



P.O. Box 7158
Hutt Street
Adelaide 5000

Eastern Standard Broadcasting
Friends of the ABC, South Australia, submission to the Select Committee on the
Role and Adequacy of Government Funded National Broadcasting

EXECUTIVE SUMMARY

This submission is made by Darce Cassidy, on behalf of Friends of the ABC, South Australia (Incorporated). I am a former President of Friends of the ABC, SA, and a former manager of the ABC in South Australia.

Throughout its history there has been tension between the ABC's Head Office and its Branch Offices. We note that such over centralist tendencies are not confined to the ABC – they are found in many large corporations.

Over the years the pendulum has swung backwards and forwards between Sydney and the bush. In more recent years we believe that centralist tendencies in the ABC have been declining, and note efforts to move away from “Eastern Standard Broadcasting”.

The Corporation's Charter requires that it “contribute to a sense of national identity ... and reflect the cultural diversity of the Australian community”. If it is to do this, the ABC must have both a strong and sophisticated national structure, which recognises that national does not mean “from Sydney” or “from Canberra” but rather from all parts of the nation to all parts of the nation.

We note that the staffing of the South Australian Branch of the ABC is consistent with South Australia's proportion of Australia's population.

We believe that South Australia is generally well served in radio.

Television has not served South Australia so well. The decision to abandon a local sporting segment in the television news was regrettable. However our primary concern is that there is no South Australian daily current affairs program in television.

Friends of the ABC submits that a locally produced daily current affairs program, with the appropriate national and international content, should be restored. We acknowledge that this will be an expensive exercise. Given the 30% reduction in ABC budgets since 1985-6, we believe that the restoration of ABC funding to previous levels is necessary for the ABC to implement such a proposal.



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Introduction

This submission is made on behalf of Friends of the ABC SA (Incorporated). While I have recently vacated the position of President of Friends of the ABC, SA, following my move to Melbourne, I have been authorized to speak on behalf of Friends of the ABC for this inquiry.

I have worked for the ABC for thirty three years in Sydney, Melbourne, Canberra and Adelaide as a presenter, producer and manager in both radio and television. I was the manager of the ABC in South Australia (officially designated Managing Director's Representative for South Australia) between 1990 and 1997.

Friends of the ABC wishes to comment on a number of the terms of reference solely as they relate to the ABC. We do not have a brief to comment on the SBS.

The Charter of the ABC describes one of the functions of the ABC as:

broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community

Friends of the ABC, South Australia, submit that the ABC will be unable to adequately fulfill this obligation to reflect the cultural diversity of Australia unless it properly takes account of regional differences within Australia.

Given the costs involved in providing separate state or regional programs, and the drastic decline in ABC funding, we believe that the ABC is under increasing pressure to centralize. This economic pressure is sometimes accompanied by a "head office attitude" – a belief that those at the centre know best. Such attitudes are not confined to the ABC – staff in the Fairfax organisation have complained about their own head office.

I wish to comment on the following terms of reference:

(a) The current and long-term distribution of government funded national broadcasting resources and the effect of this distribution on South Australia.

According to the Bureau of Statistics the population of South Australia in 2003 was 7.7% of the total Australian population while the Staff Profile published in the latest ABC Annual Report for 2003-4 indicated that 8.29% of the ABC's staff were located

in South Australia.. On this measure the ABC in South Australia would appear to have an appropriate level of staff resources.

Other figures are less reassuring, although they are not specific to South Australia. The Annual Report for 2003-4 also reveals that the staff of the Production Resources Department, who make up roughly one quarter of the ABC, are overwhelmingly concentrated in Sydney and Melbourne. Two thirds of the staff of this department are located in Sydney and Melbourne, with the remaining third spread between Brisbane, Canberra, Hobart, Adelaide, Perth and Darwin.

The ABC has formally acknowledged, through its 2001-2004 Corporate Plan, that television production was too concentrated in Sydney and Melbourne. The Corporate Plan includes this objective:

Using 2000-01 as a benchmark, increase the percentage of ABC-made television programs which are produced outside of Sydney and Melbourne.

