) are hardly an accurate representation of the true level of internal content creation.

*The Gruen Transfer*, for instance, is filmed in an ABC studio and recorded by ABC camera operators - but involves no ABC producers etc in key areas of content creation such as producing, directing, scripting or editing etc. It would, therefore, be misleading if the ABC management suggested that this program (made by an external company) is actually an *internal* show.

For a real measure of the level of non-news internal programming, look to the primetime period of 6.30 PM to 10.30 PM. In this period, internal content has been in terminal decline in recent years. And when an internal TV unit goes, it stays gone. Lose these content creation skills/staff/resources now and they will be gone for good.

### **What the ABC gets from outsourcing program production, and what it gives up**

Director of TV Kim Dalton speaks of “leveraging” the ABC’s financial contribution (to various co-productions with independents) to raise more external funds for program budgets. This means the ABC gives its funds to a for-profit production company which can also get additional money from screen funding agencies (such as Film Victoria, ScreenWest), private investors and other broadcasters (in Australia and overseas). This generally means, however, that the ABC doesn’t own the rights to the production and can’t exploit those rights. The ABC pays to broadcast the show and pays for any repeat broadcasting (be it on TV or the web).

- Is the ABC Board, and the Minister for Communications, comfortable with the short-term consequences and the long-term legacy of the trade-off that leveraging entails?

## **No ABC mechanisms in place to foster new internal program ideas**

Under the present Director of Television, TV management consistently turns only to the private sector to source program ideas (as seen in the FACTory initiative). By default, if we look only in one direction for all creative ideas, that is where they will originate, irrespective of whether they are in fact the *best* creative ideas.

In 2007, on the Radio National *Media Report* program, ABC children's TV chief Tim Brooke-Hunt spoke candidly (he later apologised) about outsourcing program production. It was a public revelation of what ABC staff already knew to be the case.

Tim Brooke-Hunt: *"Well I do not intend to make any change to our in-house production of shows like Play School, and of our hosted blocks, which is really all we do in-house. The great majority of our Australian content comes from independent producers, and will continue to do so. As a general intention, we would rather engage with the independent sector because quite honestly, I think that's where the best shows come from. I think that's where the greatest level of creativity resides, and I think it's where the best value program making comes from."*

Source: <http://www.abc.net.au/rn/mediareport/stories/2007/2108989.htm>

Broadcast: 6/12/2007

Mr. Brooke-Hunt now occupies the position of Controller for the ABC's children's channel.

Privately, however, many senior ABC executives are critical of the outsourcing policy being driven by Mr. Dalton and his closest executives, who include the Controllers of the ABC TV channels.

Like *Poh's Kitchen* & the cricket docos, *The Cook and The Chef* was conceptualised & created by ABC Adelaide. A ratings success in its 6.30 slot, its weekly audiences regularly exceeded 650,000 (more than 14% audience share). With 42 episodes made each year, it was excellent value, was sold worldwide and generates many DVD sales. Despite its track record, ABC Adelaide staff was denied the opportunity to effectively submit ideas for a replacement show when *Talking Heads* ended in late 2010.

Under the previous Director of TV, Sandra Levy, a monthly meeting of program heads considered all program ideas (internal & external). There was also a forum for producers to pitch and develop ideas, and a Development Unit to foster internal program proposals and their subsequent production. Put simply, these mechanisms (now gone) encouraged & facilitated internal production.

Under Mr. Dalton's management, internal program production has been steadily in decline. In recent years the ABC has cut multiple producer/director/researcher positions in Sydney, Perth, Melbourne, Brisbane & Adelaide. This flows on to cuts in the areas of camera and sound recording, editing, archives, technical support and studio staff etc. These people have been trained by the ABC and contributed to a range of award-winning programs created specifically for ABC audiences. And they are brimming with ideas for new shows.

ABC management may dispute points in this submission and, instead, point to various examples of shows which are 100% internally produced. But these are often shows which are either on their way out (*Spicks and Specks*, *Collectors*) or they might be relatively inexpensive studio-based panel shows. Programs – such as *Spicks and Specks*, *Q&A*, *New Inventors* and *First Tuesday Book Club* - get a panel of "talking heads" together in a studio and sometimes shoot multiple episodes in one day. There's little or no "field" shooting (where segments are shot outside or over a number of days) and it produces cheaper TV

that does not fully utilise the field-production skills of ABC staff. But ABC staff can - and previously have - done so much more than these studio-based panel programs.

