



# Strengthening our National Broadcasters



ABC



SBS

The Rudd Government will provide additional funding of \$185.3 million over three years to the national broadcasters: the Australian Broadcasting Corporation and the Special Broadcasting Service.

This new funding will enable the ABC and SBS to expand their range of programming—viewed and highly valued by millions of Australians every day—and will position the organisations to thrive in the digital media environment.

In particular, it will enable the ABC to support a dedicated children's television channel providing age-appropriate and advertising-free programs to support the development of our children, and support both the ABC and SBS in producing and commissioning new Australian programs.

## BUILDING ON SUCCESS



Our national broadcasters have been trusted partners at every step of the Australian journey over the past 76 years. They have informed Australia's public conversation, enriched our democracy, entertained young and old alike, and provided a uniquely Australian perspective on global events.

The Rudd Government will ensure the successful history of national broadcasting translates into an equally successful future.

The Government is determined to provide every opportunity for Australia's digital economy to reach its full potential. Our \$43 billion National Broadband Network—delivering superfast broadband to Australian businesses and homes—is central to that. The national broadcasters' role in providing the content and programming that engages, connects and inspires Australians as they tap into the potential of broadband and other digital technologies is important to our digital future.

The value that Australians ascribe to the national broadcasters' programming—including Australian programming—was clearly evident in responses to our national broadcasting review, conducted in late 2008. This and other ideas contained in the 2431 submissions received have been invaluable in informing our consideration of funding for the ABC and SBS over the coming three years and our consideration of the roles of the ABC and the SBS in Australia's broadcasting future. I would like to thank all Australians who took the time to make a submission to this review.

The funding initiatives in this Budget fulfil the Government's 2007 election commitment to provide adequate funding on a triennial basis to the ABC and SBS to ensure they can deliver quality public broadcasting services, including substantial levels of Australian content.

As part of the Government's Rural and Regional National Broadband Network Initiative, funding will also be provided to the ABC to substantially enhance its more than 50 regional broadband hubs. This will encourage and assist the development of user generated content and create avenues for local communities to connect and collaborate.

Stephen Conroy

Minister for Broadband, Communications and the Digital Economy

## DIALOGUE FOR THE FUTURE

The Rudd Government is committed to open and transparent government and informed decision-making. Critical decisions regarding organisations as important as the national broadcasters cannot and should not be made without input from the people they ultimately serve—the Australian people.

In October 2008, the Government released a discussion paper—*ABC and SBS: Towards a digital future*—seeking comment on the future of the national broadcasters over the coming decade. The Rudd Government has been pleased by the response to this paper—2431 individuals, groups and organisations took the time to submit their thoughts and opinions.

Over 2200 of the 2431 submissions received provided strong support for the ABC, the SBS or both organisations, clear evidence of the esteem in which the two organisations are held by Australians. Many of these submissions expressed the view that the ABC and SBS should continue to occupy a central place in the Australian media (Box 1 outlines some of the views commonly expressed through submissions, which can be accessed at [www.dbcde.gov.au/abcsbsreview](http://www.dbcde.gov.au/abcsbsreview)).

This consultation process extended the conversation on the future of the national broadcasters that began with the Australia 2020 Summit, held in Canberra in April 2008. Summit participants emphasised the role of the national broadcasters in promoting Australian culture and stories and in engaging with Australia's creative sector, providing children's programming and supporting an engaged and informed citizenry.<sup>1</sup>



Source: ABC

### Box 1—Key themes evident in public submissions




- The importance of the national broadcasters' independence from commercial or political influence.
- The need to ensure that the services of the national broadcasters remain accessible and freely available to all Australians, regardless of geographic location or income.
- The importance of key programming genres for the national broadcasters:
  - Quality Australian programming that provides Australians with a shared sense of identity and that supports our arts and cultural sector.
  - Credible and impartial news and current affairs to inform and educate Australians and enable full participation in our democratic institutions.
  - Quality children's programming that supports the developmental and entertainment needs of our next generation of leaders.
  - Comprehensive programming of both general appeal and specialised or niche services, particularly for the ABC.
  - Diverse programming that reflects and caters for the needs of Australia's multicultural and multilingual society, particularly for the SBS.
- The importance of enhancing the national broadcasters' new media offerings alongside their traditional radio and television platforms.
- The need to ensure the national broadcasters are provided with adequate funding to deliver the range and quality of programming and content expected of them.

<sup>1</sup>Final Report of the Australia 2020 Summit, at [www.australia2020.gov.au](http://www.australia2020.gov.au)

## OUR NATIONAL BROADCASTERS

The services and programming of our national broadcasters are integral to Australia's cultural, economic and political way of life. The ABC and SBS have grown from traditional analogue television and radio broadcasters to become multi-platform media organisations. They have made this transition with great success, as outlined in Table 1.

