

background briefing

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The fair, the bad and the possible

WITH the appointment of Mark Scott as managing director of the ABC our worst fears were *not* realised. On a scale of 'crazy brave', with Jonathon Shier at the top, Mark Scott appears to be somewhere near the bottom, a good manager with a passion for journalism and a well-controlled ego. We wish him well in a very difficult job, and hope that Communications Minister Helen Coonan will surprise us again by extending the term of Board Chairman Donald McDonald.

WHY was the Government so precipitate and rapacious in legislating to remove the staff elected director from the ABC Board? Minister Coonan explained with a straight face that the Board would have better governance without a staff director 'with a conflict of interest'. Unlike the rest of the directors, all of whom owe their position to the Government. We are fearful of the plans the 'reformed' Board may have for the ABC, plans that they might not have had with a staff director. Advertising online is a concern.

SBS is now to place ads in the middle of programs. This tips the balance between public interest and profit. "The difference between commercial broadcasting and public broadcasting is the difference between consumers and citizens," said Nigel Milan, former head of SBS, last year. The question for both the SBS and the ABC is whether public broadcasters can take advertising without skewing their purpose. For example, SBS increasingly resembles Channel 10. ABC Board take note.

NOTE: Speech pathologists in Western Australia have found that the speech of a group of people with non-Alzheimer forms of dementia had improved after 10 weeks of watching *Australian Story*. (Details in *The Australian* 2June06.) There is no truth, however, in a report that after watching 10 episodes of *A Current Affair* a similar group of patients became severely confused.

Thanks to Alan Moir

Over 78,600 friends!

78,692 people signed the online petition to Treasurer Costello and Finance Minister Minchin, asking for an adequately funding ABC. *GetUp*, the new online political campaigner, broke its own records over and over as the number of signatures soared.

Friends of the ABC contacted *GetUp* late last year to see if they would get behind the ABC's budget submission. *GetUp* agreed with us that a properly funded public broadcaster is essential to our democracy - and it went from there.

GetUp is a new political movement to build a more progressive Australia. GetUp brings together like-minded people who want to bring participation back into our democracy. GetUp.org.au members use the latest online tools to act on the most important issues facing the country.

The petition they drafted was a simple and direct one, posted only about five days before Cabinet was scheduled to consider the ABC's budget, with a target of 10,000 signatures. Within one day the number of signatures had passed 10,000 - and there began the excitement of watching the meter soar as target after target was passed - until it got to 78,600, bigger by miles than any previous campaign achieved. And the emailed comments revealed that the respondents were of all political persuasions and of all ages.

Congratulations to all those people who signed the petition and for the *GetUp* organisers for bringing the issue to a wider public than we Friends of the ABC could do on our own.

Jill Greenwell, Pres ACT & Region

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- along with the KPMG Report and the report of the Senate Inquiry into the Bill to abolish the ABC's staff elected Director

ABC funding up but with strings attached

How good is last night's budget result for the ABC? It's a bit like watching a dog that's been beaten given a reprieve. Sure, the dog is better off but it remains cowed, and perhaps unduly grateful.

ABC Chairman Donald McDonald and former Managing Director Russell Balding's method of behind scenes lobbying and not embarrassing the government in public has been partly vindicated. Senator Helen Coonan has also obviously had some wins against the Costello forces hostile to the ABC.

Crucially, the ABC Board's risky strategy of requesting an independent review of ABC funding and efficiency – a move many saw as putting the corporation's head on the chopping block – has resulted in more funding, though not more independence. All the substantial new funding is tied to particular purposes. The devil will be in the detail of this, and today nobody at the ABC seems to know that detail.

Quentin Dempster, recently elected to a position on the board which he will never take up, says funding that is tied will mean the ABC “will have more strings attached than a dangling puppet. It appears the government doesn't trust its own government-appointed Board to spend the appropriation where it said it wanted to in its triennial funding submission.”

Costello has said he thought the ABC needed more money for drama. He is therefore not averse to micro management of the national broadcaster. We are not holding our breath for the day when he thinks it needs more money for, say, another Middle East correspondent.

Meanwhile Coonan's office tells *Crikey* the funding review requested by the ABC and conducted by KPMG was “a useful exercise” and “very influential” in getting the extra funding. But her office did not answer a key question. Has the budget met all the recommendations for additional funding in the KPMG report? The indications are that it has not.

A leaked draft version of the KPMG audit reportedly found that unless the ABC received an increase of \$125 million over three years in operational base funding above inflation, current ABC services would have to be cut. In that context, the budget figures are a \$37 million shortfall. Coonan's office dismissed this leak as “a handwritten note” and said it was unreliable, but there is no sign that the KPMG report will be released so we can make our own assessment.

As McDonald has said, the budget outcome – maintenance of core funding in real terms, plus \$88.2 million over three years in new funding – is the best in 20 years, but that isn't saying very much. The last 20 years have been a particularly grim.

The ABC's triennial funding submission asked for \$60 million over three years to fund new content. The Budget has given just half of this amount. As well, the ABC asked for \$41.7 million over three years to fund new content to motivate digital television uptake. There is nothing in the budget that reflects this, despite Coonan's rhetoric about using the public broadcaster to drive digital uptake. This means that despite the lifting of genre restrictions, ABC2 is likely to remain largely a time-shifting and replay channel rather than an innovative, groundbreaking new service. Its commercial competitors will be breathing a sigh of relief. Compare this with the new directions taken by the BBC in England.

To sum up? The beating has stopped, and we should all be grateful for that. It's a shift in government attitude. The risk is that we now have a more manageable dog.

Margaret Simons *Crikey.com* 10may06

Coonan hides KPMG report that says ABC needs more money

A SECRET consultants' report into ABC operations has found the national broadcaster delivers good value for money but needs a significant increase in funding to maintain services.

