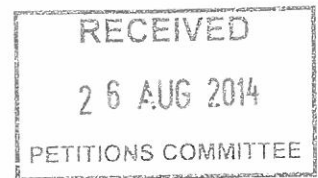




The Hon Malcolm Turnbull MP

MINISTER FOR COMMUNICATIONS



24 JUL 2014

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Petition on the National Broadcasters (Ref: 901/1369)

Dear Dr ~~Jensen~~

Thank you for your letter dated 26 May 2014 (reference 901/1369) regarding a petition received by the Standing Committee on Petitions from the 'Residents of Australia'. I note the petition requests that the budget for the Australian Broadcasting Corporation (ABC), Special Broadcasting Service (SBS) and the National Indigenous Television Channel (NITV) be increased, and that the Australia Network be maintained with control by the ABC. NITV became part of the SBS as of 1 July 2012.

The Australian Government is determined to repair the Federal Budget and build a stronger economy. It is only fair that all government agencies make a contribution to achieving this goal. Accordingly, the 2014-15 Budget includes a modest one per cent saving on the national broadcasters' base funding. This measure does not constitute an ongoing efficiency dividend and the exact implementation of the savings will be determined by the boards and executives of the national broadcasters.

The Government provides a combined total of nearly \$1.4 billion per annum to the national broadcasters to deliver broadcasting and digital media services in line with the responsibilities of their respective Charters. All government agencies providing a service to the community have a duty to ensure taxpayers' funds are used as efficiently as possible, and the ABC and SBS are no exception.

To this end, the Government instituted an Efficiency Study to review the national broadcasters' operations, to assist the ABC and SBS boards to meet one of their key legislative duties to ensure that the functions of the organisations are performed efficiently and with the maximum benefit to the people of Australia. Based on the study's findings, the Government is confident that the national broadcasters can improve work practices and operate more efficiently in their day-to-day operations. Critically, the Government expects those efficiencies can be achieved without cutting the national broadcasters' diverse range of programs or affecting their editorial independence.

The study identified a range of areas where significant operational efficiencies or savings could be achieved by the broadcasters. The ABC and SBS have the potential to drive down their operating costs by adopting new technologies and business practices. Decisions about particular efficiencies are a matter for the ABC and SBS boards.

The Government has provided a working draft of the study to both national broadcasters' boards to assist them in managing their businesses more efficiently and the Government looks forward to working with them over the coming months in achieving this goal.

As part of the 2014-15 Budget released on 13 May 2014, the Australian Government will terminate the Australia Network contract with the ABC. The Department of Foreign Affairs and Trade (DFAT) is responsible for oversight of the management of the Australia Network.

The Government has previously raised concerns about the value for money and the effectiveness of the Australia Network as a public diplomacy tool to promote Australia's interest in the Indo-Pacific region.

Terminating the Australia Network contract will deliver savings to the Government of up to \$76.8 million over four years, with further savings over the duration of the contract. The ABC could continue projecting into the region using other resources, such as Radio Australia. The exact nature of these services will be a decision for the ABC Board and Executive. DFAT advises that it considers the network has struggled to achieve core diplomatic objectives. On 1 May 2014, the National Commission of Audit also recommended ceasing the Australia Network.

The Government will deliver high impact, cost effective public diplomacy activities within existing resources and fully utilise our global network to expand its outreach and promote understanding of Australia to overseas audiences. DFAT will work within its existing budget of \$4.7 million in 2014-15 to continue to deliver a focused public diplomacy campaign to promote understanding of Australia and its interests to audiences overseas.

The Government understands the significant relationship the national broadcasters have with Australians, and it is committed to a strong, healthy, and resilient public broadcasting sector that efficiently uses taxpayers' money.

Thank you for bringing the petitioners' concerns to my attention. I trust this information is of assistance.

Yours sincerely

Malcolm Turnbull