

# Submission to the Senate Enquiry into the Australian Broadcasting Corporation's commitment to reflecting and representing regional diversity

In response to the terms of reference:

## **(a) the commitment by the Australian Broadcasting Corporation (ABC) to reflecting and representing regional diversity in Australia;**

The ABC means something different to every audience member. For some, the ABC already reflects and represents regional diversity, through the excellent radio broadcasting across seven networks across the country. For others with a deep interest in news and politics, again there is representation in our high quality news and limited current affairs programming broadcast in the regions.

However, if you are not an avid radio listener, or a news/politics junkie, or are just looking for something more from your national broadcaster, there isn't much on the ABC for you 'that contribute to a sense of national identity'<sup>1</sup>, or reflects regional diversity. Instead you will find a range of high quality programs bought in from other broadcasters, most notably the BBC. These programs are entertaining, and a cost effective way of filling airtime in a way that can compete with the commercial channels, but they do nothing more than that. As our national broadcaster, the ABC has a responsibility to the whole audience.

The key question to consider here is how does the ABC reflect regional diversity? Regional diversity encompasses elements of culture, geography, economics, ethnicity, history and sport to name a few categories. The ABC should consider all aspects of diversity in meeting regional needs.

In closing down the television production unit in Tasmania, the ABC is turning away from any commitment to reflecting regional diversity on television, the most ubiquitous visual art form of the last 50 years. There is no doubt that by making television programs in the regions, regional diversity is evident in the programs. Stories told by people that actually live in the regional community will inherently encompass the sensibilities and priorities of the program makers. The alternative approach, to centralise production in two or three major centres, even with flying visits to the region ignores the added value locals and local knowledge can add and disenfranchises the regions.

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<sup>1</sup> 1a)i), the ABC charter

**(b) the impact that the increased centralisation of television production in Sydney and Melbourne has had on the ABC's ability to reflect national identity and diversity; and**

We are a diverse country with the most amazing stories still waiting to be told. Although Australia is one of the most urbanised countries in the world our national identity is tied to the whole country. National identity is a continuously evolving story, one which the national broadcaster is uniquely placed to contribute to. Centralisation in Sydney and Melbourne ultimately short changes the ABC audience and denies the country the opportunity to be part of our own story.

**(c) any related matters.**

Instead of maintaining a regional production capacity and using that capacity to produce programs with greater or lesser regional content, production capacity in the ABC has progressively been shut down over the past decade. Internal production has been something the ABC always did, but of late that assumption has been questioned. There is nothing explicit in the ABC charter that dictates the way content shown on ABC networks is produced. Over the past 6 years, the direction taken has been to reduce internal production, in favour of outsourcing production to the independent production sector. This has been called the 'Mixed production model', referring to some programs being produced internally, some externally and some by co-productions with external production companies.

Much has been made of the economic arguments that we are told drive this decision. To sum it up, due to various grants funding and tax benefits, the external sector can return more for the ABC dollar than by producing programs internally.

We are told that for each dollar the ABC contributes, three dollars are spent on the production. It should be remembered that the other two dollars aren't magic dollars that appear from no-where; they are tax dollars<sup>2</sup> raised from our audience. They come in the form of funding from screen bodies and tax reductions for the companies producing the programs. This is a roundabout way of increasing the overall funding for the ABC, via supporting a very small number of independent production companies.

This raises some important questions:

- What leverage are we *actually* getting via the co production model (i.e. are we actually getting 3 dollars of production for each dollar we spend), and how much has been spent from other sources?
- How are the costs attributed to productions accounted for? Who ensures that the ABC audience gets good value for money?

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<sup>2</sup> In the case of WA some funding also comes from Screen West, funded from lottery income

There is significant risk to this approach. Australia has a small independent production sector, comprising a few large players that produce the bulk of commissioned programming for the ABC. The screen funding that exists, and the production tax offsets available are designed to develop a healthy production sector. The funding methods exist at the whim of politicians; they can come and go, change their remit, reduce or increase funding all independently of any ABC control. Moreover, *if* they are successful in developing a strong independent production sector *these funds will disappear*.

- What guarantees are there that the current regime of grants funding and tax benefits will continue into the future?

Like any accounting, production budgets can be massaged to look one way or another. Facilities and equipment contributed to the production can be attributed to the production even if they are not required or used, inflating the production budget and inflating the ABC's equity in the production. This budget can then be used to calculate the tax benefits/grant funding to the external producer. There is a lack of scrutiny and governance that would otherwise be applied to the spending of public funds.

- What scrutiny is there being applied to production budgets, grants funding and claimed tax benefits?

In this past year we have had a number of high quality drama productions on the ABC. You'll hear a list of these programs pushed during this senate committee. Programs that include 'the popular *Paper Giants*, critically acclaimed series *The Slap*, *Miss Fisher's Murder Mysteries*, legal series *Rake*, the *Jack Irish* telemovies and indigenous series *Redfern Now*<sup>3</sup> will be presented as justification for the centrist, externally produced/co production model being pushed.

It should be remembered that these productions and the increase in drama output was separately funded, with funding allocated specifically to drama production. They used the co production model as a way of defraying the high costs of producing quality drama, which has been the norm for high end drama production for decades now. What has changed in recent times is the desire to utilise this model for all genres.

One of the issues with understanding the current situation is that it is highly subjective. It is very hard to decide whether one program is 'worth' more than another. Each viewer weighs each program differently, based on a range of different considerations. The creativity, aesthetic considerations and the message the story reveals all contribute the worth of a program.

The production budget puts a dollar figure against a program, but takes no holistic account of value. Many programs produced by the ABC still return dollars to the ABC years after they were screened, via program sales to other broadcasters and from DVD sales. One of the worrying aspects of the new co-production mentality is the loss of ownership of the programs. In past years the ABC has been able to develop program formats and ideas that have long term value to the ABC and to the country.

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<sup>3</sup> <http://www.theaustralian.com.au/media/kim-dalton-to-leave-abc/story-e6frg996-1226538219417>

Even budgets can be misleading. The way equipment is charged to programs via internal charging systems may not take full account of the actual cost of that equipment, once depreciation, other use and alternative methods have been incorporated in the accounting. For example, is a particular program seen as costly because it requires an Outside Broadcast (OB) van, or is it making efficient use of an OB van that is needed anyway to meet the ABC's needs across a range of productions?

The same applies to the rhetoric about production studios being expensive to run. Most programs never go anywhere near a studio, they are by and large recorded on location and edited together. If a production unit has easy access to the subject matter, suitable equipment and resources it should make no difference to costs whether that production is made in a central location or a remote or regional location. The ABC has done considerable work on making sure staff are able to be used efficiently by training across a range of complementary skills. A news cameraman one day can shoot for a program the next and editors can operate different equipment depending on production requirements.

To be told that centralisation is the only efficient way forward for the ABC seems absurd in the 21<sup>st</sup> century. For decades now telecommuting has been a reality for an increasing number of people. There are computer programmers working for multinational corporations from yachts moored off Indonesian islands, graphic designers submitting their work from beaches in Brazil; is it too much for the ABC to commit to using facilities already owned in the regions?