Communications Minister Helen Coonan, who commissioned KPMG to conduct a funding adequacy and efficiency review of the ABC, won't release the final report, [although it is no longer] a confidential budget document.

The Australian has obtained extracts of the draft executive summary, which warn of cuts to services if the ABC does not receive an extra \$125million over the next three years above inflation (2.5 per cent indexation).

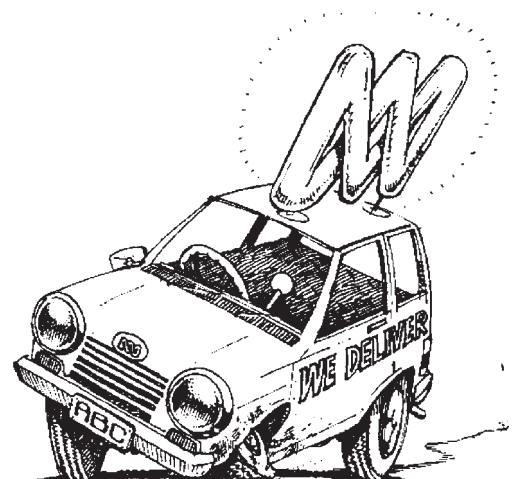
“Even with indexation we do not believe the ABC could sustain its present range, quality and mix of outputs at its present level of funding,” the draft says. The ABC received \$2.3billion in funding in the three years to June 30, 2006. The KPMG recommendations would amount to a 7 per cent increase in total funding.

KPMG praises the range and scale of the ABC's output as unmatched by any other Australian media organisation. Television is especially under duress to maintain its quality and output while coping with rising costs.

Labor has lodged a Freedom of Information application to release the KPMG report, which cost taxpayers \$417,000.

Matt Price *The Australian* 30mar06

Thanks to George Aldridge



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As we approach the middle of 2006 the ABC is experiencing mixed fortunes. On the positive side the government has increased ABC funding by \$29.4 million a year. This funding will go to television drama, regional programming and new equipment. However, this is a special grant for three years, and there is no guarantee that it will continue. Also the increase fell well short of the sum recommended by KPMG, the consultants appointed by the government to review ABC funding. While we agree that TV Drama and regional programming are genuine priorities for the ABC, a truly independent ABC Board would have complete discretion to decide how it spent ABC funds.

Nonetheless this has been quite an achievement. Friends of the ABC have lobbied effectively for an increase in ABC funding.

- More than 78,000 people signed the petition calling for additional funding for the ABC. Initiated by Friends of the ABC in New South Wales, in conjunction with the Get Up organisation, this record breaking petition was delivered to the Treasurer, Peter Costello, before the budget. Friends of the ABC throughout Australia added their weight to this initiative.
- In the ACT the Friends group ran a special letter writing workshop that resulted in several letters to the editor being published. An energetic letter writing campaign based around the “NO ABC – NO WAY” website resulted in many more letters going to members of parliament.
- In Melbourne the Friends held a vigil outside the ABC headquarters at Southbank in the week leading up to the budget.
- Representatives from Friends of the ABC in South Australia, Australian Capital Territory and Victoria met with the Coalition Backbench Communications Committee to urge an increase in funding for the ABC. We received a courteous hearing from the Chairman, Paul Neville and the Secretary, Senator Gary Humphries. While there are many within the government who are hostile to the ABC we should acknowledge that there is some support for the ABC within the Coalition, especially from members of the National Party who appreciate the service that the ABC provides to people in rural and regional areas.

WHAT CAN WE EXPECT

It is early to draw much in the way of conclusions about the ABC's recently announced Managing Director, Mark Scott. While he has no broadcasting experience, he is an experienced journalist and writes well about the challenges facing quality journalism. His work for the Greiner Liberal government in NSW, in the late eighties, may well stand him in good stead with the government, while his background with the Fairfax newspapers may not endear him to conservative commentators, who often regard the Fairfax press as anti-government, and often label it together with the ABC.

Reports that the ABC's first choice for Managing Director had been rejected by the Minister for Communications was strongly denied by the ABC Board including the staff elected Director. The Minister has no formal power in this area – the appointment of the Managing Director is solely a matter for the Board. However, there were concerns that at the informal level, a nod was as good as a wink.

The most pessimistic predictions did not come true. The last time a Managing Director was appointed there appeared to be pressure from the government to appoint some one who would ‘change the ABC culture’ – code for making the ABC a government mouthpiece. The name of Trevor Kennedy, a former Packer executive was reported to have support in the Liberal Party, but the Board chose a steady as she goes appointment with Russell Balding. On this occasion the name of another former Packer executive, Sam Chisholm, was getting a lot of attention, but once again the Board has chosen to make a less controversial appointment.

While the position of Managing Director has been settled, the position of Chairman of the ABC was still unclear at the time of writing. An article in The Bulletin suggested that Mr McDonald had made enemies in the Liberal Party for his failure to change the ABC culture. As the new Managing Director finds his feet there is a need for continuity in the ABC. There are two vacancies on the Board at the time of writing, and the Chairman's term is due to expire shortly. Mr McDonald is reported to have requested a short extension of his term, but at the time of writing the government's position is not known.

Other news is largely negative. The government's rush to abolish the position of staff elected member of the ABC Board will weaken the ABC. This position has been an important guarantee of diversity on the Board. It is the only position not subject to influence by the government. Moreover, with just one exception in the ABC's 74 year history, the staff director has been the only person with broadcasting experience on the Board.

There is still talk of advertising on the ABC, in two forms. The first suggestion, which has been dubbed “cash for content”, involves the sale of ABC content to a third party Internet provider who would make the ABC content available on the web, surrounded by advertising. The ABC would get a proportion of the advertising money. This would have the potential to influence ABC content.