Table 1: National broadcasting—a snapshot

	Service	Success <sup>2</sup>
 <b>Television</b>	<ul style="list-style-type: none"> <li>Available terrestrially to over 97 per cent of the Australian population.<sup>3</sup></li> <li>Integral to Australia's conversion to digital-only broadcasting by December 2013.</li> </ul>	<ul style="list-style-type: none"> <li>17.2 per cent prime time metropolitan audience share for ABC1 in 2008.</li> <li>6.2 per cent prime time metropolitan audience share for SBS1 in 2008.</li> </ul>
 <b>Radio</b>	<ul style="list-style-type: none"> <li>Four national radio networks and 60 local radio stations across the country and SBS radio broadcasting to major population centres in 68 languages.</li> <li>Integral to the commencement of digital radio from 1 July 2009.</li> </ul>	<ul style="list-style-type: none"> <li>21.2 per cent audience share for ABC stations in metropolitan markets in 2008 (highest share on record).</li> <li>Strong, community-based support for SBS radio offerings.</li> </ul>
 <b>Online</b>	<ul style="list-style-type: none"> <li>ABC and SBS leading the Australian media in the move to online.</li> <li>First to successfully offer podcasts, vodcasts and internet television.</li> </ul>	<ul style="list-style-type: none"> <li>60.1 million (ABC) and 887 000 (SBS) radio and television programs downloaded in 2007–08.</li> <li>2.3 million (ABC) and 598 000 (SBS) unique online users per month in 2007–08.</li> </ul>

The strength of these viewing, listening and usage figures is supported by direct audience feedback. Newspan surveys conducted in 2008 indicate that 88 per cent of Australians consider the ABC provides a valuable service to the community<sup>4</sup>, while 90 per cent of Australians believe the SBS plays an important role in our culturally diverse society.<sup>5</sup> These surveys also indicated that 80 per cent of Australians think the ABC does a good job of covering country and regional issues and that 92 per cent of Australians believe SBS is an important alternative to the commercial networks.

<sup>2</sup>ABC Annual Report 2007–08, SBS Annual Report 2007–08, and information provided in media statements from the ABC (4 December 2008) and SBS (27 January 2009).

<sup>3</sup>100 per cent coverage of the population is achieved via satellite for ABC and SBS television services.

<sup>4</sup>Newspan ABC Appreciation Survey, reported in ABC Annual Report 2007–08, pages 42 to 46.

<sup>5</sup>Newspan SBS Corporate Image Tracking Survey, reported in SBS Annual Report 2007–08, page 42.

## NEW MEDIA, NEW CHALLENGES

While central to everyday life in Australia, the national broadcasters are grappling with an operating environment that is in a state of flux. Australian media is undergoing a revolution driven by changes in technology and the growth of broadband internet. This digital transformation is being replicated across the globe, and its impacts extend beyond the media sector to affect societies and economies at large.

High-speed, cost-effective communications systems will be critical for Australia's productivity and prosperity over the coming decades. The Rudd Government has recognised and responded to this need with the National Broadband Network which will see the rollout of a superfast, national network delivering broadband speeds of up to 100Mbps.

A nation-building initiative, the National Broadband Network will produce direct and indirect benefits for Australia—improving our education and health outcomes, sustaining

employment, connecting our regions and tackling issues such as climate change. It will also have a profound effect on the media sector.

Source: ABC



The Rudd Government's new broadband network will enable the digital transition underway in the media sector to reach its full potential.

The National Broadband Network will provide sufficient capacity for the delivery of multiple video services direct into homes, without the need for traditional reception via the airwaves. Consumer choices for news, entertainment and information will grow exponentially, furthering the growth in personalised and on-demand media and user-generated content.

In this evolving media landscape commercial media—free-to-air television, radio and print newspapers—will face increasing pressure to reduce the costs of their content if, as some suggest, audiences begin to fragment and the associated advertising revenue streams decline. The national broadcasters can be expected to have a critical role in delivering freely accessible services regardless of the technology on which they are delivered, together with innovative and compelling Australian programming that caters to diverse tastes and interests. They will also continue to be important sources of credible and trustworthy news and information, and provide a means for local communities to connect, collaborate and find a voice.

In an environment where quality video and audio can be delivered seamlessly via an internet-enabled device—in the home or on the move—an important differentiator between media organisations will be their content.

Consumers will give priority to accessing their favourite shows, news services or blogs when they want to, on the device most convenient for them, whether this content is available over the airwaves or over broadband.

The implications for the national broadcasters are clear—they must continue to provide vibrant, compelling and attractive content to viewers, listeners and users, regardless of how audiences choose to access it.

Source: ABC



The Rudd Government has not lost sight of its long-term vision for the ABC and SBS. The national broadcasters must remain as vibrant and creative media organisations at the heart of Australia’s cultural, political and economic life.

This vision—articulated in further detail in the following sections—has been informed by the views and opinions expressed through the recent public consultation process and the Australia 2020 Summit. These views and opinions will continue to inform the Government’s thinking in relation to the national broadcasters over the coming three years and beyond.

## TOWARDS THE FUTURE

### DIGITAL CHILDREN’S CHANNEL

Source: ABC



The Rudd Government is committed to ensuring Australian children have ready access to media and broadcasting services that support their education, entertainment and development needs.

The Government will fund the ABC to establish and operate a Digital Children’s Channel providing high-quality, advertising-free programming with a high level of Australian content.

The ABC has a long history of providing quality children’s programming and the Digital Children’s Channel will build on the trust established with generations of Australians.

