

## ABC Responses to Questions on Notice

### Senate Environment and Communications Committee

#### Inquiry into the ABC's commitment to reflecting and representing regional diversity

---

#### **QUESTIONS TAKEN ON NOTICE BY THE ABC DURING THE HOBART HEARING**

##### QUESTION

*Hansard p 45*

**Senator MILNE:** I want to come to the question I asked originally. What gaps were you identifying in the skills base of Tasmania that led you to suggest that there was an inadequate capacity or some constrained capacity because of that? Can you please identify those specifically?

**Mr Scott:** I do not have the list here. My understanding is, and my advice was, that the execution that had taken place here was around a narrowness of factual drama and documentary—and that constrains the kind of programs that you can make internally.

**Senator MILNE:** I would like you to take that on notice because I would like to know the basis for the claim that you are making here because the type of production that is made is determined by one set of factors. The skills base could be much more extensive than that but just only plays into news or current affairs or whatever they might be making at a particular time. So I would like to actually go to that.

**Mr Scott:** Sure, Senator.

##### ANSWER

The ABC constantly reviews its production units around the country to look for ways to achieve efficiencies. Through the commissioning process, the ABC decided not to recommission Auction Room. With this in mind, the ABC considered a new process is required for commissioning production in Tasmanian, given financial constraints and future commissioned production demand.

It is also the case that the genre of programs that could be made by the Tasmanian Production unit was very limited due to the experience base and funding models available for some genres such as Documentaries and Drama.

---

## QUESTION

*Hansard p 45*

**Senator MILNE:** Another issue I want to go to is the issue that when the regional budget was rolled back into the central budget after 2009 there were promises made about the fact that that would not lead to a reduction in regional production but no-one has been able to get hold of figures that actually show how much has been spent on regional localised production. So would you be able to provide those figures? If you can speak to it now I would be very interested in that.

**Mr Scott:** We will provide you with those details but I can tell you that broadly speaking over time we are making a lot of productions outside of Sydney and Melbourne. We are investing very significantly in them. Some of that is around internal production and some of that is in partnership and we can give you the detail on that.

**Mr Anderson:** In the last financial year, in the financial year ending 2011-12, we spent \$25 million on production outside of Victoria and New South Wales, which contributed to a total production value of \$47 million of onscreen content.

**Senator MILNE:** We would like to have a breakdown of where it was spent. You have got it collectively outside Victoria and New South Wales. I would like to know how much was spent here relative to how much was spent before 2009, when the budget was all rolled back in together.

**Mr Scott:** We will provide that information for you on notice.

## ANSWER

The National Interest Initiative (NII) funding was first allocated to the ABC at \$17.4 million per annum for four years in the 2001 Budget. It was not indexed. The NII funding was extended and then rolled over in the next triennial round and indexed. In the 2009–12 triennial funding round it was rolled into the ABC's base funding. From this point, while the funding was never explicitly tied to regional initiatives it was so used by the ABC and its use by the ABC was monitored internally and also by the Minister's Department.

The ABC has consistently applied the same level of funding to NII initiatives since 2001—including after the NII was rolled into its funding base in 2009. It has consistently applied the same criteria when determining which projects qualify for NII funding.

From 2006–07 to 2011–12 ABC Television has been allocated \$46.6 million from NII funds. Each year, ABC Television contributes to total production budgets of more than this amount on productions in regional Australia that would satisfy the NII criteria as a consequence of general programming decisions. ABC Television commits a significant amount of funds to projects that span budgets across multiple financial years due to the nature of production timeframes.

In 2011–12, the ABC's commitment to regional television production outside Victoria and New South Wales was \$25 million. This contributed to total production budgets to value of \$47.1 million and resulted in 345 TV hours being commissioned in the regions.

- In Tasmania: 9 hours with an ABC contribution of \$1.9 million.