The other alternative, straight out advertising on ABC TV and radio, is even more worrying. While there does not seem to be any legal impediment to the ‘cash for content’ proposal, the ABC Act forbids advertisements on ABC TV and radio. However the SBS Act was changed to allow it to run advertisements, and a request from the ABC Board for a similar change to the ABC Act might find favour with some in the government.

"He's vanilla." That seems to be the predominant opinion of Mark Scott, who has just been appointed the new Managing Director of the ABC, surely one of the most political and challenging jobs in Australian media. It's not an appointment that will frighten the horses. Mark Scott is not known for throwing bombs. In fact, in political terms, this is a victory for those of the wettish Liberal predisposition, including ABC chairman Donald McDonald and Communications Minister Senator Helen Coonan.

Mark Scott is not Jonathan Shier, not even a David Hill or a Brian Johns. He is not as political as his curriculum vitae, which includes a stint as a Liberal party adviser to controversial New South Wales Education Minister Mark Metherell, might suggest. He started life as a schoolteacher and came to Metherell's office via that route. After that he was an academic for a brief period then a solid, but undistinguished, education reporter for The Sydney Morning Herald before quickly going into management. At Fairfax he had responsibility for human resources, and while he was clearly a management man, most say that he was prepared to work with the union. "He's not really a political animal, nor an egomaniac," one source said. He is a churchgoing Christian, and his family are friends with the Brogdens.

So this is an appointment in the tradition of Russell Balding with the gloss of editorial experience. Don't expect big changes of direction. Is he the man to take the ABC into the future? Nobody is describing him as a charismatic leader. Nobody is describing him as a fighter. He is indeed somebody known for always seeking a middle course. Despite his meteoric rise at Fairfax there

is not a great deal to show for his presence, and some of the appointments during his tenure have been questionable indeed.

In terms of the future of the ABC, perhaps one of the most important questions is his attitude to new media. Fairfax has been a leader in the field, and while Scott has not been the one primarily responsible he is understood to be both interested and supportive. He is seen as one of those behind the cultural change at Fairfax as management struggles to get journalists to accept the new digital world. A similar mission awaits him in sections of the ABC.

The NewsCaff Department at the ABC is likely to be a winner from this appointment. Scott is well-known as a man interested in journalism. During Hilmer's reign he was one of the few management types regularly seen on the editorial floor, and indeed his main role was to explain the word journalism to the CEO.

So what about drama? And what about the bullies at Senate estimates? How will Scott go with them?

Being smart never hurts. There is no reason to think Scott can't learn the skills he needs. From the point of view of the ABC, the appointment could certainly be a lot worse.

Perhaps most significantly, he is not an ideologue. With the qualified success of the ABC in the budget, this might suggest the worst excesses of government hostility towards the national broadcaster are behind us. That may change if Peter Costello becomes Prime Minister.

Crikey 22may06

A new broom?

Darce Cassidy

Shortly after Jonathan Shier took up duty as the new Managing Director of the ABC a senior ABC executive said that he was not so much a new broom as a new vacuum cleaner. He turned the ABC upside down and inside out so quickly that in some parts of the organisation production almost came to a standstill.

Many new chief executives act like dogs. They seem to have an instinctive need to reorganise every post they pass. Russell Balding sensibly avoided this practice. He made only minor changes to his management team and focused on stabilising the ABC.

Balding was different in another way. He was the only chief executive of the ABC to leave in an entirely voluntary way since Sir Talbot Duckmanton left the ABC more than twenty years ago, in 1982. Keith Jennings, who followed him, lasted only a matter of months before he returned to Sydney University. Geoffrey Whitehead, his successor, left well before his term of appointment ended. His successor, David Hill, survived his first five years in the job, but left early in his second term amid controversy. Brian Johns, who followed Hill, completed his five-year term. There were

reports that he would have liked a second term, but those same reports suggested that his past Labor connections did not sit well with the incoming Coalition government, and Johns was not renewed. Jonathan Shier's ABC career was short but not sweet.

In a December 2004 speech to the Sydney Institute, Mark Scott said of his role with the Sydney Morning Herald:

Most people would think of us as a great public institution – a public good – making our democracy safer and our lives richer. And they are right. This is the pivotal role we play as a leading newspaper publisher and media company in our democracy. And whilst at some times it may annoy or disappoint some readers – Sydney and Australia are better places because The Sydney Morning Herald is there covering our city, our nation, and the world – and chronicling our life, our times, our challenges and our aspirations. When I think of our journalists, it is certainly this role that attracted them to the paper and keeps them at the paper. Our journalism does not pander to certain corporate interests. Our reporters do not receive any riding instructions on what their reporting must find. Our editors are not told what views are right and what views are wrong; who should be given a hard time and who should be ignored.

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Change a few words and he could have been speaking about the role of the ABC. We can expect him to stick to these principles in his new workplace, can't we?

Scott's time at the Herald has not been without controversy. According to Crikey.com there are two different versions of the Age's decision to support the Howard government during the last election campaign.

Crikey wrote in October 2004 that the Age's Acting Editor, Simon Mann, had insisted that the decision had been taken by the departing Editor-in-Chief of the Age, Michael Gawenda.

However according to the Crikey article Mann's version of events was disputed by Age insiders, who claimed that the Age had decided to call for a change of government, only to be overruled by Fairfax management in Sydney.

We must give Mark Scott the benefit of the doubt here. To his credit he defended cartoonist Michael Leunig when he was under attack from the Israel lobby. However, like previous ABC chief executives he will be under pressure when he occupies the hot seat at the ABC.

If there is an attack on the traditional ABC culture, what could the signs be?

- New appointments to the ABC Board. ABC Chairman Donald McDonald is reported to be unpopular with elements of the Liberal Party, although he is still said to be close to the Prime Minister. Failure to extend his term to allow some overlap with the arrival of the new Managing Director could be a negative sign. Moreover there are two other vacancies on the ABC Board and the timing of those appointments, and the connections of the appointees, will be worth watching.