Operating 15 hours a day from 6.00 am to 9.00 pm, the Digital Children’s Channel will provide age-appropriate content at the times when children are watching television.

The television and online usage habits of Australian children are changing rapidly. Accordingly, it is important to have quality programming, dedicated to a child audience.

Many submissions to the Government’s national broadcasting review expressed concern about the developmental needs of children and the role of television programming in this regard.

*‘Parents are often stressed about the amount of television their children want to watch. It is a part of every family’s life and needs to be constructive rather than destructive. With a quality and appropriate range of children’s programs to choose from, parents are able to ensure that this can be a constructive past time for their children, free from the barrage of advertisements with their detrimental effect on concentration and their promotion of junk foods and inappropriate merchandise.’*

—Submission to the review

Source: ABC—Rollercoaster



The Digital Children's Channel will counter such concerns and create a safe and trusted destination for children to view and engage with content specifically created for their needs. The proposal for an ABC Children's Channel was strongly backed in submissions to the Government's national broadcasting review.

*'No one is better suited than the ABC to deliver such a service to Australian children.'*

—Australian Children's Television Foundation

The ABC will complement the new channel with additional online and interactive children's content, reflecting the way Australian families and children are turning to the internet for their information and entertainment services.

The new channel will also enhance the free-to-air television offering and support the take-up of digital television. The ABC's existing digital television channel, ABC2, now attracts a larger audience among preschool children than all subscription children's television channels combined.<sup>6</sup> The new channel will be the only dedicated children's channel available free to Australian homes and will be in addition to the ABC's existing children's programming on ABC1 and ABC2.

## AUSTRALIAN CONTENT AND STORIES

The Rudd Government committed in the 2007 election to fund the national broadcasters to deliver quality public broadcasting services, including substantial levels of Australian content.

The Government is now honouring that commitment by providing additional funding over three years that will enable the national broadcasters to substantially enhance the levels of Australian content on our screens.

Australian programming helps forge a sense of a national identity within our diverse, multicultural society, reflecting our character and characteristics and telling our unique stories. The importance of our national broadcasters providing quality Australian content was reinforced in submissions to the Government's national broadcasting review.

*'An increase in Australian programming on both the ABC and SBS is extremely important. We need to support our own industry, ideas, values and culture. Imported programs are often excellent, but we don't want these at the exclusion of our own quality programming.'*

—Submission to the review

The Government's two funding initiatives—ABC Australian Drama and SBS Local Content—will enhance viewing options for Australian families, provide access to programming with a distinctly Australian perspective and help create a national sense of shared experience and identity.

## ABC Australian Drama

In the context of the 2007 election, the Rudd Government committed to the ABC providing levels of Australian drama similar to those required of the commercial networks.

The Government's new drama funding will fulfill the commitment, allowing the ABC to substantially increase the levels of Australian drama programming in a range of genres and meet the Government's target in 2011–12. This will see the ABC providing over 90 hours of quality Australian drama per year by 2011–12; a significant increase from the average of less than 20 hours per annum<sup>7</sup> over the last three years of the Howard Government.

The provision of more Australian drama by the ABC received strong support through the national broadcasting review.

Source: ABC—Dirt Game



<sup>6</sup>The ABC's children's programming share for 0 to 12 year-olds is 11.5 per cent, and 14.8 per cent for 0 to 4 year-olds (OzTAM, September 2008).

<sup>7</sup>ABC Annual Reports 2004–05, 2005–06 and 2006–07.

*'High quality, Australian drama produced and disseminated by the ABC with its Australia-wide reach, can be a powerful influence for national cohesion by reminding us of what we have in common with the diversity.'*

—Submission to the review

Over 700 submissions supported the ABC's broader role in the provision of Australian programming that reflects our culture and identity.

## Local employment impacts

The Government's commitment of funds for the creation of Australian content will have a positive economic impact on the independent production sector and associated industries through job creation. As a labour-intensive sector, an increase in screen content production has been shown to have an immediate, positive influence on employment at levels higher than the broader economy.<sup>8</sup> The positive economic impact of the increased provision of local content was noted in the Government's national broadcasting review.



Source: SBS—First Australians

*'The Victorian Government believes both national broadcasters have a role in providing more Australians with access to feature films. Given [that] the national broadcasters' reach across Australia is more substantial than cinema chains, funding ABC and SBS to co-invest in feature film product would enable more Australians to engage with national product.'*

—Victorian Government

## SBS local content

As our multicultural broadcaster, the SBS occupies a unique position in the Australian media, providing multilingual and multicultural programming that reflects the positive aspects of our multicultural society. Over the past decade, SBS has commissioned ground-breaking, locally-made series and documentaries, including *East West 101*, *The Circuit* and *First Australians*.

The Government's local content funding will enable the SBS to build on its established track record for innovative and cutting-edge Australian programming. This funding will allow the SBS to tell more Australian multicultural stories by commissioning a mix of drama, documentary, comedy and entertainment programming, with the additional programming commissions rising to around 50 hours per year by 2011–12.



Source: SBS—RockWiz

<sup>8</sup>Screen Producers Association of Australia, *Employment and Economic Impacts of Funding the ABC for Additional Production Hours*, 6 March 2009.