While programs such as *Message Stick* and *Compass* rely on much more field-based filming, they are now buying more episodes than they make in-house. So yes, ABC management may call them "in-house" series, but the shows are increasingly focused on using externally-made content.

ABC management may argue that, by funding external programs, the ABC can still reflect Australia's various regions. But outside of Sydney and Melbourne, the independent TV production sector is relatively minimal - and it's the ABC programming in some BAPH States that allows those regions to maintain their presence on the national broadcaster. For instance, the for-profit TV sector is relatively marginal in size in SA and does not have the experience that ABC Adelaide's program makers possess. (The Terms of Reference "other matters" section outlines ABC Adelaide's track record.) The cuts mean that, more than ever, ABC TV risks turning into the SBC ("Sydney Broadcasting Corporation") because the TV production commercial sector is strongest in NSW.

- By cutting internal production in the BAPH States, how does the ABC fulfil its Charter obligations to "contribute to a sense of national identity" and "reflect the cultural diversity of the Australian community"?

(Incidentally, the Charter is no longer contained in the recently-revised ABC Editorial Policies Guide. Both in spirit and in action, ABC TV management appears to be viewing the Charter as a somewhat optional appendix best kept out of sight.

### **Cutting internal production: the implications**

**Reduced opportunities to train people.** More programs meant more opportunities for people to gain experience. For instance, younger staff learnt the ropes as camera assistants, researchers gained experience in producing. The entire film and television industry has benefited from the training provided by the ABC. Award winning independent cinematographer Carl Robinson was a camera assistant on ABC schools programs, as was cameraman and indigenous cultural advisor, Elton Rosas. Likewise, ABC TV Adelaide trained a number of other high-end cinematographers, editors and sound operators.

Locally and nationally, producers and on-camera talent have been trained within the ABC and then left to make and sell programs back to the ABC - so every part of the sector has benefited from ABC training opportunities. Many of the Children's drama features were made as co-productions providing the opportunity for collaboration between the internal and independent sectors, with crews working with directors such as Scott Hicks.

At this stage, neither the ABC FACTory initiative, nor the recently announced SA Film Corp children's drama series, looks like involving ABC staff in the development or production stages of their programs. Where is the training for the next generation going to come from? How is program quality going to be affected?

**Less experience and work opportunities for people in the wider industry.** The entire SA film & TV industry benefits from ABC internal production. Many non-ABC professionals were employed to work on ABC internal productions such as *George Negus Tonight*, *Talking Heads*, and children's drama and school programs. They included set designers & builders, graphic artists, costume designers, even puppet makers. Independent musicians have been used widely to score whole series, and actors from the various acting schools have received lots of work through the ABC productions of previous years. But ABC Adelaide's cut in

production has meant a significant downturn for the whole industry in South Australia. External levels of production have not filled the void.

**A loss of diversity of programs.** A now very dated parenting program, “*PGR*” is still being played at the maternity hospital in Adelaide. Many of the series for schools, made for around \$30,000 each, fell into the top ten video sales for the ABC and, although made over eleven years ago, are *still* being played today, five years beyond their predicted lifespan because the demand is still there and no-one else has been able to meet it. They highlight a quality and diversity of programming that has been lost to Australia by the closure (in about 2004) of the Adelaide-based Children’s Education unit. As the internal skill base is eroded, the broadcaster loses unique expertise within specialist fields in the ABC.

**Loss of content.** In making programs internally (especially *Talking Heads* and the history strands for *Dimensions* and *George Negus Tonight*) ABC Adelaide has drawn heavily on the ABC’s wealth of archival material – and these programs have *added* to it. Many programs, from history to children’s TV, have been able to be made cheaply because of the ABC’s large archive base. Archival material can also be used across the multiplatform environment. ***The ownership of ABC content means programs have a shelf life determined by demand rather than by limited licensing rights.***

ABC Archives is one example of the resources that give the ABC a cost advantage. Put simply, no other broadcaster has an archive to rival the ABC’s. But the loss of internal productions means it’s inevitable that ABC Archives will decline because externally-made shows do not usually become the property of ABC Archives. The ABC doesn’t make the external shows, doesn’t own the rights to the external shows, and can’t exploit the footage through ABC archives.

