

To:
The Committee Secretary,
Senate Standing Committees on Environment and Communications,
Parliament House, Canberra, ACT.

A Submission from the Post Production Department (Ripponlea, Vic), Production Resources Division, ABC

We, the undersigned, request that you consider these issues at the forthcoming Senate Inquiry into the Australian Broadcasting Corporation.

Our contention is that the recent announcements by Mr Kim Dalton, Director of Television, and Mr Mark Scott, Managing Director of the ABC deliberately conceal what is actually happening at the ABC.

We are concerned about:

- the implications of these decisions on the ABC's ability to create, produce and own its television content;
- the resultant loss of creative talent and technical talent within the ABC caused by already announced redundancies, and future redundancies that will necessarily follow;
- the transparency of financial arrangements between the ABC and external program producers;
- the move to externally produced programs which means a loss of public ownership of the raw material, and therefore reduced input into future National Archives.

The Effect of the Recent Announcements on Current Programs and Future Programs.

The recent public announcements regarding programming changes within the Arts and Entertainment department of the Television Division of the ABC are so heavily wrapped in "spin" that the real truth is concealed from anyone who reads these releases, or listens to the MD's recent speech to the National Press Club.

Mark Scott and Kim Dalton have expressed the line that *"some changes to programming are required"* to respond to falling ratings and *"the increased cost of acquisitions"*. They announced the end of *Art Nation* and *The New Inventors*, and claimed that *"some staff are resistant to change"* and were therefore *"unreasonably critical"* of the announced changes.

What they did not announce publicly was that the day after these programs were cancelled, ALL of the producers and researchers in TV Arts were given redundancy notices and instructed to sign them within three weeks. So, not only were these programs cancelled, but the department which creates them was disbanded, thereby removing the ability to produce ANY TV Arts programs internally. This action clearly compromises *"the ABC's ability to create, produce and own its television content..."* {Senate Inquiry Terms of Reference, paragraph (a)}

The ABC has an enviable base of qualified and competent producers, researchers, camera and sound people, and post production staff who consistently make high quality television. The fact that Kim Dalton and the ABC-TV controllers won't schedule the programs to maximise their potential, and the fact that marketing and promotions are not allowed/funded to promote the programs is a betrayal of Television and Production Resources staff.

Mark Scott claimed that the ABC maintained *"a strong commitment to the Arts"* with the arts documentary series *Artscape* continuing next year, along with *First Tuesday Book Club* and *At The Movies*. Again, what was not revealed, was that, with no internal producers or researchers left, any arts based documentary programs would be commissioned and externally produced, and simply run in the *Artscape* timeslot.

Mark Scott and Kim Dalton are simply being dishonest with the Australian Government, and with the Australian public, and for this they need to be held accountable.

While fine tuning this document on Thursday 8th September, we noticed that Mark Scott is still maintaining his spin – he wrote: *“The loss of a 30-minute Sunday afternoon arts magazine program whose audience was in significant decline should not be conflated with the end of arts programming on ABC.”* <http://www.abc.net.au/news/2011-09-07/scott-arts-not-lost-at-abc/2875074> He then goes on to reiterate his claim that the ABC is not abandoning the arts, but will *“do it by increasing the ways in which arts stories are told, and telling them in greater depth than the magazine format permits. And we will see to it that the heavy lifting for the arts is done right across the ABC - not just on television. Wherever the greatest impact might be made.”* How can this happen when all of the TV Arts producers and researchers have been retrenched – there is no one left who has any experience in making arts programs.

Similarly, in the same article Mark Scott wrote: *“Online, nothing comes close to matching our Arts Gateway for curating and showcasing content and engaging the arts community.”* Most of the material for that site has been produced by the TV Arts department, along with Radio Arts, but after the end of November there will be hardly anyone left to produce this content.

The “TV Arts” department of the Television Division of the ABC is mainly based in Melbourne at Ripponlea. They are our major “clients” – they research and produce the programs, we provide the technical resources to shoot and edit these stories and programs – the Resources Division provides the camera operators, sound recordists, editors, graphic artists, sound mixers, and many “back room” staff who ensure that the process runs smoothly, effectively, and efficiently. So, the unspoken flow-on from the announcement of the closure of TV Arts is that there will be forced redundancies within our Division.

