

Department of Economic Development, Tourism and the Arts

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Committee Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

I write on behalf of the Tasmanian Government in response to the Senate Environment and Communications References Committee's invitation to make a submission to the 'inquiry regarding the Australian Broadcasting Corporation's (ABC) commitment to reflecting and representing regional diversity'.

It is our view that an inquiry into the ABC's commitment to regional Australia is both timely and critical, given the ABC's intention to streamline the organisation and reduce internal operational costs in a number of ways: by shutting down internal production centres across the country (WA has already ceased operation, Tasmania is currently being closed down), centralising internal production in Sydney and Melbourne, and relying only on independently generated production to provide regional content.

We acknowledge that it is challenging to operate in a commercially oriented industry whilst meeting the mandate of a publicly funded institution with public service obligations. However, it is our concern that the ABC in following the course it has set for itself has begun to fail to maintain the delicate balance between its public service obligations and the economic drivers which underpin financial management.

In preparing this submission we have sought as much relevant information as possible in order to come to an understanding of the value, role and relevance of the ABC. As a result it is our contention that that whilst financial considerations are critical to operational success, they should not come at the expense of meeting the obligations of a public service institution, otherwise how can the ABC continue to justify its status as a tax payer funded organisation? It must therefore represent the interests of the nation, including the regions. With due respect, this is then a question regarding the philosophical positioning of the ABC Board and Management. It is our view that given the current direction of the ABC it is difficult to argue that the 'national broadcaster' has demonstrated a genuine commitment to the regions of Australia or its role as a public service institution.

Clearly the role, relationship and value of the ABC as a national and publicly funded organisation cannot be measured in purely economic terms. The ABC is a powerful and influential cultural institution that contributes to the quality of the lives of many Australians, with the ability and potential to reach broad audiences through television, radio and online platforms, delivering services including news and current affairs, informative documentary and factual programming, lifestyle entertainment, innovative comedy and quality drama.

For geographically isolated Tasmania, the ABC also has a valuable and pragmatic function as a communicator, providing information, social cohesion and a focal point for community events most particularly through ABC local radio. Additionally Tasmanians receive information and connect to the mainland by way of the national television programming schedule. However, in the current programming schedule, apart from the daily television news which contains some local stories interspersed with national and international stories, and weekly half-hour *Stateline* and *Landline* programs, there is no regular content other than news and current affairs on ABC television that reflects regional Australia or Tasmania to either local or national audiences.

A scan of the entire ABC TV (ABC 1, 2 and 3) programming schedule on 11 January 2013 from 0600 to 2300 shows there was not one Australian-produced, non-news television program that did not originate from Sydney or Melbourne—including children's content. In the ABC's annual report for 2011-12¹ it is salutary that the list of programs singled out for mention—*The Slap*, *Paper Giants*, *My Place*, *Sisters of War* and *Angry Boys*—were all produced in either Sydney or Melbourne. It is in fact difficult to find any television content in the ABC programming schedule, outside of news and current affairs, other than documentary, which has been produced in the regions or represents regional diversity.

Given the examples above, it is not unreasonable to question the ABC's commitment to reflecting and representing regional diversity in Australia. Nor is it unreasonable to conclude that the ABC is failing both its ABC Charter (which states that the function of the Corporation is to provide "... broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community"²...) and its current ABC Strategic Plan which states that the broadcaster must be "Delivering content that recognises the diverse needs and interests of audiences in different parts of Australia and around the world."³

As the ABC moves to centralise production and reduce internal production output in a bid to cut costs, the British Broadcasting Corporation (BBC), in complete contrast, has already moved in the other direction after recognising its failure to connect with regional UK audiences. After concentrating production in London in the early to mid-2000s, the BBC learned a harsh lesson. As Sir Michael Lyons, Chairman of the BBC Trust, noted in 2008: "Average levels of affection for the BBC are noticeably lower the further people live from London. This is partly because the BBC is seen to be too preoccupied with the interests and experiences of London. People living elsewhere in the UK simply do not see their lives adequately reflected on the BBC."⁴

In the same press release, the Director-General of the BBC, Mark Thompson, said: "The BBC exists because of the contribution of licence fee payers right across the United Kingdom, and so we have a duty to reflect the whole of the country. We can best achieve this by investing over the long term to ensure our production centres outside of London are sustainable."