**Loss of Community connections.** Many of the ABC Adelaide programs have involved contact with various sectors of the community in research and filming. Schools television worked with schools across Australia to make the programs in subject areas where there was a need - and students, teachers and experts were consulted widely. Similarly with the history strands and *Talking Heads*, there was a higher level of ABC presence and involvement in the community. And the ABC is very much connected with a broad sector of the local football community.

As a larger organisation with a brief to reflect cultural diversity, ABC Adelaide has recently created a position for a local indigenous cultural advisor (he is also a camera operator). The presence of the local advisor and his connections to the wider indigenous community makes it a much more viable option for the ABC to incorporate indigenous stories and perspectives in programs. In the series of *Poh’s Kitchen On The Road* (currently going to air) two of the programs feature strong indigenous stories. Any further cuts in internal programming will make it more difficult for the ABC to justify a position such as this.

#### **Term/s of reference**

**(c) whether a reduction in ABC-produced programs is contrary to the aims of the National Regional Program Initiative;**

The MEAA (SA Branch) urges the ABC Board to commit to sustaining the 2010 levels of internal BAPH production and to honour the intent of the National Regional Program Initiative set up approximately a decade ago to foster ongoing internal production in BAPH states.

#### **Term/s of reference**

**(e) the impact of the ABC's decision to end internal production of Bananas in Pyjamas and to outsource the making of a 'Bananas in Pyjamas' animation series to Southern Star Endemol Proprietary Limited;**

*Bananas In Pyjamas (BIP)* is an example of an in-house program which was fully conceived and produced by the ABC. The ABC owns the copyright and reaped tens-of-millions of dollars in sales of the shows and its merchandise (such as DVDs, books, toys etc). It is said that, in the eighties and nineties, the *Bananas* effectively helped bankroll parts of ABC production. But, the *new* series of *Bananas in Pyjamas* is being made, not in-house at the ABC, but by a consortium involving Southern Star Entertainment and the giant Endemol production company (owner of The Big Brother franchise).

The following excerpts – from ABC and Southern Star Entertainment – highlight the revenue to be gained from an internal show like *BIP*.

Here's what the ABC's Commercial division says about *BIP* and the Corporation's ability to exploit its in-house programs and its intellectual property:

*Following the phenomenal global licensing success of the Australian children's classic Bananas in Pyjamas, ABC Licensing established a licensing operation to strategically and effectively manage programs for a range of children's and adult properties.*

*Globally ABC Licensing manages a network of agents for the international licensing programs for ABC-owned and developed properties such as Bananas in Pyjamas and Five Minutes More.*

*ABC Licensing focuses on maximising the profile, reach and sales success of all properties it represents.*

Source: <http://abccommercial.com.au/licensing/>

Here's what Southern Star Entertainment (part of the group making the new *BIP* series for the ABC) says about the *BIP* brand:

*In July 1992, the first episode of Bananas in Pyjamas was broadcast in Australia on ABC TV. Bananas in Pyjamas has since become one of the most popular and enduring children's TV programs with pre-schoolers in Australia.*

*Bananas in Pyjamas is now captivating 70 countries around the world with approximately 100 million viewers, with the Bananas speaking anything from Japanese to Portuguese. They have 299 episodes plus four specials under their belt.*

*They have travelled the world, visited the White House where they met the President of the United States and appeared on Oprah. They are regarded as one of Australia's greatest exports - up there with the likes of Greg Norman and Kylie, and have been the subject of an Archibald Prize entry. To top it off, the Bananas in Pyjamas were included in the closing ceremony parade at the Sydney 2000 Olympics. You don't get any bigger than that!*

Source:

[http://www.southernstarentertainment.com.au/index.php?option=com\\_content&view=article&id=63:bananas-in-pyjamas&catid=4:kids-shows&Itemid=12](http://www.southernstarentertainment.com.au/index.php?option=com_content&view=article&id=63:bananas-in-pyjamas&catid=4:kids-shows&Itemid=12)

*The Australian* on 18/8/2011 reported what Southern Star said of the *BIP* deal and the profits it generates:

*But chief executive of Southern Star Entertainment Rory Callaghan told The Australian the ABC wound up the internal production of the children's program in 2001 to save revenue.*

*He said a \$10.5 million production of a 3D animated series of the much-loved show was being sold to Cartoon Network in Europe. "Those royalty dollars are already flowing," he said.*

Source: <http://www.theaustralian.com.au/national-affairs/senate-inquiry-to-press-abc-over-job-and-program-cuts/story-fn59niix-1226117018472>

It's worth noting that the royalties Mr. Callaghan mentions are presumably being split between the ABC, Southern Star Entertainment and Endemol. When BIP was made in-house, the ABC would presumably have pocketed all royalties from the BIP series – because the ABC created the BIP concept and the made the programs using its in-house resources and expertise.

