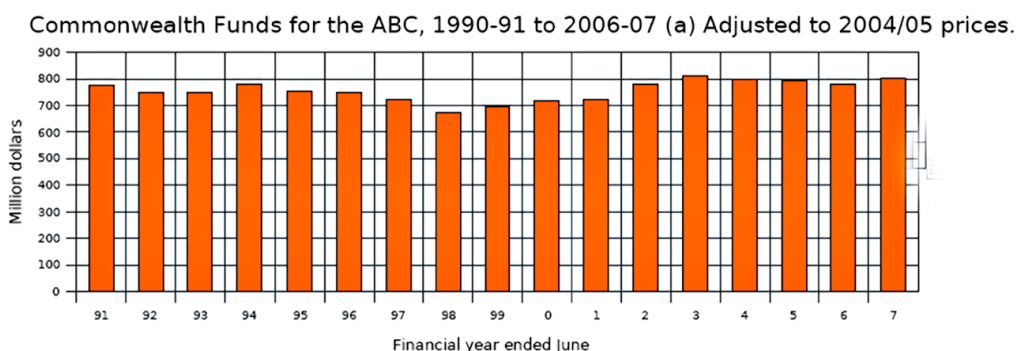


## How Piers Akerman 'sexed up' the figures

Writing in the Sydney Daily Telegraph (24 July 2007) conservative columnist Piers Akerman claimed that "far from cutting the ABC's budgets .....the Howard Government has substantially increased the ABC's funding and is the first government to give the ABC extra money for programs and infrastructure since the mid1980s." He went on to claim "in the last financial year of the last Labor government's reign, the ABC received \$522 million. In the 2007-2008 Budget, the ABC will receive \$863 million, a funding increase of more than 60 per cent in the past decade. Fact."

There is some truth in what Mr Akerman says. The chart below (based on figures compiled by the Parliamentary Library) shows that ABC funding, when expressed in constant dollar terms, has indeed been higher in the last three years under the Coalition than it was during Labor's last three years. The fact is that having made significant cuts to the ABC budget the in their first years in office, the Coalition, in the years 2003-2007, has increased the ABC budget. However much of this increase is in the form of tied or targeted funding, which is not consistent with the independence of the ABC.



However he is playing games with us when he claims that the ABC has received a funding increase of more than 60 percent in the last decade. The figures compiled by the Parliamentary Library show that corrected for 2004-5 prices ABC budget has risen from \$723.4 million in 1997 to \$802.5 million in 2007. This is an increase of \$79.1 million dollars or 10.9%. So how did Akerman get 60%?

Akerman is not stupid. He is a former editor of the Adelaide Advertiser and a senior journalist in the Murdoch stable. He understands economics and statistics, and he knows how to use figures "creatively".

Any first year economics student knows that if you are making historical comparisons involving money, you need to allow for the effects of inflation. A 1997 dollar is worth far more than a 2007 dollar.

It appears that Akerman has taken his figures from a report published by the Commonwealth Parliamentary Library. That report gave figures for the funding of the ABC in a number of separate tables. In one table it showed the raw figures, the amounts with no correction for inflation. In the other table it corrected for inflation, which enabled a valid historical comparison.

By ignoring the corrections for inflation, and by falsely comparing the \$588.1 million “old money” 1997 dollars with the \$862.7 million “new money” 2006-07 dollars Akerman has misled his readers.

For those interested in checking the details for themselves, the report from the Commonwealth Parliamentary Library is available at <http://www.aph.gov.au/Library/intguide/SP/fundingabc.htm>

Akerman also suggests that Friends of the ABC favour Labor.

To the contrary, our often-expressed view has been that both the Coalition and Labor have:

- Bullied the ABC
- Stacked the ABC board with their supporters
- Seriously under funded the ABC and used this under funding to intimidate the ABC

Which party has the worst record with regard to funding? It is difficult to say, and depends on the time frame you pick.

For example Akerman chose to compare the last three years of the ABC budget under the Coalition with the last years under Labor. The Coalition came out clearly ahead. However look at the graph above. If he had compared the last two years of Labor with the first two years of the Coalition, Labor would have come out ahead. It can be easy to get the answer you want if you choose the right question.

Put simply, both Labor and the Coalition have a bad record. By any reasonable measure, compared to overseas public broadcasters, compared to the commercial competition in Australia, or compared to what the public are prepared to pay, both Labor and the Coalition have woefully under funded the ABC.

*Darce Cassidy 27 July 2007*