

Senate Environment and Communications Committee

**INQUIRY INTO RECENT
ABC PROGRAMMING DECISIONS**

**SUBMISSION BY INDEPENDENT
PRODUCERS**

9 September 2011

Introduction

We welcome the opportunity to make this submission to the Senate Environment and Communications Committee.

We submit that there are 5 overarching principles that are essential in considering the operations of ABC Television and the way it sources the local programs broadcast on ABC TV:

- The ABC Charter does not require the ABC to produce any programs internally.
- The Australian public – the audience – does not distinguish between internally or externally produced programs. To them they are simply “ABC programs”.
- Like internal productions, external programs employ large numbers of Australian staff and crew.
- Independently produced programs are the most popular programs on the ABC.
- Static funding, high cost internal facilities and internal reallocations within the ABC to fund ABC News 24 and Online, has resulted in a reduction in real terms, of 40% in the funding available to commission Entertainment programs in the last 4 years. That is impacting the ability of the ABC to commission its most-watched genre – Entertainment – the shop window of the ABC and a core Charter obligation.

ABC TV management needs the flexibility to manage its budget freely to deliver the Australian public **the best programs**, regardless of whether they are produced internally or externally.

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Background:**INDEPENDENT PRODUCERS - WHO ARE WE?**

1. This submission is made jointly by the independent production companies Cordell Jigsaw, Princess Pictures, Zaprunder's Other Films, Giant Dwarf and Token Artists.
2. The shows that collectively our companies have created for the ABC include:
The Election Chaser,
We Can Be Heroes,
Summer Heights High,
Angry Boys,
CNNNN,
The Chaser's War On Everything,
Enough Rope,
Year Of The Dogs,
Elders,
Hungry Beast,
Lawrence Leung's Unbelievable,
Two Men In a Tinnie,
On Trial,
Gruen Nation,
Sleek Geeks,
Lawrence Leung's Choose Your Own Adventure,
Two In The Top End,
Three Boys Dreaming,
Stuff,
O'Loghlin,
The Sounds of Aus,
In Gordon Street Tonight,
The Gruen Transfer.
3. Other TV programs that have been created for the ABC by the independent sector include:
Kath & Kim,
Blue Murder,
Paper Giants,
Review With Myles Barlow,
The Glasshouse,
John Safran's Race Relations,
Laid,
Judith Lucy's Spiritual Journey,
Twentysomething
The Slap,
The Straits,
Einstein Factor,
Anatomy,

Leaky Boat,
My Place,
Mrs Carey's Concert,
Rake,
Sea Change.

4. As independent production companies, some of the attributes we have in common are:

- We are **locally owned and run**.
- We create **original Australian programs and formats** for Australian audiences.
- We **employ and promote Australian talent**, both on screen and behind the scenes. We have an average size of between 10 – 20 core staff. During productions we take on additional personnel, sometimes in the hundreds, as employees or contractors. Many are members of unions (particularly actors and crew with the Media, Entertainment and Arts Alliance). They work under a variety of industrial agreements. Our productions comply with all applicable workplace laws and regulations.
- We have **longstanding associations with the ABC** as providers of quality content that is watched and loved by significant audiences. For some of us, those relationships stretch back over 20 years.

The majority of our programs have been commissioned by either the Arts and Entertainment ('Entertainment'), the Narrative Comedy, or the Factual and Documentary ('Factual') departments of the ABC's TV Division.

- We are **passionate supporters of the ABC and public broadcasting** in general. (Cordell Jigsaw recently produced the internationally acclaimed documentary series *Go Back To Where You Came From* for SBS).

Not all independent producers make programs for ABC TV.

Our companies actively seek to make ABC programs because we believe the ABC offers the best creative environment in which to make innovative, challenging and entertaining television.

We are all **committed to producing more programs for the ABC** because the national broadcaster has a uniquely important role in Australian culture. The ABC offers an unparalleled environment for making quality and innovative programs that reflect and influence Australia's national identity.

ABC PRODUCED PROGRAMS

What is the difference between “internal” and “external” productions?

5. The terms of reference for this inquiry refer to a “decision by television management ... to significantly cut the number and amount of **ABC produced programs**.”