#### **Term/s of reference**

**(f) the future potential implications of these cuts on ABC television's capacity to broadcast state league football and rugby; and**

Only the ABC has the resources & facilities in SA to cover the SANFL to the degree it is currently broadcast. Over 27 weeks per year, ABC Adelaide broadcasts 90 hours of football. It is a lean operation (for instance, the producer is also the director, writer, vision switcher and does some of the editing). The ABC's coverage also has a large web component. The coverage is comprehensive, efficient and – through its web content – is moving with the times. ABC SANFL coverage staff are also used in other areas of ABC TV production in Adelaide – so the loss of SANFL coverage jobs would reduce the resources, and skilled staff, available to other production areas at ABC Adelaide. There would be a damaging flow-on effect; the whole branch suffers when skilled staff and resources are removed from a key area.

Under public pressure, the ABC might reassure the community that local football and lawn bowls coverage will not be cut. **Community support for the continued coverage of SANFL has been significant.** The establishment of a Facebook page 'SAVE the SANFL on the ABC' has close to 3000 members and has caused media coverage of the issue in online, traditional print and radio. This response goes to the heart of what the ABC means to the community - bringing local content to viewers that are unable to get it elsewhere. In his recent National Press Club address, ABC Managing Director, Mark Scott stated ***"Many of the programs shown on the ABC would not find a place in a commercial schedulers' line-up."*** **It is never more obvious than in the case of local sport.** Mr Scott also stated that, *"At the ABC we need to do it all-deliver on the Charter and engage our audiences, whilst wisely investing the taxpayer's dollar. We are not chasing ratings-but we want to create great programming and help it find good audiences."* However he also said, *"We need to inform, educate and entertain-we need to deliver content that others will not be able or willing to deliver-we need to have programs of wide appeal and special interest."* Isn't this what covering local sport does? Mr Scott goes on to say, *"What people watch, read and listen to is personal. Not everyone will be a fan of every program..."*

If the ABC does continue its coverage of local sport, this must not be the end of the fight to return internal production. Sports coverage is *just one aspect* of the ABC's winding back of internal TV production.

#### **Term/s of reference**

**(g) any other related matters.**

## **The FACTory Initiative**

Prior to the August announcement of staff cuts, ABC Adelaide was resourced (staff & facilities) to make 80 x 30min factual programs (40 x *Poh's Kitchen* & 40 x *Talking Heads*).

After it was announced *Talking Heads* was finishing after six seasons, the ABC & SAFC outlined their FACTory initiative. The deal means ABC funds go to external producers who have no contractual obligation to use ABC staff.

The FACTory is a production template which could soon result in the outsourcing, in all States, of all ABC TV production (outside News/Caff) to the private sector.

The ABC is a 50% financial partner in the FACTory initiative. But SAFC documents show the ABC surrenders 99% ownership (of the programs produced) to private production companies.

Since its launch in December 2010, there's been negligible ABC Adelaide involvement in the FACTory initiative. No displaced staff members have been assigned to external producers aligned with the FACTory initiative.

Privately - and understandably - producers from the for-profit sector say they prefer to work with colleagues (such as camera operators, editors, directors etc) with whom they have previously established close relationships. As a result, it seems unlikely that ABC staff will play any significant role in the *key creative areas* on private sector programs which are funded by the ABC under the FACTory initiative.

**With no requirement to engage ABC professionals, the FACTory deal will dilute the skills & experience of internal staff, and prompt retrenchments that further diminish the ABC's unique creative inventory & its ability to generate content.**

The FACTory was announced after the axing of *Talking Heads*, a series which produced 40x30 min episodes p.a. If *Talking Heads* had been replaced by *another* internal ABC program, the Adelaide unit would still been resourced to make 40x30 min episodes of the *new* show. Instead, the ABC channelled funding into the FACTory – which WAS meant to create up to 20x30 min episodes for the ABC for broadcast in 2012. But the FACTory program output has now been scaled back to just 12x30 min programs.