The BBC as a result agrees annually on a comprehensive 'Tier 2' statutory quota and target system with Ofcom, the UK communications regulator. Such quotas include: the independent production quota, the regional production quota, the levels and type of regional programming across BBC 1 and 2 etc. The BBC also set itself internal minimum targets for network programs from the regions of England (i.e. including production in Bristol, Birmingham, and Manchester), and from the nations (i.e. production in Scotland, Wales and Northern Ireland).⁵

¹ ABC Annual Report 2011-2012. P28.

² ABC Charter: (1) (a) (i)

³ ABC Strategic Plan 2010-2013. P12.

⁴ BBC Trust Press Release: 28 May, 2008

⁵ BBC – How we commission – URL

Specifically, the BBC's programming policy includes an 'In-house Production Guarantee', whereby "the BBC will use its best endeavours to ensure that 50 per cent of qualifying networking programming transmitted in any year is allocated to the broadcasting of a range and diversity of programmes which were made by the BBC through its in-house production facility in order to deliver its public service purposes".⁶

The BBC's rigorous regional content quota system has been designed to proactively drive an increase in production output in the regional centres. The BBC Trust announced in 2008 its renewed commitment to move more network television production out of London and to draw on the talent and skills of the whole of the UK. It was expected that the BBC would ensure that 50 per cent of network production will be made outside of London by 2016.⁷ This is a proactive commitment on behalf of the BBC to regional UK and internal production, representing a philosophical shift away from centralisation and a commitment to public service values.

In summary, the BBC seeks to maintain a healthy balance across internal, regional and independently generated production.

Given the fact that centralisation of the BBC didn't work for UK audiences, it is difficult to imagine that this model will succeed for the ABC in Australia where regional communities are even more diverse and widely dispersed. There is a justifiable sense of ownership that the public has for its public institutions, and as in past BBC experience, the current ABC television programming schedule largely reflects the interests and preoccupations of the major population centres of Sydney and Melbourne. Unless there is a concerted commitment on behalf of the ABC to change this status quo, it is likely that the current push toward centralisation will lead to a growing disenchantment with the ABC, particularly in the regions.

The BBC clearly acknowledges the role and relevance of the public broadcaster to regional communities in terms of both its cultural and economic impact. Similarly for a small population centre such as Tasmania, the ABC has a significant function as an employer, provider of infrastructure and services, training and skills development, contributing to a critical mass of capacity for locally generated production that has relevance to local audiences whilst ensuring that Tasmania is represented nationally. The ABC in Tasmania has a proud history in television production. Current Affairs television (*Line Up*) was devised in Hobart. The careers of such eminent broadcasters as Tim Bowden, Charles Woolley, Robyn Nevin, award-winning wildlife cinematographer Wade Fairley and producer/writer Posie Graeme-Evans (*McLeod's Daughters*) all began at ABC Tasmania.

With the ABC Management's stated intention to close down the Tasmanian production unit, citing an outmoded business model and a need to reduce in-house costs as driving this decision, a wealth of skills, knowledge and production capacity is virtually lost overnight. Further, the production output of the ABC Tasmania production unit cannot possibly be equalled by the independent sector.

⁶ BBC – How we commission 2.10. The Agreement (Clause 56)

⁷ BBC Trust Press Release: 28 May, 2008

In an examination of the independently produced television content commissioned by the ABC over the past 12 years with Screen Tasmania investment, there have been only 30 hours of content commissioned.⁸ Of this commissioned content, the majority of which is documentary, almost a third of this content (nine hours) was made by non-Tasmanian companies. The ABC independent production model to date has been relatively insignificant in terms of building sustainable production companies or supporting the substantial generation of content from Tasmanians and most obviously across genres such as drama, comedy and light entertainment.

In comparison, the ABC Tasmania internal production unit output over the past ten years (2002 to 2012) was as follows:

<i>Gardening Australia</i>	120 x 30 mins	
<i>Collectors</i>	267 x 30 mins	[7 seasons – 2005–2011]
<i>Best of Collectors</i>	20 x 30 mins	
<i>Second Opinion</i>	36 x 30 mins	[1 season in 2005]
<i>Auction Room</i>	20 x 30 mins	[2 seasons 2011/2012]

Total 483 x 30 min shows = 241 TV hours

This results in around 25 hours of national content coming out of ABC Tasmania annually over the past ten years. Prior to *Collectors*, the production unit was the originating home of *Gardening Australia*. For 15 years the unit produced over **600 x 30 min** shows plus many Video and DVD specials, a monthly magazine *Gardening Australia* and a quarterly *Organic Gardener*.