- Cash for content. Under Brian Johns the ABC Board was looking at selling ABC content to a Telstra website. Friends of the ABC campaigned against that proposal and it was eventually dropped. Now a similar proposal, which would see ABC content sold to a commercial web site for a cut of the advertising that surrounds it, has been under discussion. While the ABC Act forbids the ABC to advertise on radio or television, it is silent about the Internet. Our concern is such a move could result in ABC program content decisions being influenced by advertising revenue.
- Another move could be a request from the ABC Board for the current restrictions which bar advertisements on ABC radio or television to be abolished. This could be 'justified' on the basis that advertisements have not harmed the SBS. However advertising on SBS TV has steadily grown and become more strident, while SBS programs have begun to desert their target audience in the quest for a larger mainstream audience, higher ratings and more advertising dollars.
- A purge of senior ABC management. The dismissal, or sidelining, of those senior executives associated with the Balding/McDonald era. Readers will remember that 'off with their heads' was one of the key strategies of the Shier regime.
- A purge of key on-air figures. In the Shier era there were reports that Kerry O'Brien and Phillip Adams were vulnerable. Media Watch and Four Corners might be at risk, although Four Corners is such an institution that it is unlikely to be taken off air hastily.

Watch this space.

Gone native?

Donald McDonald's term as Chairman of the ABC is due to expire in July. Many of us in Friends of the ABC saw a bleak future for the ABC when he was appointed. The ABC has had a difficult ten years, but it has survived. Despite the ups and downs, it is still recognisably the ABC. Will the ABC be better off under a new Chairman, or has Donald McDonald been a defender of traditional ABC values?

In The Age recently Michelle Grattan wrote:

McDonald is a personal friend of Howard's, and his wife and Janette Howard are very close. So when he was appointed in 1996, he was regarded as the PM's enforcer who would do over the ABC. The story has turned out very differently. McDonald is a defender of traditional journalistic values.

There is some evidence to support Michelle Grattan's view. Shortly after his term on the ABC Board expired, John Bannon, the former Labor Premier of South Australia, told me that he thought that Donald McDonald was the best thing that the ABC had going for it. I found this surprising coming from a former Labor politician, not only because of McDonald's friendship with the Prime Minister, but also in view of

Darce Cassidy

his rather patrician manner. This had once led Phillip Adams to give McDonald the fictitious Argonauts name of "Fastidious 29".

While McDonald was criticised for appointing Shier in the first place, his role in Shier's departure did a lot to rescue his reputation.

Some see McDonald as having been sent in to do a hatchet job on the ABC, but was absorbed by the institutional culture and went native. Others take the view that he was from the start a supporter of public service broadcasting.

Ken Inglis, the author of the official history of the ABC, said in a 2004 lecture that McDonald "has acted, in my view, with as much concern for the integrity and welfare of the ABC as any of his predecessors over the years

Professor Inglis may flesh out this comment in the second volume of his history of the ABC, to be published in August this year. It will be interesting to see if Mr McDonald's term is extended and he is still Chairman next August.

ABC's integrity a matter of balance

Getting rid of the staff-elected director is a big threat to the broadcaster

THE desire in federal Government circles to axe the staff-elected director's position on the ABC board may seem like a minor governance issue to some, but is actually a big threat to the institution.

The position has existed in the ABC Act since the corporation came into being in 1983. According to ABC television's Quentin Dempster, the aim of having a staff-elected director was "to deliver some broadcasting expertise and experience to a board table that otherwise consisted of government appointees, invariably without broadcasting experience". Over time, the role has evolved into much more and has become structurally integral to the protection of the ABC's independence and integrity.

Consider the issue of backdoor sponsorship of infotainment programs on ABC TV in the early 1990s. The guidelines established by the board sought to ensure that the ABC retained editorial control over its programs, including those co-produced with outside finance. The editorial policies booklet 1991 stated: "It is crucial to the public credibility of the ABC that it is not seen to be influenced by or dependent on commercial interests." But as Dempster -- a director at the time -- contends, staff became alarmed that external funding sources such as the Law Foundation, the Food Foundation and the Business Council of Australia could influence content and receive favourable coverage (or less critical treatment) on programs that covered their areas of interest.

The staff-elected director position was vital to raising this issue with the ABC board and the public. The board set up an inquiry by George Palmer that found breaches of the ABC Act and ABC editorial policies. The guidelines had to be re-drafted.

Critics say that the staff-elected director has a conflict of interest, representing the narrow interests of staff. If so, backdoor influence on programs could have remained covered up; in the mid-1990s, when this happened, careers were destroyed and job opportunities were lost as the corporation closed down its infotainment strand, which depended on external funding. The episode was agonising for the ABC and for staff but showed the public that the ABC could be trusted to tackle its own editorial and ethical compromises. This put the ABC in a much less vulnerable position when Media Watch exposed the cash-for-comment scandals in commercial radio in the late 1990s. "No one could point an accusatory finger at the ABC and say it hadn't cleaned up its own stables," Dempster says.

Then there was the issue of the ABC's strategic independence in the media marketplace, a key concept in sectoral diversity. The staff-elected director (and also, as it happened, News Corporation, publishers of *The Australian*) opposed the ABC's proposed

commercial partnership with John Fairfax Holdings and the US-based Cox Communications in a 24-hour pay-TV news channel. As the staff-elected director said at the time: "How could the ABC claim independence when it was planning to get into bed with some of the biggest commercial operators in the media?"

The staff-elected director had to work hard to stop the ABC's taxpayer-funded free-to-air services being diverted and exploited to the benefit of commercial partners. In the event, the pay-TV venture collapsed when it failed to negotiate a cable or satellite operator. But again, rather than act in the interests of expanding opportunities for staff, the staff-elected director had the unpalatable task of being part of the board decision to ditch the deal, costing 100 jobs.