- In South Australia: 117 hours with an ABC contribution of \$5.7 million.
- In the Australian Capital Territory: 8 hours with an ABC contribution of \$1 million.
- In the Northern Territory: 41 hours with an ABC contribution of \$1.7 million.
- In Queensland: 61 hours with an ABC contribution of \$8.1 million.
- In Western Australia: 109 hours with an ABC contribution of \$6.6 million.

The total ABC TV commitment to regional production from 2006–07 to 2009–10 was \$118 million contributing to production budgets to the value of \$166 million. This resulted in 2,414 hours being commissioned in the regions.

- In Tasmania: 338 hours with an ABC contribution of \$26.1 million.
- In South Australia: 493 hours with an ABC contribution of \$26.3 million.
- In the Australian Capital Territory: 10 hours with an ABC contribution of \$0.59 million.
- In the Northern Territory: 181 hours with an ABC contribution of \$4.75 million.
- In Queensland: 481 hours with an ABC contribution of \$13.2 million.
- In Western Australia: 750 hours with an ABC contribution of \$37.3 million.

---

## QUESTION

*Hansard p 50*

**Senator CAMERON:** Could you provide details of when you first considered the business case—

**Mr Scott:** Sure, we can talk through that timetable.

**Senator CAMERON:** for closing the unit, when the board considered the business case, when the decision was made and when the affected unions and staff were consulted.

**Mr Scott:** Sure.

## ANSWER

In its Television Production Strategy 2011-2013, the ABC noted that the system for supplying resources and staffing for productions will be reviewed on an ongoing basis. The ABC constantly reviews its production units around the country to look for ways to achieve efficiencies.

The Television Production Strategy stated that television commissioning in Tasmania would depend on the audience response to the *Auction Room* series. The Managing Director was briefed and there

were discussions about programming options over the course of 2012. Ultimately, a decision was taken to end the program.

The final business case for the proposed changes to Tasmanian television production was sent to the Managing Director on Thursday 15 November 2012. At that time he was overseas on business and returned on the Monday 19 November 2012. The Managing Director signed the business case on Monday 19 November 2012, therefore approving the proposal to be presented to affected staff and the unions. The affected staff were advised in person and by email about the proposal on Tuesday 20 November. The affected unions were also advised in writing on Tuesday 20 November. The Board did not consider the business case. This was an operational matter for ABC management to consider and implement.

---

#### QUESTION

*Hansard p 50*

**Senator RUSTON:** What is the annual net impact on your budget of the decision to close the production facility?

**Mr Anderson:** Are you talking about the saving?

**Senator RUSTON:** Yes. What is the net impact on your ABC budget of the decision to close the production facility in Tasmania?

**Mr Anderson:** I will take that on notice and provide further detail, but in broad terms there is an element which is a labour cost of the people affected by this proposal, as well as infrastructure costs, as well as program cash costs. In consultations with the union I have been asked this question before and I have said that in broad terms there is a saving of in excess of \$1.5 million, which represents labour costs of that unit, but then there are further costs on top of that, such as cash costs to run a program, that will take it over the \$2 million mark.

#### ANSWER

Prior to 2011–12 actual internal production expenditure in Tasmania in 2010–11 equated to \$3.2 million which included multiple seasons of *Collectors* and two full seasons of *Tasmanian State League* where expenditure traversed consecutive financial years. As a result of these programs winding up, the actual expenditure in the following year, 2011–12, reduced to the level of \$2.03 million. This was across programming spanning multiple financial years, including *Auction Room* and the last 6 months of the 2011 season of *Tasmanian State League*.

As a result the anticipated savings in 2012–13 budget, excluding redundancy costs, will be approximately \$2 million.

This excludes any potential costs associated with outside broadcast currently not commissioned such as a Q&A from Hobart. Additionally, the proposal announced in November 2012 has since been amended which reduces the anticipated savings from the initially projected savings.

---

#### QUESTION

*Hansard p 51*

**Senator SINGH:** Has there been a program in that Friday night, 8 pm timeslot since that has met the ratings of *Collectors*? You may have to take that on notice.