What is demonstrated by this data is that the level of independently produced content commissioned by the ABC to date (30 hours) can in no way match the output of the ABC internal production unit (241 hours). Thus with the proposed imminent closure of the Tasmanian unit, and a reliance solely on independent producers to generate content for the national broadcaster, the final result will be an undeniable and devastating reduction in locally generated transmission hours and a corresponding diminishment of the local screen industry.

Further, the withdrawal of the ABC from Tasmania has the impact of diminishing wider industry capacity through loss of skills, facilities, equipment and major infrastructure such as studios. The cessation of the production of *Collectors* has, for example, directly resulted in the closing down and permanent disabling of the Tasmanian Government funded and purpose-built for the ABC, Goodwood Television Studio. This leaves Tasmania without any studio production capacity beyond basic newscasting and without scope for drama, entertainment or studio based comedy or talk shows. The Tasmanian screen industry is now more vulnerable than ever and this is a very real demonstration of the impact of the ABC's centralisation of internal production to Sydney and Melbourne.

The question thus arises: how can the ABC best ensure that it serves all Australians and provides a truly national television programming schedule, reflecting Australia's regional diversity and supporting content that is produced outside of the major city centres?

⁸ Screen Tasmania Production Stats 2000-12.

The BBC model, content quotas and regional targets outlined above can and should be considered in an Australian context. The ABC is not unused to adapting BBC models and has most recently appropriated the BBC 'controller' model across its three major channels, thus emulating the internal BBC management structure.

It may also be timely for a review of the ABC Charter in order to strengthen its cultural and economic commitment to the regions.

The ABC Management proposed to the Tasmanian Government that it would offer \$1.5 million in funding over three years for independently produced Tasmanian content, with the proviso that the Tasmanian Government match the ABC's commitment. This was intended to compensate for the closure of internal production and the resultant impacts across the industry and the community. However, \$1.5 million over three years will not generate the former output of the internal ABC production unit which equates to an average of 25 hours of television content annually.

If internal ABC television production in Tasmania is to cease, resulting in savings (as cited by ABC Managing Director Mark Scott) of over \$2.7 million annually in administration and staffing costs alone, it is our view that, if the Tasmanian independent sector is to compete nationally against well-established mainland producers, the ABC will need to make a proactive commitment to spend at least an equivalent amount of money on commissioning Tasmanian generated content and making a substantial contribution to the growth of Tasmania's screen industry

ABC Commissioners should more pro-actively be touring outside Melbourne and Sydney to meet with producers and identify programs for development and commissioning. Additionally a regional production target or content quota with measurable outcomes as part of the ABC Charter or Strategic Plan has the potential to benefit the ABC, independent regional producers and the Australian audience.

In a nod to committing to the regions in the past, and in addition to supporting internal television production capacity, the ABC found further innovative ways to build sustainable regional production. For example, when the ABC previously sought to close down internal production in South Australia, a solution was adopted to make South Australia the production centre for Australia TV, the international arm of the ABC which broadcasts across Asia and the Pacific. In this way, ABC South Australia was also able to continue to producing in-house content for the national television network (e.g. *Behind the News*, *Poh's Kitchen*) as well as sourcing content from the independent sector. This was a win/win for both South Australia and the ABC.

With the roll-out of the NBN across Tasmania, making it the most connected jurisdiction in Australia, and with a number of internationally successful Tasmanian production companies well established in digital content creation (including content for the ABC), it would not be unreasonable for the ABC to consider creating a specialist online digital hub in Tasmania to provide jobs in addition to supporting the growth of internal and independent television content for the national schedule.

This has the potential to be a win/win for both Tasmania and the ABC, thus demonstrating the ABC's ongoing commitment to the state of Tasmania and ensuring Tasmania's continued integral relationship to the rest of Australia into the future.

Fundamentally it is our contention that like the BBC, the ABC needs to maintain a healthy balance across internal, regional and independent production, and that it should actively take steps to ensure its continued relevance as the national tax-payer funded broadcaster, to all Australians, and given the evidence above, the current philosophical position of the ABC does not demonstrate a genuine commitment to reflecting and representing our regional diversity.

Yours faithfully

Mark Kelleher
Secretary

17 January 2013