The marketplace independence issue arose again in 2000 when the ABC sought to sell all its program output to Telstra's rapidly expanding broadband portal. The ABC could have gained \$67 million over three years but the danger was that daily news and current affairs content -- TV, radio and online -- would be sucked into Telstra's commercial realm. A Telstra representative famously told a Senate inquiry: "What we do think we are buying is the ABC's integrity, honesty and independence." The then staff-elected director, Kirsten Garrett, kept raising the independence and integrity issue at board level until eventually an external consultant found: "The obligations that would have been imposed on the ABC by Telstra, the cost of servicing the deal and the fact that it did not sufficiently recognise the value of the ABC's breadth of content were, in the end, the critical issues for the ABC." The outcome? Telstra withdrew.

Each of these cases exposed the national public broadcaster to an ongoing dilemma. The ABC has become one of our most trusted institutions, through its charter obligations to educate, inform and entertain and to foster a sense of national identity. Yet governments of all persuasions reward that status with public attacks and unsustainable levels of funding.

With no staff-elected director, how can anyone be sure, on past record, that the now conservatively weighted ABC board would resist the temptations of the commercial dollars on offer?

Ross Fitzgerald *The Australian* 17apr06



Thanks to Michael Atchison

Politicisation of ABC Board complete

A hard fought battle has been lost

Last year, on *The Media Report*, this was Helen Coonan's reply to a question from Richard Aedy about the issue of the staff-elected Director on the Board:

No, I'm not currently looking at that. There was an earlier issue of course, as I'm sure a lot of listeners would be aware, involving the Board and the staff-elected Director. But I currently am not reviewing that.

That was on 16 June 2005. What could have happened since to prompt the announcement on 24 March 2006 that "the staff-elected Director position on the ABC Board will be abolished and legislation to give effect to this change will be introduced as early as possible"?

When the legislation was introduced - four days later - the stated reason was justified on the misinterpretation of one conclusion in a review not directly related to the ABC. The Uhrig Review had been commissioned by the Government to look into statutory bodies with a regulatory role or business relationship - like the Australian Prudential Regulation Authority or the Taxation Office. It did not investigate the ABC, nor did it mention the ABC in its report.

Anyone could smell a rat just from the title of the Minister's media release "Restructure of the ABC Board". This was no re-structure. It was the abolition of one position on the Board, the one to which ABC staff elected one of their number. The Government asserted that there was a potential conflict of interest for an ABC staff member to be on the ABC Board, and it relied on Mr. Uhrig's reservations about "representational appointments to governing boards" for justification.

At the Senate Inquiry three former staff elected directors - Quentin Dempster, Kirsten Garrett and Ian Henschke - and the current one, Ramona Koval, presented clear evidence to demonstrate that there was no conflict of interest in their position as ABC Board Directors. Indeed, on several critical occasions they had actually opposed policies which could have benefited staff but which would have been contrary to the commercial independence of the ABC ("backdoor sponsorship" in 1994, and the Telstra deal in 2001). In other words they had acted in the interests of the ABC as a whole, not as if they were union delegates.

However, the Senate Committee twisted the staff elected directors' statements. The Report said that as there was no evidence that the SEDs had been the *only* directors to protect the ABC's integrity, then they had no special contribution to make to the Board!

Friends of the ABC spoke up for the importance of a staff elected director. Written submissions were lodged by ACT & Region, South Australia, New South Wales, Tasmania, and by Victoria on behalf of Victoria, Western Australia and Queensland. Ours were among the 59 submissions made to the inquiry.

Gary Cook (NSW) and I were invited to appear as witnesses, but as Gary could not attend Darce Cassidy (SA) was invited to appear.

Our evidence was drawn upon in both the Reports and the Second Reading Speeches in the Senate. Darce's valuable example of a staff elected director (Tom Molomby) protecting the editorial independence of the ABC was used in the Minority Report by the ALP, the Greens and the Democrats, as was my point that "Uhrig's use of the term 'representational' is not at all the same as 'by means of election'". Senators' use of our evidence in their speeches included Dana Wortley's reference to Darce's illustration of the crucial staff perspective which Tom Molomby brought to bear upon the re-location of the Victorian office of the ABC.

Friends of the ABC should take note of which Senators spoke opposing the legislation. NSW: George Campbell; Ursula Stephens; Qld: Claire Moore; SA: Dana Wortley; VIC: Stephen Conroy; WA: Rachel Siewert (Greens); Andrew Murray (Dems); Ruth Webber. *

We should also note that the Democrats took the opportunity to make 'Additional Comments' to the Reports, setting out their broader concern about implementing an open and transparent merit selection process - for the entire ABC Board in particular, but for all government agencies or authorities.

The Bill has since been passed by the House of Representatives as well as the Senate. To the list of Senators who spoke up for a staff elected director the following MHRs, should be added. ACT: Annette Ellis; NSW: Peter Garrett, Daryl Melham, Kelly Hoare, Sharon Bird, John Murphy, Ian Causley, Peter Andren (Ind); Qld: Bernie Ripoll; SA: Kate Ellis; Vic: Harry Jenkins.* Several acknowledged the work of Friends of the ABC.

* All ALP except for those otherwise designated.

FRIENDS OF THE ABC'S WORK PRAISED

The ABC Section Council of the Community and Public Sector on behalf of all ABC members wishes to thank the Friends of the ABC for their hard work, determination and the genuine friendship that you have demonstrated towards the national broadcaster.

Staff of the ABC are genuinely appreciative of your efforts and support in your current campaign to highlight the attacks from both government and commercial interests, the inadequate funding for the ABC and the recent decision to abolish the Staff Elected Director. Staff also wish to record that the true friendship and support you have shown for the ABC has lifted the spirits of staff through the decades of attacks on the ABC.