Art Nation is the only magazine style program on free-to-air television with a broad coverage of the arts. As such, it has a wide appeal to the arts community and the general public. But like its predecessors, *Sunday Arts* and *Coast To Coast*, it has been “buried” in unpopular, low rating time slots (currently 5pm Sunday). At the commissioning process for every series of these programs, the producers have appealed for a prime-time slot, or at least an evening timeslot to give the audience a chance to find and see the program. They have also requested on-air promotions and publicity, especially when the program was revamped from *Sunday Arts* to *Art Nation*. On the few occasions when *Art Nation* or *Artscape* are actually given an on-air promo, or some publicity in the various TV Guides, the ratings for those episodes doubles – proof that the public will watch the program if they know about it and are encouraged to watch. Kim Dalton claimed that low ratings was a major reason for the program’s demise, but this is actually a self-fulfilling result of the program being made inaccessible to the public or “buried”, as we say.

Cancelling programs is one thing – but getting rid of the people who make the programs means there will be no more in-house productions.

The Impact on Television Production in General, and on the Quality and Diversity of Programs.

This leads us to the next major area of “spin” or deceit – the *“mixed funding model”*. Kim Dalton has pushed his concept of “mixed funding” since the day he joined the ABC, and now Mark Scott is singing to the same tune. Kim Dalton, who used to be with SPAA and other production companies, has always claimed that the ABC should follow the Channel 4 (England) model, or the SBS (Australia) model, where you have no production facilities but rather commission others to make your programs for you.

The ABC has had a *“mixed funding”* model for decades, and it worked well. But Kim Dalton has hijacked the term to mean *outsource as much as possible*. His track record to date suggests that he views the ABC as a vehicle to move public money into the private purse. This policy has serious consequences.

The ABC has had a “mixed funding” or “co-production” arrangement for all of its big budget productions, whether it be Natural History documentaries (jointly produced and funded with the BBC, National Geographic, and others), or major drama series (produced with Southern Star and others) such as *Sea Change*, made here at our facilities in Ripponlea.

Realising the high cost of those programs, the ABC would enter into an agreement with the co-producers such that, the ABC would provide physical resources and labour (often the most sought-after cameramen, sound recordists, lighting designers, set designers and constructors, picture and sound editors, and so on) *in lieu* of cash payments. This was a *win-win* situation for everyone – the ABC got to make and air some of the most iconic documentaries and dramas, at a fraction of their total cost, the best talent in the country got work, the co-producers got access to some of the “best in the business”, and they got international and pay-tv resale rights, again at a fraction of the full cost of this sort of production.

Kim Dalton’s version of “co-production” or “mixed funding” is that the ABC purchases a very limited licence fee for a program, for which it pays cash – there is no “offset” of resources or labour. In fact, co-producers are actively discouraged from accessing ABC resources or staff (by the way contracts are written, or by unreasonable demands placed on producers wishing to access staff or resources).

Every drama production made in Victoria since 2005 has been contractually worded so the non ABC co-producer partners have been able to specify their own production crew members including Director of Photography, Editor and Art Designer – but these contracts are negotiated by lawyers for the respective parties, long before the production begins.

ABC production crews have long been highly regarded by many of the nation’s drama directors for their efficiency and expertise, but we often hear from the directors how frustrated they are that they can’t use “*some of the best professional people*”. In one case, an outside producer specified an ABC employee for editing and was told to hire someone outside the Corporation. The situation was resolved when the producer was forced to insist that the editor requested was “producer’s choice”.

By not utilising key personnel, there has been a dwindling of these skills from the corporation. Crew members have either quit through frustration or have been retrenched.

This policy illustrates the subtle de-skilling of the corporation, not to enhance productivity but to drive an ideology and to move the balance of production away from being in house, in contravention to promises made to staff by the management of the Corporation.