There are many misconceptions about the difference between internal ABC productions and external productions. Our contention is there is no way for the audience to discern the origin of programs shown on the ABC without reference to the closing credits.

6. **An internal ABC production** is produced entirely within the ABC, often from an idea created within the organisation and sometimes using only ABC staff, resources and facilities, and is 100% funded and owned by the ABC.

Many excellent programs have been – and continue to be - made internally at the ABC. For example:

Q&A, Media Watch, First Tuesday Book Club, Collectors, Can We Help, New Inventors, Gardening Australia, Auctions, Giggle and Hoot, Good Game, Changi, Message Stick, Poh's Kitchen, Catalyst, Compass, Play School and The Cook & the Chef.

Some programs are made internally by the ABC from external ideas: *Spicks 'n' Specks* and *At The Movies*.

It is important to note that not all programs which appear to be internal ABC Productions, are made by ABC staff. Many internal ABC shows such as *Spicks and Specks* use the same contract production staff and writers who work on programs produced by our companies. Camera operators, editors, producers and writers are contractors or short term employees. The hosts and participants of these programs are also not necessarily ABC employees.

The creative cross-fertilization created by the staff movement between internal and external production is valuable to the ABC.

7. An **external production** is where the ABC enters into an agreement with an independent production company that has pitched an original idea to the ABC.

As well as the original idea, the production company will provide the key creative staff, negotiate production contracts and facilities, and be contractually responsible for delivering all elements of the program, from script to final edit.

Some external productions, especially in Entertainment, are **co-productions**, where a certain number of positions on the production (eg; researcher, editor, production co-ordinator) will be filled by ABC staff who work with the production company for the duration of the project. Co-productions may also use ABC production facilities and resources (usually studio and crew). Examples of external co-productions include *The Chaser's War on Everything* and other Chaser programs, *Enough Rope*, *The Gruen Transfer* and *In Gordon Street Tonight*.

8. The **funding of external productions** varies from program to program.

Narrative Comedy, Factual and Documentary productions (eg; *Summer Heights High*, *Rake*, *Two Men In A Tinnie*) are all eligible for co-funding by federal and state funding bodies, such as Screen Australia, enabling the ABC to significantly leverage its commissioning budgets, sometimes by a factor of up to 3 or 4 times (see below).

Entertainment programs are generally not eligible for funding from federal and state bodies. They are commissioned as co-productions, 100% funded by the ABC using a combination of cash, resources and facilities. The ABC often has greater copyright interest, distribution rights and profit shares.

9. Despite these differences, **all** external productions have **important common features**. These are:

(a) **Compliance with ABC Editorial Policies**

The ABC Editorial Policies are the fundamental principles which ensure that content on the ABC meets the high standards required of a public broadcaster. Without exception, external production contracts expressly require producers to comply with the ABC Charter and the ABC Editorial Policies. The systems for monitoring content produced by independents are identical to the way internally produced content is monitored. If anything, the scrutiny applied to independents is more rigorous.

This is an important reason why it is impossible to distinguish between internal and external productions in terms of public broadcasting ideals.

(b) **ABC Financial and Production Oversight**

In all cases, the ABC appoints an ABC Executive Producer who works closely with the independent production company. Independent producers have detailed reporting requirements. The ABC maintains comprehensive oversight of the program from pre-production to broadcast.

(c) **Working with ABC departments**

Throughout the production process, the independent producer will work closely with many ABC departments – such as Publicity, Marketing, ABC Online, ABC Commercial – to maximise the potential of the project and help it reach the largest possible audience.

All of these factors mean that even when a program is made via external production, the ABC nevertheless remains intimately involved in its creation. The ABC has all the powers it needs to ensure that both the *process* and the *end product* are consistent with the ABC Charter and the values of public broadcasting generally.

What is the current mix of internal and external productions?

10. The ABC has been commissioning programs externally for decades, since at least the 1980s. This began at different times, depending on the genre, but over the last 30 years, the ABC has commissioned drama, documentaries, comedy, entertainment and children's programs from external producers, that is, *in all genres* except News.