We wish to record our appreciation for your current demonstration of support at the Southbank vigil. We also wish to record our dismay at the short-sighted action taken by ABC management to turn their backs on true friends of the organisation."

Graeme Thomson, ABC Section Secretary

Procrastinating Coonan creeps on digital progress

COMMUNICATIONS Minister Helen Coonan has warned Australia is in danger of becoming an analog dinosaur unless there is fast action to stimulate a shift to digital broadcasting. Yet it is the Government that is moving at a snail's pace towards the digital world.

Before the turn of the century the Productivity Commission held a series of hearings to inquire into the digital future, and with today's hindsight, it is clear the commission got it right. It called for the removal of regulatory restrictions to stimulate the marketing of new services. But the Government offered a deaf ear to the commission, and pigeon-holed the report. It came to nothing because the easing of regulations was tantamount to removing the wall of protection that surrounds Australia's three commercial TV networks.

Five years after the Productivity Commission shone the torch of common sense on to the path ahead, the Government called for more advice. The Department of Communications commissioned the Allen Consulting group to advise it on the merits or otherwise of multi channelling TV services, and the possibility of allowing a fourth commercial network.

Allen's said the provision of more television choices would be the strongest driver of digital uptake - more so than the quality of high definition broadcasting, for instance - and it concluded that the incumbent networks were strong enough financially to withstand the introduction of a fourth network. It said networks were making above-normal (ie, excess) profits (in 2004) and even if a fourth network reduced their profitability, it would not endanger their financial viability. A worst-case scenario, the report said, would still leave the network owners with an above-average return on their invested capital.

Again, the Government ignored the advice it sought and paid for. (The mind boggles at its cost.) The Allen report was handed to the Government in September 2004, but kept secret, obviously because it told the Government what it didn't want to hear. It became public last Friday only because of parliamentary requirements.

Given the Government's history of rejecting what it doesn't want to know, the question has to be asked: why does it want more input from the industry? We can only assume the answer has to do with the lobbying power of the industry majors. If the two biggest media companies in the land don't want something, chances are the Government is not going to want it, either.

But this kind of thinking overlooks the obvious: the digital revolution is with us, and it is unstoppable. The world is converting, and will continue to do so, whether we're ready or not.

Unless our players, policy makers and bureaucrats pull their fingers out and come to grips with the key questions as a matter of urgency, the analog dinosaur Coonan warns us of will be a reality.

Mark Day
The Australian 30mar06



As ever, thanks to the wonderful Bill Leak

The Minister for settling scores

Senator Helen Coonan is a very busy minister, what with all her various portfolios. There's her role as the Minister for Mollifying Media Magnates and the related job of Minister for Restricting Diversity and Arresting the Development of Digital Technology.

One wonders how she ever gets time for being Minister for Neutering the National Broadcaster. Nevertheless, it's a job she does with great finesse and sensitivity, a bit like the Taliban taking a hammer to an effigy of the Buddha.

There Senator Coonan was this morning announcing she was dispensing with the position of Staff Elected Representative on the ABC Board. It's all about ensuring good governance, according to the minister. As a minister in a government that was allegedly blind to the AWB's under-the-counter payments to Saddam Hussein, Senator Coonan should know all about good governance. If she was so concerned about good governance, why has she left it so long to fill vacant positions on the ABC board?

Coonan says she wants to remove any doubt as to which constituency the board represents. Without a staff member there, and with all the remaining directors owing their positions to the Howard Government, the only constituency that will be represented will be a group of people who think it's time to settle some scores.

Stephen Feneley *Crikey.com* 25mar06

Plea for unappealing radio

Commercial Radio's peak lobby group, CRA, has just offered up some revealing insights about how they really view competition by asking the Federal Government to place a moratorium on granting community licences. The CRA position was outlined at the current House of Reps inquiry into the future of community broadcasting, chaired by Liberal MP Jackie Kelly. CRA boss Joan Warner argued the definition of community radio should be amended to make sure community stations "do not appeal to the general public".

Mark Robinson, a producer with Sydney community radio station 2SER

Let's hear it for the cartoonists

Cartoonists are the hub of the surviving anti-spin and shaming devices in the mainstream media at a time when spin and shamelessness are a ballooning element in public life. For example, cartoonists were quite the most ungovernable part of the media on the topic [of refugees] and remain so.

Robert Phiddian *The Age* 2jun06

Stifling democratic debate

Removal of restrictions on cross-media and foreign ownership.

Titled *Meeting the Digital Challenge: Reforming Australia's Media in the Digital Age*, Senator Coonan's discussion paper suggests measures aimed at slowly bringing Australia's media sector into the digital age without scaring powerful media moguls by opening their industry to significant competition - the kind of competition that is a fundamental tenet of the free market, and which applies to all other business sectors in the C21st.

While this reluctance to apply free market principles to the media might encourage the belief that the Government recognises the unique public service role of a free and open media, the truth is far less salutary. The Government's concern is not so much with our access to impartial information, but to ensure that the owners of (commercial) media 'owe' the Government for their licence to print money — thereby securing their support when it comes to that most tricky of democratic principles: the free and fair election. Crucially, when Howard stepped in to stop the 'ads on the ABC' speculation, it was to reassure the powerful commercial media players that they need not fear competition for advertising funds from a publicly-funded ABC, further highlighting the Government's underlying concern to protect the powerful.

The scariest thing about Coonan's proposals is not that the Government doesn't understand this, but that it *does* — and welcomes the further stifling of democratic debate that its changes will bring.

Emma Dawson *newmatila.com* 22mar06

Protecting the powerful

If we needed further evidence of the undesirability of a government having control of the Senate, the media policy announced by Communications Minister Helen Coonan is a perfect example. Although it takes the form of a discussion paper, there is little doubt that the main proposals will pass into law.