Source: ABC—Summer Heights High

*'The ABC needs to take advantage of new delivery options, but this must not be allowed to undermine the quality of the content. Twice the content with half the quality would be a big step backwards.'*

—Submission to the review

- Over 1300 submissions to the review indicated that the SBS should continue to operate as a 'multicultural broadcaster' or should provide more multicultural and multilingual programming.
- Over 900 submissions to the review expressed the view that the ABC should continue to operate as a 'comprehensive broadcaster'—a media organisation providing content and programming of general appeal along with specialised or niche services.

The Rudd Government's funding measures announced through the 2009–10 Budget allow the broadcasters to maintain their current base funding in real terms and provide an additional \$185.3 million over three years to expand the range and quality of their Australian programming and online content.

The national broadcasters have been at the forefront of Australia's digital media transformation.

This role does not come without a cost. In reaching all Australians with its services, the ABC in particular is under real and growing cost pressure—especially with the transition to digital broadcasting technologies, both television and radio.

The ABC's asset register includes more than 30 000 items. Maintaining these assets—which go to supporting its range of programming and content across radio, television and online platforms—requires funding.

As part of the funding measures, the Rudd Government has therefore provided \$13.6 million in funding for the ABC in 2009–10 in additional capital supplementation to assist the organisation to maintain its extensive asset base.

## CONTINUING NEED FOR QUALITY CONTENT

The success of national broadcasting in Australia over the past 76 years has been based on the quality, diversity and local relevance of the programming. This will not change over the coming decades, regardless of the form and features of technologies used by the broadcasters and by consumers. This is a view reinforced through the Government's national broadcasting review, with over 700 submissions stating that the national broadcasters should provide quality programming.

*'Content matters, and it matters to all age groups. That statement does not date. That statement is the heart and soul of a national broadcaster.'*

—Submission to the review

## INFORMING AUSTRALIANS, SUPPORTING DEMOCRACY

Submissions to the review noted that the national broadcasters play a vital role in informing the nation through their news, current affairs and information programming. This information is crucial for a robust national conversation and supports open and accountable public institutions.

The Final Report of the Australia 2020 Summit also emphasised that the national broadcasters should be the venues of public education and offer a space for the dissemination of mature judgement on ideas.



Source: SBS, Jenny Brockie, Insight

The national broadcasters' news, current affairs and information services are vital in supporting an informed and educated citizenry and the effective functioning of Australia's democratic institutions.

It is also evident that the use of and demand for internet services is having a profound effect on the way Australians access information regarding local, national and international events.

A recent Nielsen survey found that 49 per cent of Australians online consider the internet their preferred source of information.<sup>9</sup> Some 39 per cent of respondents said they would be lost without the internet, while only 15 per cent nominated mobile phones, 13 per cent television, 8 per cent radio and 4 per cent newspapers as the media they would be lost without.

Submissions to the national broadcasting review also noted the transformational role of new media and its impact on the role of the national broadcasters in informing Australians.

*'[Internet] services are essentially multi-way; it's no longer broadcasting as much as it is participating in a national conversation. Someone has to step up to manage that conversation, to keep it on track, civil, and broadly-based. That role belongs to the national broadcaster, which already has the immense affection of the public it has served for seventy five years.'*

—Submission to the review

*'Quality, trusted, non partisan news is essential not just for the sake of accurate information but for the operation of democracy. Democracy is also served when programmes allow journalists to follow stories in current affairs and investigative formats.'*

—Submission to the review

The importance of the ABC's information services was particularly prominent in submissions to the review, with over 1600 respondents stating the broadcaster should provide credible, independent news and current affairs programming.



Source: ABC—Constructing Australia

<sup>9</sup>Scott, Mark, Annual Media Studies Lecture, La Trobe University, 8 April 2009, noting the findings of the Nielsen 2009 Australian Internet and Technology Report.

The national broadcasters' contribution to informing Australians also extends to education—a role established in the broadcasters' enabling legislation. The importance of educational material was noted in submissions to the review.

*'The ABC has great credibility and can be trusted to air quality programmes. As a teacher I appreciate the ABC's commitment to quality children's and educational programmes.'*

—Submission to the review

Education and skills development are key elements of the Rudd Government's forward policy agenda. The national broadcasters can make a valuable contribution to the achievement of the Education Revolution.

The ABC's educational and other material is widely used in schools. A 2007 survey found that 60 per cent of schools and teachers use ABC schools programs, while a higher percentage use mainstream ABC content such as news, current affairs and documentary programming.<sup>10</sup> SBS documentaries provide a valuable educational resource for schools and universities.

The Government's superfast broadband network will allow students and teachers to seamlessly access a range of audio-visual material. The network will also support the ability of adults to access the rich media content developed by the national broadcasters and enhance opportunities for learning and personal development.

The national broadcasters can support the Education Revolution through the continued provision of high-quality and highly-valued educational content, from the classroom through to life-long learning.

## AUSTRALIA'S DIVERSE SOCIETY

The national broadcasters support the building of community and cultural awareness in Australia by providing programming that reflects and explores our multicultural society. The services of SBS are particularly important in this context—a view that was reinforced through the Government's national broadcasting review.