However, even now, **the ABC still produces between 80% and 90% of its commissioned broadcast hours internally.**

11. This is far higher than other comparable national public broadcasters. The BBC is required by legislation to commission **25% of its programs from independent producers in all genre**, and to put an additional 25% to competitive tendering from internal and external sources. The UK's Channel 4 commissions nearly 100% from independents. Many of those programs are broadcast on the ABC as acquisitions.
12. Outside News and Current Affairs, there is no requirement in the ABC Charter or ABC Act that the ABC produce any of its programs internally. The ABC Charter is often cited in support of internal production in certain genres or in TV production generally - this is simply incorrect. The Charter itself simply imposes on the ABC an

obligation to broadcast programs which reflect national identity, inform, entertain and educate. These are the core charter obligations. The charter makes no mention of Sport.

DEFENDING ABC VALUES: WHAT IS AN “ABC PROGRAM”?

13. The differences between internal and external production are important, and we will set out the many advantages of external production later in this submission.

But it is crucial to recognise that both internal and external productions are equally “ABC programs”.

14. The slate of programs made for the ABC by independent producers (listed in paragraphs 2 and 3 above), we believe, speaks for itself.

The ultimate arbiter of what is an “ABC program” is the audience itself, who, for decades, have embraced independent productions such *We Can Be Heroes*, *Summer Heights High*, *Kath & Kim*, *The Chaser’s War On Everything*, *Enough Rope*, *The Gruen Transfer*, *My Place*, the *Two Men* series, *Rake*, *Sea Change*, *Blue Murder* and *Paper Giants* - making them among the ABC’s most iconic and best-loved programs.

The ABC’s audience decides what it wants to watch based on the content and values of the program, not who makes it. It is the audience who guide the ABC in its direction as much as the other way around.

15. It has been publicly asserted that using external producers amounts to the “intentional destruction of the ABC’s creative independence” and that, because some independent producers also make programs for commercial television, they are bringing a “commercial taint” to the ABC.

The ABC alone decides what it wants to commission, both internally and externally. And those decisions are made in accordance with its Charter and the Editorial Policies and guidelines. It is a complete misconception to suggest that an externally commissioned production is somehow not ‘ABC’. It would be absurd to suggest that since Jonathan Holmes has worked in commercial television, he is tainted and thus prevented from fronting *Media Watch*. This applies to production companies as much as people.

16. Our unanimous experience – which, again, is supported by the content we have produced for the ABC - has been that there is **no tension between independent production companies and the public broadcasting values** of the ABC. This is because independent producers conceive and develop programs *for the ABC* that are intended to reflect and reinforce public broadcasting, its values, and the opportunities for creativity and innovation that go with these.
17. The conclusion to be drawn from all this is that **the independent sector is just as capable of producing quality and diversity** as internal ABC productions. Indeed, if the total original Australian content on ABC TV in the last decade is fairly analysed, it is clear that independents have been producing “core ABC programs” for years. Indeed, many are among the ABC’s key brands. Audiences recognise them as ABC shows and want more of them.

ADVANTAGES OF “EXTERNAL PRODUCTION”

External production has many significant benefits for the ABC that it should continue to take advantage of.

18. Quality programs for the national broadcaster

Assessments of creative output are inherently subjective. But, based on the above, it is undeniable that the independent sector produces TV content for the ABC consistent with its Charter, in that it is:

- diverse;
- entertaining and informative;
- high-quality;
- innovative;
- significant in terms of reflecting Australian culture and identity; and importantly
- wholly consistent with public broadcasting values.

In our experience, being independent from the ABC, but bound to comply with the ABC Charter and Editorial Policies, creates a vigorous and creative dynamic that produces innovative and adventurous content. Indeed in our experience it is very often the case that independent producers are able to innovate and defend a robust editorial approach better, precisely because we are not directly employed by a large and potentially stultifying institutional employer.

19. **Accessing the range and diversity of Australian skills and talent**

As Australia's primary cultural institution, the ABC should seek to work with, foster, and champion, the best of this country's creative community. Many thousands of Australia's brightest creative talents are not working within the ABC. Limiting the ABC's production horizon to those who work for the ABC is the equivalent of an art gallery saying it will only hang pictures painted by its own staff.