So on one hand there's *Talking Heads* (or its internal replacement program) which would have made 80x30 min episodes in 2011 & 2012. And on the other hand there's the FACTory initiative producing just 12x30 min eps in 2011 & 2012.

**The bottom line: the ABC trades 80 internally-owned episodes (made by a small, skilled & efficient production team) for 12 episodes which the ABC pays a lot for but has limited rights to. Further, the ABC loses the skills and experience of the small *Talking Heads* team, including producers, camera operators and editors etc. Some may be redeployed, some will be retrenched.**

If the FACTory programming (for a post-8PM slot) is compared to the 6.30PM *Talking Heads* series, the figures are sobering.

More than twice as much money will be spent making each FACTory episode as was previously spent on an episode of *Talking Heads*. The ABC ends up with half the number of episodes (originally 20, now cut to 12) as was produced internally for *Talking Heads* (40).



Factoring in all charges, *Talking Heads* cost an estimated \$50K per episode.

The SAFC Special Initiatives Document states on p4:

*'Based on a minimum per episode budget of \$125K (to produce 20 episodes, now 12) a finance plan may consist of:*

*\$40K ABC Licence Fee, \$50K SAFC Equity Investment, \$20K Producer Offset, as well as an amount of \$15K ABC Resources & Facilities (equity contribution in kind)."*

Even when removing the \$15K ABC Resources & Facilities, the final amount equates to a minimum of \$110k cash for each independent episode (which is not ABC owned, unlike *Talking Heads*).

***Worse still, despite the ABC's funding of this scheme there's no formal contractual agreement to use ABC internal production staff & resources.***

As mentioned, the SAFC documents show that, out of a budget of \$125K per episode, only \$15k has been allocated for ABC Resources & Facilities (equity contribution in kind). It further states: *'Use of ABC provided resources & facilities will be at the (independent) producer's discretion and may vary depending on the producer's requirements'*.

- Was there ABC board approval for the SAFC deal and, if so, was the board cognisant of the implications for internal production?
- The FACTory initiative uses SA government funds allocated to the SAFC. Is this co-production model sustainable given the inevitable fluctuations in State government policies and funding priorities?

Senior ABC staff member Quentin Dempster, a former ABC staff-elected board member, recently commented in *The Australian* about ABC board members and the handling of issues arising from their links to external bodies (such as the SAFC) which may be seen to benefit from the decision of ABC management to outsource increasing amounts of production.

*The Australian* reported on 22/8/2011 that the SA Film Corp studios would be the location for a new externally-made children's drama funded by the ABC. Here is an excerpt from the article:

*The announcement was criticised by ABC presenter Quentin Dempster and the Public Sector Union, which said it was further proof of the decay of Australia's public broadcaster.*

*Dempster questioned the employment of ABC board member Cheryl Bart as chair of the South Australian Film Corporation.*

*"Ms Bart, please explain how you protect the rights of the ABC while you also chair the SAFC," Dempster said.*

*He called on the ABC to reveal details of the outsourced deal, including the use of taxpayer funds, the co-funding business plan, the ABC's rights and the revenue share from sale of the program.*

*"The public has a right to know how taxpayers' money is being brokered in the television production," he said.*

### **ABC Adelaide's record of TV achievements**

When examining cuts to ABC TV in Adelaide, it's worth examining the branch's national and international production record over the past ten years.

**For more than a decade ABC Adelaide's output has been the largest of the BAPH States**, with an array of award-winning prime-time documentaries & long-form factual programs including *Poh's Kitchen*, *The Cook and The Chef*, *George Negus Tonight*, and *Talking Heads*. The following table (Table A) summarises ABC Adelaide's TV output over the past 10 years and shows how its production capacity has been halved as a result of program & staff cuts.

Adelaide's also made nine internationally acclaimed cricket history documentaries (with gross retail sales of more than \$8m for the series' DVDs/videos/books), two documentaries on Wagner's Ring Cycle, a Gurindji land rights documentary, and a 4-part Federation history series. In recent years, however, internal documentary commissioning has ceased.