Close to 1000 submissions to the review indicated support for SBS's core function of providing multilingual and multicultural programming.<sup>11</sup>

Source: ABC—Choir of Hard Knocks



*'The importance of maintaining diverse language content in radio and TV is critical to the commitment to multiculturalism from the Australian Government and to providing equal access to radio and television to every Australian.'*

—Submission to the review

The value of SBS programming for individuals and groups was also apparent in many submissions.

*'As a person coming from Poland many years ago I can see the intangible benefits of having SBS... SBS is from us, about us and for us... I can speak many languages and I will, with SBS I feel that someone else is speaking my language.'*

—Submission to the review

<sup>10</sup>Austin Research Services, *ABC schools TV study 2007: report of key findings*, Sydney, 2008.

<sup>11</sup>Section 6 of the *Special Broadcasting Service Act 1991* establishes the principal function of SBS to provide multilingual and multicultural radio and television services that inform, educate and entertain all Australians, and, in doing so, reflect Australia's multicultural society.

Program content that reflects positively the cultural, linguistic and religious diversity of Australians encourages a sense of belonging for all Australians, regardless of their background, and helps counter intolerance in the community as a whole. With more than 4.2 million Australians speaking a language other than English at home<sup>12</sup>, the SBS is as important a service as it has ever been.

The Rudd Government recognises the unique and important position of SBS in the Australian media, providing content that reflects and explores Australia's diverse multicultural society.

An indicator of SBS's continuing value and relevance to its audience as Australia's multicultural and multilingual broadcaster is its increasing popularity with viewers. SBS Television achieved its best ever prime time audience share of 6.2 per cent in 2008.<sup>13</sup>

SBS Radio and Online portals are also showing strong demand. SBS Online had a monthly average of 598 000 unique users in 2007–08 and recorded 887 000 audio and video downloads.<sup>14</sup> The importance of SBS's in-language radio and online services was notable in submissions to the review.

*'I am a very frequent and regular viewer of many of the SBS programmes and enjoy their variety greatly. It is not exaggerated, if I said that the SBS contributes to the quality of my life.'*

—Submission to the review



Source: SBS



Source: SBS—Maeva O'Meara, Food Safari

*'Most new arrivals, especially those from refugee or refugee-like backgrounds, need time and regular on-going access to key settlement information in their first language to process this amount of information. SBS has the opportunity to provide information in first language through regular radio programs and the online environment.'*

—Adult Multicultural Education Services

SBS Radio broadcasts programs in 68 languages on two frequencies (AM and FM) in Sydney, Melbourne, Canberra and Wollongong, and on one frequency in other capital cities and regional centres. SBS Radio services became available online in 2003.

One challenge for SBS is to serve new language groups in the community without reducing programming for established groups—particularly as the use of languages other than English continues to change.

The commencement of digital radio in July 2009 offers scope for SBS to respond to the growing demand for language services on radio. As announced in the 2008–09 Budget, the Rudd Government will fund the rollout of SBS and ABC digital radio infrastructure in Sydney, Melbourne, Brisbane, Perth and Adelaide and will consider extension of the digital radio network as the new technology becomes established.

The Rudd Government's National Broadband Network will also provide opportunities for SBS to reach new audiences and provide richer video and audio content to more Australians.

<sup>12</sup>Media Entertainment and Arts Alliance Submission to ABC and SBS: Towards a digital future, December 2008, page 4.

<sup>13</sup>OzTAM audience figures referenced in SBS News Release, Steady audience growth continued in 2008, 27 January 2009.

<sup>14</sup>SBS Annual Report 2007–08, page 41.

## LOCAL SERVICES

The national broadcasters, and in particular the ABC, play an important role in providing local content to regional Australia. The range and diversity of media services are frequently very limited in many parts of non-metropolitan Australia.

In these places ABC local radio can be vital in developing a sense of community while at the same time connecting communities to the rest of Australia and the world.

The ABC operates 60 local radio stations—52 in regional areas and the remaining eight in the state and territory capitals. A substantial part of the programming for each station is produced in the regional markets, bringing an important local focus to news and entertainment and a voice for local communities. In comparison, digital technologies and commercial pressures have led to increased centralisation of commercial radio programming, with content increasingly produced at a central location and distributed to regional stations.

The ABC's provision of local radio services was strongly supported through the national broadcasting

review. Over 550 submissions expressed the view that the ABC should continue to provide localised, regional content, with many highlighting the integral place of local radio in their everyday lives.

*'I presently listen to ABC Western Plains, where it is VERY important to me to be able to listen to the LOCAL news, weather, sporting and other events relevant to our area, as well as the Saturday Gardening, and other locally produced programmes.'*

—Submission to the review

*'Only the ABC can broadcast matters of both national and regional significance. Rural radio is immensely important in time of crisis like bushfires but also in building community. ... When we travel outside of metropolitan Melbourne we always find the local ABC radio provides us with interesting insights into rural and regional Australia. We believe these services are of immense value to local listeners.'*

—Submission to the review



Source: ABC—Australia All Over

The value of the ABC's Local Radio network is being augmented by online services. The ABC has developed a network of more than 50 cross media hubs in regional Australia in association with its Local Radio services. As part of the Government's Rural and Regional National Broadband Network Initiative, funding will be provided to the ABC to further develop these regional broadband hubs. The initiative is discussed further in the section headed **Broadband Potential**.