Support for the independent production industry gives the ABC access to thousands of minds, skills and ideas, and fosters diverse Australian voices.

20. **Competition & Getting the benefit of external development**

Independent producers spend their own money and time (sometimes years) to develop program ideas. The producer bears the development risks (keeping talented people on its payroll or contracting other talent) of shaping ideas into programs suitable for the ABC and its audiences. *The Gruen Transfer*, for example, was two years in development before receiving any funding from the ABC.

There is a competitive pitching process. Every independent producer knows that they are competing against other production companies, a limited (and shrinking) ABC commissioning budget, and program ideas from within the ABC. Many proposals to the ABC are rejected. Because they have been designed specifically for the ABC, when they are rejected, generally they are put in the bottom drawer, and the time and resources spent developing them, is absorbed by the independent producer.

It is important to note here that our combined experience has been that in the competitive pitching process the pre-eminent drivers of the ABC's decision making are, first and foremost, **creative merit** followed by the limited availability of funding (a situation which, as we explain below, has worsened for the ABC in key areas recently).

21. **Supporting diverse Australian television culture in an increasingly mono-cultural broadcasting world**

The ABC is the only broadcaster of Entertainment and Factual television in Australia that significantly supports local independent producers. The commercial sector is heavily committed to multimillion dollar contracts with large multinational producers such as Endemol, Fremantle and Shine whose business model is to replicate successful formats from overseas in Australia in preference to creating original local ideas. None of these multinationals currently make shows for the

ABC. If the ABC's pivotal role in commissioning original Australian television withers, it will diminish Australia's writing, performing and production culture.

22. **Making the ABC's dollar go further**

For decades, there has been Federal bipartisan agreement (supported by all States) that there should be a vital and competitive independent television production industry in Australia. Screen Australia and State funding rules require that television projects in which they invest have a broadcaster attached. External commissions from the ABC trigger Screen Australia investment and State investment in independent productions, as well as the investments of other partners or distributors. **This "leverage" means the ABC might pay as little as 20% to 30% of the true production cost of many programs it commissions externally.** This not only supports the industry, but efficiently leverages ABC funding for the shows it wants.

Over the last five years, the ABC's contribution to external projects has triggered, on average, at least double additional funding from external funders such as state and federal funding bodies.

These leveraged funds are not available for internally produced ABC productions.

Some of the programs that have benefitted from this additional leveraged funding include *Rake*, *Three Boys Dreaming*, *Two Men In A Tinnie*, *Year of the Dogs*, *On Trial*, *The Slap*, *The Straits*, *Anatomy*, *Leaky Boat*, *My Place* and *Mrs Carey's Concert*.

23. **Returning money to the ABC**

External productions have returned substantial income to the ABC from overseas sales of the finished programs, from DVD sales, downloads and merchandise. The fact that external productions have great appeal to ABC audiences tends to produce more commercial sales and significant returns to the ABC.

The ABC has made it clear to all producers that, even in these difficult times, commissioning decisions are never made on the basis of potential DVD and other sales.

24. **Training**

The independent production sector provides training in two ways.

Firstly, the traditional function of the ABC as a place where young and emerging talent is nurtured and mentored, is now performed as well, or

better by the independent production sector. An example of this is the mentoring The Chaser team received from Andrew Denton as an independent producer. Andrew has continued this contribution with *Hungry Beast*, which saw 19 industry newcomers trained by Zapruder over 3 series. All 19 have gone on to get industry jobs, several of them are currently at the ABC.

There are countless other programs from independent producers which continue this tradition, including *Review with Myles Barlow*, *Double The Fist*, *At Home with Tim and Julia* and Lawrence Leung's *Unbelievable*.

Secondly, independent producers regularly take on ABC staff in co-productions, sometimes over a number of years, and return them to the ABC staff pool with greater skills. An example of this is an ABC employee, Greg Miskelly who applied, in 2001, to be a researcher on the Zapruder production *The Election Chaser*. At the time, he had no experience as a researcher. After passing a series of tests set by Zapruder, he was loaned to the production by the ABC as a trainee researcher. He continued in that role through two series of *CNNNN* and four series of *Enough Rope*, where he moved onto the position of associate producer. When he returned to the ABC staff pool in 2007 it was at a level that enabled him to apply for a position at *The 7.30 Report*, where he now works as a producer and occasional reporter.