Kim Dalton’s policy is to close down internal productions, get rid of internal producers and other program makers, get rid of the content makers (cameramen, post production, etc), and get rid of the physical resources (studios, cameras, editing facilities, etc). This is the agenda he is currently pursuing. We have already seen the end of the Natural History department, now TV Arts is being closed down, and we hear this week that even ABC National Radio’s arts program is being closed down. **Where will it end? We believe: when ABC-TV simply becomes a clearing house for Federal Government money to be distributed to the members of SPAA.**

But there is no transparency or openness about this arrangement.

Recently “The Australian” newspaper carried an article announcing that the SAFC, which had spent \$48 million dollars building new studios in Adelaide, had no bookings for these studios. Suddenly, Kim Dalton announces that the ABC will be moving its multi-million dollar children’s drama series (*Resistance*), to be shot next year, from Sydney to the SAFC studios in Adelaide. *The Australian* newspaper says this was done “... to come to the rescue of the SAFC’s vacant studios”. This is not a part of the ABC’s charter – to bail out other corporations.

Ms Cheryl Bart, the current Chairman of the SAFC, is also on the board of the ABC, and Kim Dalton has worked with the SAFC. This may create the perception that the association between the SAFC and the ABC's Television Division is too close, or not subject to proper scrutiny. In any case, where is the openness or transparency in this or similar arrangements? Where is the business case or cost/benefit analysis that says it is in the ABC's best interest to bear the increased costs of moving the production from Sydney to the SAFC in Adelaide?

We can find no evidence that the ABC will save money through this arrangement. If the ABC was looking to cut costs, why not move the production to the ABC's own major studios in Melbourne at Ripponlea, the site of many major drama series over the years? Is it possible that the savings from disbanding TV Arts is to provide the money to fund the move of *Resistance* to the SAFC?

Here at Ripponlea we have two large studios that have little confirmed work for next year. Why weren't our studios considered? We've certainly not heard of any discussions taking place about moving the project here. External producers believe we are very cost effective – we are currently recording the next series of *Letters and Numbers* for SBS – they are using our studios, control room, studio cameras and sound, and videotape facilities. In recent times we have done *Rove* and *Talkin' 'Bout Your Generation*, and many other external productions for external producers. **They come to us because we are cost effective, have the facilities, have the staff, and are reliable.**

Mark Scott has also claimed that ABC staff are “*afraid of change*”. This is so demonstrably untrue. In TV Arts for instance, within the last 10 years these staff have seen many programs cancelled, and yet have enthusiastically proposed and developed new programs to replace them – *Arts Express*, then *Coast To Coast*, *Critical Mass*, *Sunday Arts*, and most recently *Art Nation*. These same staff now also produce exclusive and extended content for the online website *ABC Arts On-line* {the “*Arts Gateway*” site Mark Scott mentioned above}. As well, they have adopted new technologies to reduce the cost of shooting and producing programs and on-line content. The situation is similar in our area of Production Resources – we are constantly improving our provision of services, responding to our clients needs, and making their ideas and proposals work – all with attention to increased productivity and the industry's *best practice*.

ABC Staff generally are anything but afraid of change. On the contrary most embrace it and in many cases have attempted to initiate it. Historically innovation and change have been integral to the ABC. The current management culture however is one which actively discourages any form of co-operative discussion or consultation. Despite being in the communication industry, internally, the organisation appears not to understand the word. We do not question that the final Programming and Production decisions are absolutely their right to make, but staff deserve the respect to be involved in discussions which ultimately have a direct affect on their futures and careers. Co-operative involvement is now world's best practice in many industries and has demonstrable cost, productivity and morale benefits. The *fait accompli* approach results only in negative outcomes.

The Implications of these cuts on Content Ownership and Intellectual Property.

In 1999, the then Managing Director of the ABC, Brian Johns, wrote in a submission to the productivity Commission that “*The ABC has played an important role in the production and dissemination of Australian content... The ABC's commitment to comprehensive local content (including drama, documentary, entertainment, news, current affairs, specialist information, music, children's, education and multimedia) is based on a fundamental belief in the importance of local content to national identity.*”

Under Mark Scott and Kim Dalton, we are losing some of this “*commitment to comprehensive local content*”, and we are certainly narrowing the range of programs we produce, and the groups of audiences that we cater to. Mr Johns also referred to “*the principles of national public broadcasting which seek to ensure... competition in good programming, rather than for numbers, guidelines that liberate rather than restrict program makers, (and) public accountability*”.