The Rudd Government recognises the important role of the ABC in informing and inspiring communities at the local level, allowing their stories to be told, their voices heard and providing a connection to the rest of Australia and the world.

## INDEPENDENCE AND CREDIBILITY

Independence is the foundation stone of national broadcasting in Australia—a principle enshrined in the enabling legislation for both the ABC and SBS. The trust placed in the national broadcasters by the Australian public is based in no small part on their independence, impartiality and balance in programming and content.

The Rudd Government is committed to maintaining the independence of the two broadcasters and ensuring strong governance, free from political interference.

The continued independence of the ABC and SBS received strong support in submissions to the national broadcasting review. Over 1500 submissions commented on the importance of keeping the national broadcasters free from potential commercial or political influence.

*'...[T]he boards of both organisations should be convened with a mixture of members of the public, the staff members, and management who have the best interests of the organisation at heart.'*

—Submission to the review

To strengthen the independence of the ABC and SBS, the Government has implemented a merit-based system of board appointments to remove the potential for political interference. Nominations for positions on the Boards are now open to all Australians.

After a thorough merit-based process conducted by a four-member independent nomination panel, four new directors were selected from a shortlist of candidates in March 2009.

The Government will be calling for expressions of interest from the public to fill upcoming vacancies on the ABC and SBS Boards towards the end of 2009. In the coming months, the Rudd Government will also legislate to entrench the merit-based board appointment process and to reinstate the position of staff-elected Director to the ABC Board.

## INTERNATIONAL SERVICES

Australia's economic progress over the coming decades will be increasingly tied to our capacity to engage with our Asia-Pacific neighbours and other countries of strategic and economic importance to Australia. As noted by the Prime Minister in June 2008, 'global economic and strategic weight is shifting to Asia. For the first time in the settled history of this continent, we find ourselves in the region that will be at the centre of global affairs'.<sup>15</sup>

The Australia Network television service—which is currently being delivered by the ABC under contract to the Department of Foreign Affairs and Trade (DFAT)—and the international radio and online services of the ABC can play an important role in this regard, particularly in projecting Australian perspectives and values and fostering a better understanding of Australia in overseas markets.

- Australia Network is currently broadcast by the ABC on satellite and cable platforms to 44 nations in the Asia-Pacific region. It has a measured monthly audience of seven million viewers, including five million in the key market of India. In the first half of 2008, Australia Network consistently out rated the BBC World Service and CNN International in the six largest Indian metropolitan markets, including Bangalore, Delhi and Mumbai.<sup>16</sup>



Source: ABC—Reporter Richelle Hunt interviewing DSE Officer Jeff McClure in Crystal Creek Victoria

<sup>15</sup>Prime Minister Kevin Rudd, *It's Time to Build an Asia Pacific Community*, Address to the Asia Society Australasia Centre, Sydney, 4 June 2008.

<sup>16</sup>ABC Annual Report 2007–08, pages 95 and 96.



- Radio Australia broadcasts in seven languages in shortwave and local FM (via satellite downlink) and is available online throughout the Asia-Pacific region. As at June 2008, Radio Australia had an audience of over one million listeners per week and 1.4 million online visits per month. Radio Australia programs accounted for 8.4 million (20 per cent) of the 41.5 million ABC podcasts downloaded in 2007–08.<sup>17</sup>

Building and maintaining close ties with our Asian and South Pacific neighbours is even more crucial to mitigate the potential for instability in the region, at this time of global economic crisis.

The Rudd Government recognises that the ABC can play an important role in strengthening Australia's cultural, commercial and social links in key Asia-Pacific markets, particularly in projecting Australian perspectives and values into the region.

The provision of these services by the ABC received support through the Government's national broadcasting review. Over 550 submissions indicated strong support for the role of Radio Australia, with the majority of these submissions indicating that the service should be expanded to cover more areas of the Asia-Pacific region.

<sup>17</sup>ABC Annual Report 2007–08, page 40.

## LOOKING AHEAD

### SEPARATE AND DISTINCT IDENTITIES

Australians realise significant benefits from the existence of two vibrant national broadcasters—the ABC and SBS—that each fulfil important and distinct roles.

Submissions to the Government’s national broadcasting review were strongly critical of any potential merger, with over 850 submissions expressing their direct opposition to any such initiative.

The Rudd Government will maintain the separate and distinct identities of the ABC and the SBS—we would not support any proposal that would erode their integrity and independence.

### BROADBAND POTENTIAL

The rollout of the Government’s National Broadband Network, coupled with the full conversion to digital television by December 2013, will usher in a new era in the way Australians are entertained and informed.

The Rudd Government firmly believes that our national broadcasters can and should remain at the forefront of Australia’s transition to a new digital media environment.

Strong support for the national broadcasters’ new digital offerings was evident in the submissions to the national broadcasting review. Over 1000 submissions to the review considered that the national broadcasters should enhance their online services, while over 600 submissions stated that the national broadcasters’ programming should be available across all platforms—radio, television and online.