It is pleasing to see that the ABC has established this objective, and that the Annual Report confirms that production in the smaller states has grown since 2000-2001, but disappointing to note that productions outside of Sydney and Melbourne fell from 42.8% in 2002-3 to 37.8% in 2003-4.

We hope that in its next Corporate Plan the ABC will again commit to raising the level of television production outside of Sydney and Melbourne.

Overall it appears that South Australia has a reasonable level of ABC resources, although we suspect that this is less true for television than it is for radio.

(d) whether government funded national broadcasters adequately service South Australia in respect of South Australian current affairs and sports coverage.

We believe that the ABC provides excellent coverage of South Australia news, current affairs and sport through local radio facilities based in Adelaide, Port Pirie, Port Lincoln, Port Augusta, Renmark and Mount Gambier.

The situation with television is less satisfactory. While the advent of *Stateline* once a week is welcome, the lack of a daily current affairs program on television, covering international, national and local current affairs is a concern.

It is hard for *Stateline* to cover current affairs effectively when it is confined to one night a week. It also appears to be poorly resourced by comparison to its competition.

The previous model, where a local current affairs program, with its own editorial and production team, able to take syndicated items, either recorded or live, from overseas or from Canberra, Sydney or Melbourne, provided a much more balanced and relevant program for Adelaide viewers. Moreover, since the abandonment of that model new technology has made the production of such a complex program considerably easier.

How then has radio managed to cope with this issue while television has struggled? The answer, we believe, lies in the much higher cost structure of television. Since 1985-6 ABC funding has declined by just under 30% in real terms.ⁱ At the same time the ABC has introduced a raft of new services including, but not confined to, News Radio, the Triple J Network, ABC Online and digital television services. This has been welcome, but it has required the thinning of other programs.

The restoration of a locally based daily current affairs program on television would be costly. It could not be achieved without significant cuts to other ABC services, which are already stretched. We believe that there is an excellent case for restoring ABC funding to its 1985-6 level in real terms. Such a 30% increase is justified on the following grounds:

- **Public Opinion.**

On average, Australian taxpayers are prepared to pay 30% more for the ABC. Professor Glenn Withers analysed data from the National Social Science Survey in 2000 and found that in contrast to expenditure on "areas such as family assistance, defence, unemployment benefits, general government, general industry assistance and the like, where decreases were indicated, taxpayers were willing to pay more for the ABC." The data indicated that the average willingness to pay for the ABC was an additional 30%.ⁱⁱ

An independent opinion poll found that 60% of those surveyed believed that the ABC should be better funded.ⁱⁱⁱ

- **International benchmarking**

A study commissioned by the ABC and carried out by Macquarie Bank in 2001 found that on a per capita basis the ABC was the second most poorly funded of public broadcasters in eighteen developed countries.^{iv}

A 1999 study by management consultants McKinsey and Company, commissioned by the BBC, found that the ABC ranked 13th on a list of nineteen public broadcasters in developed countries in terms of its funding.^v

A 30% increase would move Australia from near the bottom of these tables to a position in the middle.

- **Local benchmarking**

Professor Glenn Withers has calculated that "ABC cost per radio broadcasting hour is 40 per cent that of the commercial radio sector, and that ABC cost per television station hour is 36 per cent that of commercial station cost."^{vi}

(e) the programming mix available from government funded national broadcasters and how programming decisions are made and whether the programming which is delivered is geographically balanced.

Since 1936, with the beginning of "federalisation" and the creation of the position of Federal Controller of Programmes, the ABC has been dominated by its Sydney based head office. The ABC official historian, Professor Ken Inglis, describes how, with the availability of more transmitters and interstate landlines, federalisation rapidly

gained pace. By 1939, according to Inglis, Sydney and Melbourne were the source of most programs, and Perth of the fewest.