There are many such stories.

25. **Reduced ABC overheads, administration, and risk - Increased ABC Flexibility**

Independent producers are responsible for procuring and managing resources, teams and delivery while, at the same time, shouldering the risk of fixed price contracts and the possibility of budget overruns. The ABC does not carry this risk.

The last internal ABC produced drama "Changi", while a critical success, was a financial disaster with massive cost overruns. The independent sector is far better positioned to manage this risk.

Under the co-production model, the ABC is not directly responsible for production teams, salaries and on costs after a production finishes.

This gives the ABC flexibility in commissioning as it reduces management and administration overheads. Under the external production model the ABC is under no pressure to utilise fixed resources.

CLAIMED DISADVANTAGES OF EXTERNAL PRODUCTION – A RESPONSE

The public discussion of ABC TV management's recent programming decisions has featured some misleading and/or inaccurate assertions about the supposed disadvantages of external production. It is important to address these claims.

26. Copyright Ownership and Intellectual Property

There has been the publicly expressed view that, by working with external producers, the ABC is forsaking its copyright ownership and IP rights.

In terms of content ownership and intellectual property, our experience is that the ABC has always retained an ownership stake that is more than sufficient to protect its rights and interests, and to exercise substantial control over the use of content.

As the national public broadcaster, the ABC always has the pre-eminent bargaining position in any negotiation about a potential co-production. The ABC has the negotiating power of a (de facto) monopoly and therefore has the ability to protect its values and interests in every co-production. It does this rigorously and will continue to.

In fact, unlike other Australian networks, the ABC generally insists on being given the first option on distribution rights for externally produced programs.

The ABC usually gets greater rights than the BBC (the world's pre-eminent public broadcaster). The BBC standard terms of trade permit independent producers to retain copyright, as well as distribution rights, and the BBC expects only 15% to 20% of the profits (far less than the ABC requires).

Co-ownership of content and intellectual property rights with independent producers can be to the ABC's advantage, because:

- Independent producers are passionate about the content they produce and understand it better than anyone else – they are therefore uniquely incentivised to promote and protect that content.
- Independent producers have relationships with their audiences and the industry that promote their content and increase the potential for generating revenue for all parties including the ABC.

These qualities of independent producers complement and enhance the benefits to the ABC.

27. Relevance and Ratings

There is a view, frequently expressed, that the ABC should not be “chasing ratings”. This is really code for “appearing to be commercial”.

We have already established that independent producers create programs that have, and maintain, core ABC values. They do so because the ABC audience demands it and the ABC commissioning process and Editorial Policies enforce it. So is it bad for the ABC if these externally produced programs – as many have – attract large audiences?

The answer is “no” on two levels. Firstly, every program should strive to be of the greatest interest to the greatest number of people. This does not mean that every program should be seeking the same sized audience. If it is a special interest program, such as *First Tuesday Book Club* or *Compass*, it should be striving to reach the greatest number of people for whom the show is designed.

This is not ‘chasing ratings’. This is chasing relevance. An issue that is more central to the ABC now than at any time in its history.

The ABC is nursing a demographic time bomb. **The average age of the Australian population is 38. The average age of ABC1 viewers is 58. It is not only desirable but essential that the ABC includes in its schedule programs that attract large numbers of viewers, across a broad range of ages.**

The ABC exists to serve all Australians. The independent sector’s record shows that it is the market leader in attracting large and diverse audiences to core ABC programs. The independent sector has been especially successful in attracting a younger audience to the ABC. Outstanding examples from the last 5 years include: *Hungry Beast*, *The Chasers War On Everything*, *The Gruen Transfer*, *Summer Heights High* and *Enough Rope*.

The ABC must sustain that mix and diversity of programs. Without it, they will have lost a voice to a whole generation. Loss of audience is a loss of relevance. Loss of reputation for new ideas and talent is a loss of relevance.

UNDERLYING PROBLEMS FACING THE ABC

28. The ABC, and the management of ABC Television in particular, faces very real challenges that it must overcome if it is to fulfil its Charter obligations. Recent programming decisions by ABC TV are the **symptom** of these challenges, but the real issues facing the ABC are questions of **funding and organisational structure**.