*‘As the leading media of Asia-Pacific area, the news and news-feature Chinese programs produced by Radio Australia are welcomed by Chinese audience. RA’s Chinese programs like Health, Science, Youth, Education and Tourism, let our audience know everyday life of Australians and deepened their understanding of Australia and its people. In the context of globalization, RA presents the real Australia to Chinese.’*

—Submission to the review

A number of submissions also commented on the merits of expanding the ABC’s international services more broadly.

*‘[Organisation] recommends that the utmost consideration be given to both expanding and enhancing the overseas services provided by the ABC. In view of the successes enjoyed to date by the Australia Network and Radio Australia, these operations can be seen to play a significant role in promoting Australia throughout the Asia-Pacific and Indian Ocean regions.’*

—Submission to the review



Source: ABC local radio Newcastle



Source: ABC

- The ABC and SBS have used the internet to expand exponentially the opportunities for audiences to access their diverse range of television and radio programming and dedicated online material.
- The national broadcasters have also pursued new methods of content creation, including user-generated content, and pioneered the use of new technologies to reach their audiences, including internet television (such as the ABC's iView service). The ABC has also recently commenced providing a news and information portal for mobile devices.

*'I would like to be able to download [ABC programs] to my iPhone for watching when I am on the run, I would like to be able to download high definition programs for watching at any time without having to stream the content and lastly I would like to be able to stream a program on the fly if I want.'*

—Submission to the review

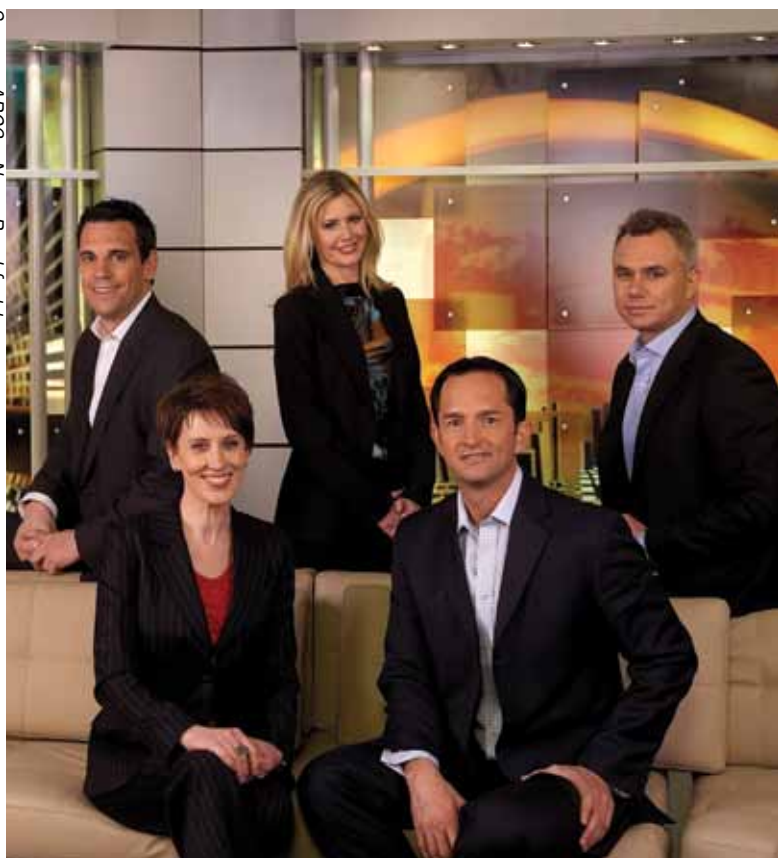
The Rudd Government's new funding under the Rural and Regional National Broadband Initiative provides for more than 50 enhanced regional broadband hubs that will encourage and assist local communities to create their own rich broadband material. The initiative will employ approximately 50 video editors to work in the regions on cross media stories and assist audiences to create their own content. The ABC will establish community websites and genre portals, and create 'virtual town squares' for communities to share experiences.

The prospect of superfast broadband through the Government's National Broadband Network will allow the national broadcasters to fulfil to a greater extent their core objectives and functions, including:

- *Universality*—enabling all Australians to access their services regardless of geography or income,
- *Localism*—allowing people with similar interests to communicate and participate in local communities, and
- *Innovation*—providing diverse and thought-provoking content that challenges conventional thinking and harnesses Australia's creative endeavour and talent.

The national broadcasters have repeatedly demonstrated their capacity to harness technology to fulfil these functions and take creative and technology risks without the commercial imperatives of other media organisations.

Source: ABC2—News Breakfast team





Source: ABC—Constructing Australia

SBS is permitted under its legislation to operate on a hybrid funding model which includes up to five minutes of advertising per hour during periods before programs begin, after programs end or during ‘natural program breaks’.<sup>19</sup>

Over 600 submissions to the review indicated their opposition to advertising on SBS. A smaller number of submissions—131—noted concern with in-program advertising.

