

Question on notice no. 151

Portfolio question number: 151

2019-20 Additional estimates

**Environment and Communications Committee, Infrastructure, Transport,
Regional Development and Communications Portfolio**

Senator Sarah Hanson-Young: asked the Australian Broadcasting Corporation on 3 March 2020—

In relation to the ABC's current Budget:

What is the annual cost to the ABC of transmission?

What is the total cost of maintaining ABC offices in capital cities and regional areas?

In view of ongoing budget cutbacks, how many of these could be forced to close in the future?

What is the total cost of ABC permanent staff salaries?

In view of past redundancies, how many permanent staff could be made redundant as a result of the \$84 million so called "efficiency" dividend?

Is it efficient to lose professional staff and re-employ casual staff to replace them?

How much would it cost the ABC to make redundancy payments to 200 staff?

What is the total cost of ABC casual staff?

What is the total cost of consultants?

Answer —

Please see attached.

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates March 2020

Communications Portfolio

Australian Broadcasting Corporation

Question No: 151

Australian Broadcasting Corporation

Hansard Ref: Written, 06/03/2020

Topic: Budget

Senator Sarah Hanson-Young asked:

In relation to the ABC's current Budget:

- What is the annual cost to the ABC of transmission?
- What is the total cost of maintaining ABC offices in capital cities and regional areas?
- In view of ongoing budget cutbacks, how many of these could be forced to close in the future?
- What is the total cost of ABC permanent staff salaries?
- In view of past redundancies, how many permanent staff could be made redundant as a result of the \$84 million so called "efficiency" dividend?
- Is it efficient to lose professional staff and re-employ casual staff to replace them?
- How much would it cost the ABC to make redundancy payments to 200 staff?
- What is the total cost of ABC casual staff?
- What is the total cost of consultants?

Answer:

1. The ABC's annual transmission and distribution costs in the 2018-19 financial year were \$182.4m, which includes digital content distribution and presentation and playout costs.
2. The 2019/20 budget for maintaining ABC offices in the capital cities and regional areas amounts to \$19.95m. This includes costs for utilities, security, cleaning, leasing and repairs and maintenance.
3. We consistently review and assess our property portfolio. We have consolidated our property footprint in numerous locations where it has been efficient and sensible to do so, always taking into account audience impact and ensuring that we do not adversely impact our audience's experience of our services. The ABC is committed to our local audiences and in that respect is committed to retaining a presence in every capital city as well as all our current regional locations. There are no plans to close down and withdraw from any of our current cities or towns.
4. In the 2018-19 financial year, permanent staff salaries totalled approximately \$347m including on-costs.

5. The \$84m figure referenced in the question represents the aggregate impact of the indexation pause which applies to the ABC's Government funding for three years from financial year 2019-20 onwards. However, the indexation pause is not a one-off reduction, but an ongoing decrease to the ABC's funding which equates to approximately \$41m per annum in real terms by financial year 2021-22. Accordingly, the ABC must reduce its ongoing annual operational cost base by \$41m by 2021-22, rather than simply finding one-off cost savings or revenue sources.

The work is still being done to review our operations and we cannot disclose an assessment of headcount reductions until we have completed the work and we are ready to discuss with our employees first and foremost. Wherever possible, we are seeking to make savings first in non-employee related costs and also holding positions vacant as they arise. However, the nature of our business and the high proportion of our budget allocation to employee costs means that in finding the required savings, we will not be able to avoid having an impact on jobs.

6. The ABC is not able to respond to this question as the answer would depend on the circumstances involved.
7. Redundancy entitlements vary based on the circumstances of the individual employee, particularly the terms and conditions of employment relevant to the employee (e.g., redundancy terms in the applicable enterprise agreement), the amount of their salary and their length of service.
8. In the 2018-19 financial year, the ABC incurred a cost of approximately \$36.0m for casual employees (including superannuation and long service leave).
9. In the 2018-19 financial year, the ABC incurred a cost of \$1.7m for consultants.