Inglis describes the feelings about “Eastern Standard Broadcasting”

Managers in these states might well recall those earlier times wistfully, like barons cut down by the rise of a national monarchy, for their autonomy was much reduced by central administration and national programming... Charlton and other state managers found that under the new regime they could not appoint a typist or an office boy without approval from Sydney. Head Office, on the other hand, might make appointments without consulting them.... The trend was harder to take in Adelaide than in cities within the same time zone, for to South Australian ears announcers on relay were forever saying that it was half an hour earlier than it really was. Barry found much feeling about it in the Adelaide office, where people complained in 1938 of ‘Eastern Standard Broadcasting’.^{vii}

While a Head Office attitude still exists in the ABC, it is a measure of how far we have come that instances of “Eastern Standard Broadcasting” are now rare. Digital delay systems have eliminated that problem for relayed programs that can be passed through a delay system to emerge at the appropriate local time, while in those networks where live transmission is necessary, such as News Radio, presenters are thoroughly trained to give the time in all time zones.

Another instance of the softening of the Head Office attitude happened when Sydney’s 2JJ was converted into the national Triple Jay network. I acted for a time as manager of this new national network and found a cultural awareness program already in place, to remind staff that they were now a national network and not a Sydney station. There were discussions about the different pronunciations of Malvern in Adelaide and Malvern in Melbourne, of Albany and Albury, and of the different local words for swimming attire. Whether you said cozzies, bathers, swimmers or trunks was a marker of where you came from.

On the other hand the decision to base Triple Jay in Sydney, while understandable, was regrettable. It was understandable, because to move the entire staff, and their studios, to another state would have been expensive and disruptive. It was uneconomic to duplicate Triple Jay resources in each state, but a decision was made to appoint a Triple Jay representative in each of the smaller states, and a number of Triple Jay positions in Melbourne. However, with the passage of time and the advent of more budget cuts, I understand that most of the positions outside of Sydney have now disappeared.

Radio Australia remains the only one of the ABC’s services whose headquarters are not in Sydney.

Tensions between Head Office and the Branches remained during my time in the ABC, and I believe they still remain. However in my experience as a state manager, and having acted over the years in a wide range of federal management positions, we have come a long way from the days of Eastern Standard Broadcasting, at least in radio. Television, with its much greater cost structures, has been less successful in this regard. However it is pleasing to note that ABC management has recognised

some of these shortcomings, and has set targets for improvement in the Corporate Plan.

Conclusion

If the ABC is to be a great national institution that contributes to a sense of national identity, while at the same time reflecting Australia's cultural diversity, it requires a strong and sophisticated national structure that recognises that national does not mean "from Sydney" or "from Canberra" but rather from all parts of the nation to all parts of the nation.

Friends of the ABC, South Australia submit that South Australia is adequately served by ABC radio, but that there are deficiencies in the television service.

Our principal concern is the lack of a locally edited daily current affairs program on ABC television. Such a locally edited program should contain national and international stories, but the key editorial decisions should be taken by South Australian based staff who have an understanding of the local audience and its needs.

We recognise that the creation of daily current affairs programs in each state, in place of the current 7.30 Report, would be an expensive exercise. It would not do to simply take the current 7.30 Report budget and divide it between the states. The state budgets would be woefully inadequate and everyone would be disadvantaged by that solution.

Nor would it do to rob Peter to pay Paul, to abandon some more recent ABC innovations such as digital television, ABC Online or News Radio. That would not be consistent with the ABC Charter obligations to provide "innovative and comprehensive" services.

By any measure, by comparison to the past, by comparison to its commercial competitors, by comparison to its international counterparts or by comparison by the public's willingness to pay the ABC is seriously under funded.

Friends of the ABC, South Australia submit that while some overly centralist attitudes may remain in parts of the ABC, the major impediment to the ABC providing adequate services in South Australia is a lack of funds.

Darce Cassidy

ⁱ ABC Annual Report, 2003-4

ⁱⁱ Professor Withers' findings were contained in a study titled National Public Broadcasting Benefit and were reported in the Australian Financial Review, 22 March 2000.

ⁱⁱⁱ Newspoll, February 2001

^{iv} ABC Annual Report, 2002

^v McKinsey & Co, *Public Service Broadcasters Around the World*, January 1999.

<http://www.bbc.co.uk/info/bbc/pdf/McKinsey.pdf>

^{vi} Marion Powell and Glenn Withers, *National Public Broadcasting Benefit*, 20 April 2000,

<http://www.applieconomics.com.au/pubs/abc.htm>

^{vii} Inglis, K.S., *This is the ABC*, M.U.P. 1983