29. It is important for the Committee and the public to understand that the issues facing the ABC are not about particular programs (no matter how well-loved they are). It is an emotive, but ultimately misleading argument to single out the removal of one or two shows to try and make the broader point that, somehow, the “fabric of the ABC is being torn apart”.

Shows get decommissioned every year – both internal and external. It is the very nature of television. Some, such as the *New Inventors* (internal) have had a long run and their audience has declined. Some, such as *Hungry Beast* or *Sleek Geeks* (both external) have met their brief and are no longer considered priority funding. Others (*Enough Rope* – external, *Spicks and Specks* – internal) are decommissioned because the producers and performers decide, themselves, that it is time for the show to bow out.

It is right that the ABC should question the value of all its programs at all times, no matter who makes them. And it is essential that the ABC continues to refresh its schedule on a regular basis. If a program’s audience has been steadily declining – or if the cost of a program, the very nature of which may require intense use of expensive facilities such as OB vans, becomes exceptionally high when properly costed, and measured against the size of its audience – then management would be derelict not to ask if the resources and money shouldn’t be turned towards better ideas.

30. Overshadowing debate over the appropriate levels of internal/external production is **the broader issue of overall funding at the ABC. Allocations for commissioning Entertainment shows have fallen by 40% in real terms in the last 4 years alone.** This affects both internal and external productions. It is in this shrinking funding environment that recent programming decisions have been made.

Both Drama and Children’s Television have clear funding commitments from the ABC. Outside of those genres, funding for Entertainment, Arts and Factual has been rapidly diminishing.

We understand the key reasons for this decline are;

- increasing internal costs, and the fact that most of the total ABC Television funding is outside the control of ABC TV, and is diverted to a mandatory contribution to ABC overheads on production facilities and resources, whether they are used or not. Nearly 65% of funding for Entertainment, Factual and Arts programs is tied up in these fixed costs and unavailable for actual commissioning.
- declining commercial returns (particularly the ailing DVD market), and

- the diversion of cost savings across the ABC to help fund News 24 and Online.

There is now a genuine funding crisis for television programming at the ABC that affects both internal and external commissioning. **The ABC spends \$48 million a year on internal facilities and staff, while only spending \$27 million commissioning Entertainment, Arts and Factual shows.** Not enough money is getting up on the screen.

The truth is that both internal and independent productions – including some of the ABC's most loved shows - are under threat if there is no change.

Less than 5% of the \$193 million FY12 budget for TV content is available for commissioning external Entertainment and Factual. Cash funding to Entertainment TV has been seriously cut in recent years, from \$13.5 million in FY09 to \$9.2 million in 11/12. Independent producers have been informed that this figure is likely to fall again in 12/13.

Ironically, while Entertainment programming provides the ABC with some of its favorite shows and talent, it is also some of the cheapest programming to produce, generally less than 1/3 the cost of drama and other scripted programming.

31. The ABC spends nearly 65% of the entire TV local program budget on fixed staff and facility costs – the inevitable outcome of running a large production facilities empire dating back to the 1950s. It is also the only broadcaster in Australia – and one of the few remaining in the world – that owns and maintains capital intensive Outside Broadcast facilities. Every other broadcaster in Australia has learnt it is more cost effective to hire OB units than to own and run them.

This situation hurts both internal and externally produced shows. It prevents money ending up on the screen and kills good ideas wherever they come from.

In the digital world of 2011, with once-solid audiences fracturing as they choose from multiple delivery platforms, the ABC, like every other broadcaster on the planet, finds itself facing multiple challenges to maintain relevance.

Adding to those challenges is a perfect storm of financial pressures for Entertainment on ABC TV:

- The cost of acquiring overseas programs has skyrocketed due to competition from the Pay and Free-to-Air digital channels.
- The rise of downloading, streaming and portable digital entertainment has led to a collapse in the DVD market and with it a significant drop in income from ABC DVD sales.

- Funds have been diverted from Entertainment and Factual programs – among its best known and most popular – to other parts of the organization, most notably, ABC News 24.