Working to small budgets, the Adelaide unit aggressively contributes to ABC Commercial revenue through worldwide program & DVD sales for series including *The Cook & The Chef*, *Poh's Kitchen* and the cricket programs. ABC Adelaide is entrepreneurial & innovative; being the first ABC program unit to shoot & edit in High Definition, an in-demand format that doubles sales returns for *Poh's Kitchen*. *Talking Heads* (axed by the ABC late last year) helped pioneer the ABC's use of tapeless technology and introduced desktop editing by producers.

Adelaide staff also work, as required, on all network programs including *Australian Story*, *Gardening Australia*, *Collectors*, *Can We Help?*, *Message Stick* etc.

ABC Adelaide's staff is highly experienced in making long-form & multi-episode factual entertainment shows. In contrast, the majority of the SA independent sector members do not have that experience because of the relatively marginal TV production opportunities in SA. In comparison, the ABC Adelaide team has a slate of internationally-recognised, cost-effective shows.

The Adelaide unit's future is now in doubt – and skilled staff are being lost to the ABC - because an internally-made show wasn't commissioned to replace the *Talking Heads* series. Its discontinuation reduces ABC Adelaide's production capacity by 50% & diminishes its ability to continue making award-winning, cost-effective internal shows that are owned by the ABC.

**The MEAA (SA branch) notes that ABC staff, and ABC viewers, applaud the Senate for investigating this issue. Staff and audience members hope Senators, and all parties, will use the results of this enquiry to implement corrective action that redresses the cuts to internal production.**

(Please see *Table A* on following page.)

<i>Table A</i> <b>A decade of ABC TV, Adelaide: Summary of output &amp; staffing 2001-2011</b>	
Mid '80s - 2004	Children's/Education Unit (making: education docos for schools; parenting programs; magazine shows; and children's dramas directed by people such as Scott Hicks). Unit closed 2004.

1993-present	SANFL football coverage (90hrs of TV pa)
1998-2006	ABC Adelaide (producer Lincoln Tyner) creates 9 cricket history documentaries generating sales of more than \$7m. The last doco aired in 2006 (the year Kim Dalton became Director of TV). Subsequent cricket history documentary proposals were rejected.
1999-2001	Annual coverage of International Horse Trials (3 day events, 17 camera shoots)
2000 & 2002	Adelaide Arts Festival national television specials
2001	Four-part documentary <i>"SA, Federation &amp; The 20th Century"</i>
2001-2004	<i>Dimensions In Time/George Negus Tonight</i> (history strand) (40x30mins pa)
2001-2002	<i>Feedback</i> (twice weekly program, formerly known as Backchat)
2004	<i>The Ring</i> (major arts documentary on Wagner's opera)
2005	<i>Beat The Chef</i> food program (40x30mins)
2006-2009	<i>The Cook And The Chef</i> food program (40x30mins pa)
2007	<i>Sign Of The Times</i> (light entertainment, social history pilot program)
2007	<i>Ripples From Wave Hill</i> 2x30 min land rights documentary ( <i>Message Stick</i> )
2007-2009	Womad music specials for ABC2
2008-2009	Dedicated TV arts producer (full-time Adelaide-based position, creating content for national arts programs)
2008-2009	Dedicated <i>Gardening Australia</i> arts producer (part-time Adelaide-based position creating content for national show)
2008-2010	<i>Talking Heads</i> biography program (40x30mins pa)
2006-2007	SA producer position for <i>Collectors</i> program & <i>"Can We Help?"</i>
2010	<i>Poh's Kitchen</i> (6.30 PM slot, 40x30mins)
2011	<i>Poh's Kitchen On The Road</i> (8 PM slot; pioneering the ABC's use of high-definition filming/editing)
NB: from 2001 to 2011, ABC Adelaide staff have been instrumental in the coverage of large national/international sporting events including Hopman Cup tennis, Women's Australian Open golf tournaments, netball, women's cricket, hockey, basketball, and the internationally-awarded Paralympics coverage for the summer & winter games (2006, 2008, 2010).	

<b>Recent staff cuts at ABC TV Production, Adelaide</b>	
2009	Adelaide TV production producer positions cut from 11 to 9 (and an associated reduction in SA TV output).
2011 (August)	Announcement of Adelaide TV production producer positions cut from 9 to 5. These cuts will lead to additional retrenchments in areas such as camera, sound recording, studio production, editing, audio post-production etc. So there's fewer people making fewer programs, now and into the future.

(Submission ends)