

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2015

Communications Portfolio

Australian Broadcasting Corporation

Question No: 33

Program No. Australian Broadcasting Corporation

Hansard Ref: Page 76, 24/02/2015

Topic: Wages / Efficiencies

Senator Ruston asked:

CHAIR: My point was, if we can be clear and transparent about what is being invested or sought for investment in this new platform and what is actually an efficiency saving, then possibly some of the comments we are seeing and the interpretation you are getting from a lot of the senators and members of parliament—and members out there in the electorates—will be dispersed, if you can be very clear about what you are doing for efficiency savings and what you are doing for securing money for different purposes.

At last year's estimates, I asked you—following on from your comments that you were considering the government's current wage policy, as it related to you and your development of your new industrial strategy into 2016—hypothetically, if you froze your wages, how many fewer employees would have been seeking to become redundant. You said you would take that on notice. I am just wondering if you have been able to do that?

Mr Scott: I am not sure if we have answered that on notice, so I may have to come back to you again on that.

Mr Pendleton: It would be a little bit dangerous to speculate on it.

Mr Scott: But we are aware of the government's policy. As I said last November, 2016 is the year where the industrial agreement becomes due that covers 90 per cent plus of our staff. So, of course, the board will take into account the advice and requests from the government at the time as we develop out policy. We have to find I think it is in excess of \$50 million of efficiency savings. It is \$20 million next financial year and it is \$50 million plus the year after that that the wages environment will need to be very tight. We will be looking for productivity offsets and we expect that there will be a significant engagement with our staff around that matter.

CHAIR: If you could do that and also get that other information in relation to your transferring of money, that would be handy

Answer:

The ABC has implemented or is the process of implementing the following measures to meet the funding cuts announced by the Government in 2014. The ABC is also investigating other measures to find additional efficiencies such as reviewing its administrative overheads and technology support. It is anticipated that staff will be consulted on further initiatives in coming years as the requirement to find savings escalates to \$69m in 2018/19, in addition to the initial 1% budget cut.

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Support
ABC People
ABC People Review (including Executive/ International Employment Unit)
Operations Group
Switchboard Restructure
Mailroom Restructure
Reduce Project Management Overheads (including implementation of Lean methodology, reducing time allocation for projects)
Align Technical Support Levels
Standardise Specifications for Building Projects
Operations Group Review
Technology
Web Hosting and Mobile Data Review
Integrate Technology Environment
Property & Procurement
Procurement
Property Footprint
Marketing
Consolidate Marketing Resources
Corporate
Corporate Affairs Review
News
Management & Admin Overheads Review
Radio
Management & Admin Overheads Review
Television
Management & Admin Overheads Review

As the Managing Director has indicated on several occasions, audiences are increasingly moving from broadcast to digital platforms. The Government's decision to require efficiency savings to be returned to Government means that the ABC must make savings in broadcast content to reinvest in digital content and services. The ABC has engaged in consultation with staff on the following content savings in order to create a digital reinvestment fund.

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Content
News
Content Review (including Current Affairs, State Newsrooms & International Bureaux)
Radio
Content Review (including Local radio, Radio Multiplatform, Radio National & Classic FM)
Television
Content review (including Capital Cities Production & Sports Strategy)

Although these two separate tables clearly indicate the primary reason why a savings initiative has been undertaken (either to meet the funding cuts or to provide funds for content reinvestment), it would be simplistic and misleading to assume these primary reasons are the only reasons.

Were it not for the overarching funding pressure created by the budget cuts, many of the re-investment savings initiatives in the second table may have been funded through support efficiencies (as with News24 and iview). However, as all of the support efficiencies are required to meet the budget cuts, the content initiatives in the second table are required to create a digital reinvestment fund to position the ABC for the future.

Public Sector Bargaining Policy

The ABC is aware of the Public Sector Bargaining Policy, and while it is not obliged to follow the Policy it is always mindful of it.

Negotiations for the current Enterprise Agreements (EAs) for general staff and retail are likely to commence in or around March 2016. The ABC will not speculate on the outcomes of these negotiations or the resourcing impacts of implementing a wage freeze.