The policy is a cosy deal between the government and the media monopolies that have been created through the grant of television and radio licences, and through the half-public, half-private chimera that is Telstra. The interests of the Australian public in diversity, choice and competition have been disregarded.

Looking at the proposal in detail reveals that the big win for the industry is the removal of restrictions on cross-media ownership and on foreign ownership. Not surprisingly, there is an industry consensus in favour of these changes, which can only increase the value of existing media assets.

Another big win for the monopolists is the removal of the threat of a fourth free-to-air television network. Under the existing rules, the Australian Communications and Media Authority could have allowed such a network to begin operating in 2007. The government plans to take over this power, but not to exercise it. The government has come up with a deal that suits everyone that matters. The Packers, Murdochs and Trujillos will all be happy, and there are even some concessions to placate the ABC and SBS. It is only members of the public who miss out.

If this legislation had to pass a potentially hostile senate, there would be some chance of beneficial amendments. As it is, and assuming there is nothing here to cause Nationals Senator Barnaby Joyce any difficulties, it will sail through the parliament.

We can look forward to waiting a decade or more before the whole system breaks down under its own weight and we finally realise some benefits from the digital broadcasting revolution.

John Quiggan *Australian Financial Review* 16mar06.

Democracy in the Land of Oz

It's reassuring to know that Australian democracy is still in the right hands. Take, for example, the issue of prime ministerial succession planning. Under our system it works like this: the incumbent clings to power ... a usurper stakes his claim ... the media convenes a frenzy ... then it's over to Rupert (and, until recently, Kerry) for final endorsement.

Yesterday it was over to Rupert, who used the opportunity of a White House presidential dinner to advise that because John Howard was "on top of his form" it was "much better to go out that way, than like Margaret Thatcher, or losing an election". This confirmation of the baton change in Australian leadership was welcomed by the PM-in-waiting Peter Costello, who was restrained yesterday in his descriptions of the kingmaker of Australian politics: "He is an extraordinarily intelligent person and I always listen very carefully" ... "he possibly the world's biggest media baron ever" ... "he's someone who's been a very successful Australian" ... "he's a proud Australian and I pay tribute to him because of that" ... "I don't think he's ever forgotten his Australian roots".

Just two small matters remain before the baton is passed. First, public or private endorsement for Costello's ascension from James Packer. Then one little tweak to the country's media laws to add a bit more bulk to the empires and ensure the circle of power sharing is completed.

It's reassuring to know that Australian democracy is still in the right hands.

Crikey.com 18may06



Media bend in the prevailing wind
Thanks to John Shakespeare

Cash for content

How advertising skews programming

The ABC Board is likely to consider advertising soon. While the ABC Act prohibits advertising on ABC radio and television, it says nothing about the Internet, which was not available to the general public back in 1983.

In a typical commercial television situation the sponsor buys the right to place his advertisements on the broadcaster's medium and next to the broadcaster's content, in the belief that people drawn to the content will also see the advertisements. In the deal now under consideration the sponsor buys the rights to reproduce the broadcaster's content on his own medium (in this case the Internet), in the belief that people drawn to the content will see advertisements on his web site. In return the broadcaster receives a percentage of the advertising revenue.

So what, you might say, is wrong with that? ABC viewers and listeners can still see their favourite programs, on radio and television, without advertisements, can't they? No one is forcing them to use this commercial web site.

The problem here has nothing to do with the way that advertisements interrupt programs, or how loud, crass and annoying they can be. It has to do with the editorial integrity of the ABC.

It is not that advertisers stand over program makers and micro-manage the production of radio and television programs, or ask to see the scripts of programs before they go to air. While this may have happened to some degree in the early days of broadcasting, that's not generally how things work today.

The way advertising impacts on programming was well described by Erik Barnouw in his detailed study of advertising and broadcasting:

According to some network executives, he (the sponsor) no longer makes decisions that deal with programming.

Spokesmen for sponsoring organisations tend toward similar statements, but with a difference. They say they don't want to control programming, but insist on the right to decide with what programs their names or commercials will be associated. They leave it to broadcasting companies to provide suitable settings for this participation. The broadcasters do so.

Perhaps all they are saying is that sponsorship has become so essential, so crucial to the whole scheme of things, that interference of the old sort is no longer necessary. A vast industry has grown up around the needs and wishes of sponsors. Its program formulas, business practices, ratings, demographic surveys have all evolved in ways to satisfy sponsor requirements. He has reached the ultimate status: most decision making swirls at levels below him, requiring only his occasional benediction at this or that selected point. He is a potentate of our time.¹

Sponsors are not interested in an informed citizenry. Their focus is on the consumers who make purchasing decisions – for example the kids who can be persuaded to pester their parents for McDonalds, or the young singles who will pay for the latest iPod or mobile phone.

If the ABC is to make serious money from this venture, it will need to take note of what the sponsors want. If the ABC is getting a cut of the advertising revenue there will be an economic incentive for the ABC to maximize that sponsorship revenue, which means making the kind of programs that keep the sponsors happy.

Once the ABC is making this material for a commercial source, there will be a temptation to use it, or to 'repurpose' it, for use on the ABC's own media. This way, commercial imperatives infiltrate the ABC.

Such an arrangement would not destroy the distinctiveness and unique character of the ABC overnight, but it would start the ABC down a slippery slope.

i Barbouw, Erik
The Sponsor: Notes on a Modern Potentate, OUP, NY, 1978

It's already happening

from Senate estimates 23may06 Dana Wortley is ALP senator for SA

Senator Wortley: Specifically regarding advertising, has there been discussion regarding advertising as a source of revenue for the ABC, and in particular online?

Mr Murray Green, acting managing director ABC: We do license our content to third parties, and some of those third parties have advertising on their sites.