**Mr Scott:** I would certainly have to take that last bit on notice. There have been programs that are Australian made.

**Senator SINGH:** That have met the ratings. That is what I meant.

**Mr Scott:** Yes, the Shaun Micallef program last year was in the Friday night, 8 o'clock timeslot and—

**Senator SINGH:** I did not ask about the Australian thing; I asked about the ratings.

#### ANSWER

Since the last series of *Collectors* finished in late September 2011 averaging 501,000 viewers several shows have outperformed it.

The first series of *Shaun Micallef's Mad As Hell* attracted an average audience of 584,000 viewers.

Also, acquired shows such as *Qi* (721,000), *Miranda* (547,000) and *The Grumpy Guides* (543,000) have all attracted larger audiences in a much more cost effective manner.

---

### **QUESTIONS PUT TO THE ABC IN WRITING – RECEIVED 25 FEBRUARY 2013**

#### **DUE 8 MARCH 2013**

#### QUESTION

*In writing*

Whilst I don't deny, and in fact applaud, the ABC's engagement with local audiences through its Radio, Online and Open services, these services reflect communities back largely to themselves. Does the ABC recognise an obligation to bring regional stories to the nation through its networked Television services?

## ANSWER

The ABC is fully appreciative of its responsibilities and audience expectations in this area. The Corporation views its work in regional communities as integral to meeting its Charter obligation to “reflect the cultural diversity of the Australian community.”

The ABC does broadcast stories from regional areas to the whole of Australia and there is no plan to change this. The ABC’s submission to the Inquiry set out in detail the range of programs and services the ABC provides that reflect regional Australia and meet the needs of rural and regional communities. This includes services that are produced in and for specific regional communities across the country and offer localised coverage of news, events, issues, personalities and emergencies. Similarly, a number of the Corporation’s state-based and national services specifically or regularly cover regional issues and reflect rural and regional areas to the nation—or, in the case of most online services, the world.

---

## QUESTION

Do you acknowledge that the ABC does not have significant and regular television content which represents and/or is produced in the regions? What is your proposal to redress this?

## ANSWER

The ABC does not agree with this contention and the contention is not borne out by the available evidence. The ABC’s submission to the inquiry includes detailed evidence demonstrating the breadth and extent of ABC television production in the region.

In particular, please refer to page 9 of the submission which demonstrates that the ABC’s investment in production outside of Sydney and Melbourne has been significant and has been increasing.

---

## QUESTION

Being funded by all taxpayers throughout Australia, shouldn’t the ABC spread the economic benefit of its television commissions (both internal and independent) throughout the entire nation – not merely commissioning Sydney or Melbourne based companies to travel to regional areas?

## ANSWER

The ABC takes very seriously its obligation to use scarce public funding in the most effective and efficient way. The ABC’s Charter and establishing legislation provide the Board and the ABC’s management with responsibility for managing investments. Decisions regarding where to

commission production are based on a range of factors, including the relevance of location to the content of the production, the ability to partner with independent producers and the ability to leverage ABC funds with contributions from state and/or Federal screen funding agencies.

There is no requirement to consider the economic impact of production decisions. A requirement to commission a set amount of production in certain locations would not be consistent with the ABC's responsibilities regarding efficient and effective use of public money.

#### QUESTION

What is your response then to the proposal that the ABC's commitment to the regions should be reflected not only through the social aspects of diverse content that reflects the regions of Australia, but the economic contribution that is created through the ABC commissioning significant content that is produced in the regions by regional content creators?

#### ANSWER

Please refer to previous answer regarding the economic impact and commissioning decisions.

---

#### QUESTION

The BBC has made a commitment to producing national television series in their regional centres – Dr Who is produced in Wales for example – which involved relocating teams in order to make the best use of its talent and resources and share the economic benefit of skills development and jobs. How would the ABC manage any relocation of a unit such as ABC Online to its facility in Tasmania? What support would be needed in order to facilitate such a move and in what time frame, (including the Content Commissioners), to Tasmania?

#### ANSWER

Refer to the answer previously provided which addressed the proposal to relocate ABC Innovation to Tasmania.