In 2007–08, SBS realised over \$50 million in advertising and sponsorship revenue.<sup>20</sup> Along with the free-to-air commercial broadcasters, SBS’s advertising revenue is likely to be affected over the short-term as a result of the global economic downturn.

A new restriction on in-program advertising would substantially reduce the amount of funding available to SBS to support the provision of high quality and diverse programming. In the current economic climate and considering the competing claims on a limited Federal Budget, it is not proposed to require the SBS to change its current approach to advertising at this time.

## FUNDING

In support of the submissions to the review and honouring its 2007 election commitment to adequately fund the national broadcasters, the Government will maintain base funding in real dollar terms from 2009–10 and provide an additional \$185.3 million over three years to support a dedicated children’s television channel, more quality Australian programming and enhanced ABC Local broadband hubs in more than 50 regional locations.

The issue of alternative funding sources—including advertising—has generated debate.

The ABC is primarily funded by the Commonwealth and is prohibited by legislation from commercial advertising on its domestic television and radio services.<sup>18</sup> Over 900 submissions to the national broadcasting review supported the ban on advertising on the ABC.

The Government agrees that the national broadcasters should remain publicly funded and is not considering any changes to the funding model.

The Government remains committed to maintaining the prohibition on commercial advertising on ABC television and radio, and does not support advertising on the ABC’s main website.

Source: SBS—David O’Shea



<sup>18</sup>Australian Broadcasting Corporation Act 1983, section 31.

<sup>19</sup>Special Broadcasting Services Act 1991, section 45.

<sup>20</sup>SBS Annual Report 2007-08, page 110.

## PRIORITIES AND NEW INITIATIVES FOR NATIONAL BROADCASTING

The Government went to the 2007 election with a commitment to adequately fund the ABC and SBS to ensure they can deliver quality public broadcasting services, including substantial levels of Australian content, and to require the ABC to provide levels of Australian drama similar to those required of the commercial networks.<sup>21</sup>

The Government has also committed to the establishment of a dedicated ABC Children's Channel as one of nine practical new initiatives stemming from the Australia 2020 Summit.<sup>22</sup>

We are now following through on these commitments, delivering a total of \$185.3 million in new funding for the ABC and SBS over three years to develop a Digital Children's Channel and significantly enhance the provision of Australian programming.

This includes \$13.6 million of additional capital funding for the ABC in 2009–10 to assist it to maintain its extensive asset base and \$15.3 million over three years in new funding under the Rural and Regional National Broadband Network Initiative to deliver more than 50 enhanced ABC Local broadband hubs in regional Australia.

The Government is also providing the broadcasters with more than \$2.5 billion in indexed base funding over the next three years.

Funding for the ABC (\$m)	2009–10	2010–11	2011–12	Total
Base funding	698.7	716.0	725.8	2140.4
New funding	45.1	47.1	73.1	165.3
Total <sup>23</sup>	743.8	763.0	798.9	2305.7

Funding for the SBS (\$m)	2009–10	2010–11	2011–12	Total
Base funding	118.7	120.6	123.3	362.6
New funding	4.0	5.0	11.0	20.0
Total <sup>24</sup>	122.7	125.6	134.3	382.6

Note: figures do not include funding for the transmission and distribution of the broadcasters' analog and digital television and radio services or depreciation funding associated with the new measures. Figures may not add due to rounding.



Source SBS—News Group

<sup>21</sup>Peter Garrett MP, *New Directions for the Arts: Supporting a vibrant and diverse Australian arts sector*, September 2007, page 11.

<sup>22</sup>Responding to the Australia 2020 Summit, [www.australia2020.gov.au](http://www.australia2020.gov.au)

<sup>23</sup>This excludes funding for the ABC's analog and digital television and radio services.

<sup>24</sup>This excludes funding for the SBS's analog and digital television and radio services.

## CONCLUSION

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The national broadcasters – the ABC and SBS – occupy an unrivalled position in the Australian media. They inform Australians as citizens and explore and reflect on our diverse culture. They have a reach unparalleled by any other media organisation and they enjoy the trust of the Australian public earned over three quarters of a century.

The Government's national broadcasting review has affirmed the strong level of support for our two national broadcasters. The Australian public sees an important role for the national broadcasters over the coming decade – and the Rudd Government shares this commitment.

In this environment, the national broadcasters should – as they have done for decades – provide content and programming that engages, connects and inspires all Australians. The value and relevance of their services is based on the quality and diversity of their content. Importantly, the national broadcasters should be able to deliver this programming and content across various technology platforms in response to audience expectations.

The Rudd Government remains committed to adequately funding the national broadcasters to ensure they can deliver quality and diverse programming across all technology platforms, including substantial levels of Australian content. Its funding commitments in this Budget reaffirm the Government's view that the national broadcasters should remain as vibrant and creative media organisations at the heart of Australia's cultural, political and economic life.

Additionally, the Government is putting in place the framework that will see Australia's digital economy reach its full potential. The National Broadband Network is an important part of this framework, providing a network that will meet Australia's communications needs over the coming century. The national broadcasters can leverage from this infrastructure investment and ensure that they continue to play a leading role in the digital transition already underway in the Australian media.





**Australian Government**  

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**Department of Broadband,  
Communications and the Digital Economy**