One of the perhaps unintended or unforeseen consequences of the outsourcing of program production is that the ABC loses the right to retain the original uncut footage shot for any external productions. Under its charter, the ABC is required to provide footage to the National Archives. As well, through its own Sales and Archives department, this footage is available to be purchased for use in other programs locally and internationally.

Despite the fact that the ABC's Natural History department was disbanded some years ago, the superb footage shot by those talented people is still much sought after and regularly appears in our own productions (*Catalyst*, *Art Nation*, *Artscape*, and *Gardening Australia*), as well as many commercially produced programs within Australia and overseas. Now with TV Arts being disbanded this means that the arts area of the National Archive will now cease to grow as well.

In recent times when prominent or famous Australian artists, actors, musicians and others in the arts community have died, the ABC has been able to retrieve fantastic material from its archives and produce wonderful tributes, or at least make the footage available to the ABC's News and Current Affairs programs, as well as commercial program makers. From the end of November this year, this source will dry up, as all of the TV Arts producers and researchers take their redundancy packages, soon to be followed by cameramen and other content makers.

The other issue in this section is editorial control.

The ABC's "*Editorial Policy Guidelines*" are strictly enforced on internal program makers. These ensure scrupulous checking of facts, balance and fairness of argument, freedom from commercial or other external influences, and a commitment to quality over populism. As Kim Dalton outsources more and more television content, his ability to enforce the guidelines is compromised by the commercial interests of the people he pays licence fees to. Commercial content producers are driven by financial return rather than a commitment to the values that the ABC has so long stood for.

One example is this story which actually happened during a documentary co-production of a stage musical, where a female cast member of the show requested a private meeting with the musical's producer. She had been fitted with a wireless microphone and had forgotten it was on when she went into her meeting. The ABC cameraman respectfully switched off his camera and rested it.

The director, from the co-production company, asked the cameraman to start recording i.e., record the audio of the private meeting. He refused. This director then walked over to the camera and set it to record.

A lively discussion ensued when the ABC Commissioning Producer learned what had happened. Soon after, an ABC Associate producer appeared in an edit suite with the controversial recording and watched while the sensitive content was recorded over (thereby permanently destroyed).

This was a potent example of the difference between the ethics and behaviour of commercial (co-production) producers and the ABC. It can often be a fine line and one which the ABC is in danger of compromise on a daily basis.

All ABC employees are strongly aware of Editorial Policies and this problem would never even have arisen on a completely "in house" production.

The ABC brand has enormous trust and respect in the wider community and many businesses and organisations are sympathetic to the Corporation's chronic lack of funding.

Quite often, royalties or restrictions by copyright owners of music, photographs or other material, will be waived, or significantly reduced, in order to assist in the production of programs. As well, access to locations or talent can be easier for the Corporation than for other organisations.

However, when commercial co-producers are involved, this goodwill disappears as the intellectual copyright owners feel they should get a fair share of the commercial pie, particularly since the ABC often no longer exclusively owns the content it makes with third parties.

This has a direct impact on the costs of production and may even make aspects of some programs difficult or even impossible to incorporate.

Closing Remarks.

Our submission does not address all of the Terms of Reference of your Inquiry. What we have submitted is based on our competency to comment on the issues we are familiar with. We know that others are addressing other areas in their submissions. We hope that, by combining our submission with these others, you will have a full understanding of the importance of the issues your Committee is addressing, and be better informed to ask the probing questions that we believe need to be answered.

One area that is important for your committee to investigate is the question of regional production, and content aimed at smaller niche markets or interests groups. The ABC, which has had small program units in each State was perfectly placed to respond to demands for local content from all over Australia to be included in its programs. This is what is now being dismantled. The cost of maintaining a program making capacity in-house in Western Australia and South Australia is small, yet vital. With the closure of production units in the smaller States, and the downgrading of production in Melbourne, there is a real danger that the ABC will simply become the “Sydney Broadcasting Corporation”, especially in Television.