Sen Wortley: Could you elaborate on that?

Mr Green: We have a number of licence agreements in really four key market areas: in online delivery in terms of other sites that might use some of our content; the mobile market, where ABC content is licensed to be used, for example, on mobile phones. There is the third category of vendor licensing, where market aggregators who reassign,

reformat or reorganise information might access under a licence agreement ABC content, and there is a whole new emerging category in terms of licensing ABC content on trains, for example, video on demand and categories like that.

Sen Wortley: And discussions regarding online advertising? The minister has said that it is excluded.

Mr Green: That is a matter for the board. I am not aware of any firm proposals to place advertising on the ABC online sites.

Sen Wortley: Any firm proposals?

Mr Green: There is always advertising as an option. What I am saying to you is that I am not aware that that option is being pressed at this point in time.



Thanks to Kudelka

ABC Staff in the Eye of the Storm

Last month brought yet another example of the vital role ABC Local Radio plays in the communities it serves. On Sunday 19 March the category 5 cyclone Larry smashed into the far north Queensland coast and the Southern Tablelands, lashing the area with winds of up to 290 kilometres an hour. The town of Innisfail bore the brunt of the storm.

From the Saturday morning ABC Tropical North (Mackay), 630 ABC North Queensland (Townsville) and ABC Far North (Cairns) began alerting their listeners to the advancing cyclone. These stations and ABC Western Queensland (Longreach) broadcast through the night with updates of the cyclone's progress.

At ABC Far North (Cairns) Richard Dinnen, who is currently Program Manager at the station, and his staff came to the studio on the Sunday and continued to work virtually around the clock. The phones were running wild with listeners phoning in on-the-spot reports, some of these had to be quickly recorded because it wasn't safe for the caller to stay on the line. Every staff member was performing every role - radio presenter, reporter, producer and web reporter and photographer as well as liaising with the local weather bureau office and the Cyclone Warning Centre in Brisbane.

ABC Local Radio has signed memoranda of agreement with local emergency services in all States and Territories to co-ordinate the release of information. The ABC with its Australia wide network capability is uniquely placed to broadcast vital updates on a community, State or national level.

After the main Cairns FM translator on Mt Bellenden Ker went off air in the early hours of Monday a special HF satellite service via Radio Australia's Shepparton facility was provided for those unable to receive the AM service from Cairns. Broadcasts were also heard via the Gordonvale AM transmitter south of Cairns and live streaming online from the Cairns studios

When finally the cyclone passed, leaving unbelievable devastation, the work of ABC Local Radio staff continued. They began a series of outside broadcasts from affected communities.

A special service of thanksgiving was broadcast from Innisfail - despite the fact that the venue had no power. As Richard Dinnen recounts, 'During the cyclone and in the aftermath there were amazing feats of endurance and technical achievement. I spent a week in Innisfail from the day of the cyclone, operating a broadcast point from the mayor's phone (and taking his messages when we weren't on air). Staff have been lending a hand when they're in the field, helping volunteers to unload relief supplies or often just sitting listening to people - giving them a shoulder to cry on.'

For a Sydney woman, currently living in the Atherton Tablelands area, Cyclone Larry was her first experience of this kind of emergency. She describes the performance of the ABC in Cairns as 'extraordinary'. She recalls that 'We knew exactly where Larry was and how strong the winds were. In the days and weeks following they have been continuing to broadcast 24 hours a day informing all local residents where to go, what to do, when power and water would resume and which roads were blocked. We all went through a very frightening experience and they were with us all the way.'

Australia's longest running radio program

ABC Radio's *The Country Hour*, recognised by the *Guinness Book of Records* as Australia's longest running radio program, last year celebrated its 60th anniversary. This month the program takes up digital technology, podcasting weekly program highlights. The Country Hour is broadcast on ABC Local Radio to regional areas, but podcasting will now give listeners in metropolitan centres and overseas access to Australian rural and regional news.

ABC offers priceless footage

As the ABC prepares to celebrate 50 years of its television service, the Corporation has announced the launch of an online database which gives content producers outside the organisation access to thousands of hours of footage recorded over the five decades.

The database called TARA Online contains over 400,000 records of selected ABC-produced TV programs, segments and stock footage, plus some material produced by outside sources. There are valuable records in the fields of news, current affairs, science, music, sport and the arts. Also included on the database are items donated to the ABC and records of National Geographic and APTN (Associated Press Television News) material that is held in Australia. TARA is updated weekly.

The Head of ABC Content Services, Mary Jane Stannus says, 'The ABC's Archive contains the nation's most significant and historic audiovisual media collection and the fact that it is now easily accessible to the production industry is extremely satisfying.'

There's a gong in there

Congratulations to the wonderful people at Playschool on the news that the program has been inducted into the TV Week Logies Hall of Fame. There have been years when Play School has been beaten to a Logie by shows of lesser value such as Nine's Hi-5, which makes a lot of money for its creators but is of dubious educational quality for pre-schoolers. Play School is the standard by which all children's TV should be judged.

Sweet smell of success for ABC TV

Two ABC TV programs have been recognised by the prestigious international television awards, the Rose d'Or, at this year's festival held in Lucerne, Switzerland.

Kathy Drayton and Helen Bowden's acclaimed documentary about photographer Carol Jerrems, *Girl in a Mirror*, took out the coveted Arts and Specials Award.

Chris Lilley, writer and performer of *We Can Be Heroes* was awarded the Rose d'Or for Best Male Comedy Performance.

"This recognition from their peers around the world is a wonderful affirmation of their outstanding skill and craft. We're so proud to have been able to support the development and production of these two extraordinary projects." says Head of ABC TV Arts and Entertainment Courtney Gibson. "The awards are usually dominated by British shows - call it revenge for the Ashes and the rugby,"

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