Meanwhile, large amounts of programming money are being spent on maintaining facilities and providing the staff to run them. The result is that TV Management finds it difficult to commission the shows it wants and even harder to take risks on new performers and ideas. **Commissioning is often being driven by keeping facilities and regional offices busy, not by the quality of the show or how many people want to watch it.**

The ABC Charter is not to be an employment agency and run massive facilities. The ABC exists to provide the best programs to the Australian public in the most efficient manner.

32. It is our view that the ABC's vital and irreplaceable role as a public broadcaster is best protected by:
- (a) The ongoing funding and independence of ABC News and Current Affairs.
 - (b) A robust, values-based commissioning process and rigorous scrutiny of content by reference to the ABC Charter, the ABC Editorial Standards and public broadcasting values generally. The differences between internal production and co-productions with the independent sector are immaterial to those things. **The best ideas from any source should be commissioned by the ABC.**
 - (c) Ongoing active engagement with the national creative community via co-productions and other external commissions.
 - (d) A commitment to programming that speaks to a broad public, across demographics and generations, or the ABC will lose relevance in the multichannel/multiplatform environments. The key to sustained government funding is sustained public interest in ABC content. It is not about chasing ratings, but being relevant in the public forum.

REVITALISING THE MIXED MODEL OF PRODUCTION

33. As independent producers, we strongly support the "mixed model" of both internal and external production, as outlined by Mark Scott in his speech to the National Press Club on August 31. We agree that the ABC should be drawing on the best ideas, skills and resources wherever they may be.

There is a long and storied history of internal ABC productions and we consider it essential there continues to be a clear path for ideas from within the ABC to be heard, considered and, if strong enough, produced.

We also support the ABC's clearly stated position that, if a show can be produced more effectively internally, then it will be favoured over a similar, external production. There should be a qualification here however, that internal programs be properly budgeted and resources charged at the same rate as the external programs are charged. (This practice is not currently followed.)

But, for the reasons outlined in this submission and because of the clear value they provide to the ABC and its audiences, we believe that the ABC should seek not just to continue its existing support of external productions, but to further it by adopting the BBC model of:

50% mandated internal production

25% mandated external production

25% contested between internal and external production.

We believe this well proven BBC model will provide the ABC with the capacity, and flexibility, to commission the best ideas from across Australia's television production community, and to ensure its ongoing relevance in a rapidly-changing media landscape.

Right now, however, the ABC's capacity to commission broadly is under threat – a threat that affects both internal and external productions.

34. **Regional Production**

Any desire to sustain regional employment in television production is better served through the use of regional independent producers. This has been done with outstanding results in WA, through cooperation and new initiatives between the ABC, the independent sector and Screen West, rather than committing to permanent staff and facilities in those areas.

CONCLUSIONS

For the ABC to continue to meet its core Charter obligations to “entertain and inform” audiences the following issues needs to be considered:

- (a) Funding for Entertainment has reduced by 40% in real terms in the last 4 years.
- (b) The ABC still produces more than 80% of the commissioned broadcast hours internally – far higher than other national public broadcasters.
- (c) A staggering 65% of funding is pre-committed to maintaining facilities and resources. Production funding should be spent on making programs, not on maintaining infrastructure.

The ABC should focus on maintaining commitments to editorial oversight; shows that speak to broad audiences, as well as special interest ones; developing new talent; Australia’s creative production industries; and delivering value for money. The ABC should abandon outdated business models; building and owning unnecessary infrastructure and resources, maintaining full time production teams, and finding work for them. Not only is this not relevant to the ABC’s Charter obligations, or to whether or not it produces “ABC programs”, it is not good value for the Australian taxpayer whose interest lies in the value of the ABC’s broadcasts, not in its capacity to own and manage infrastructure.

Independent producers are not a threat to ABC values. We have been a significant part of its success to date. We believe we are an important part of its future.

For the reasons set out above, we submit that the Committee should conclude that:

- There is nothing in the ABC’s Charter that makes internal production inherently necessary, or more desirable, or superior to external production by the independent sector.
- Recent decisions by ABC TV management to change their programming mix are entirely consistent with the way all contemporary broadcasters are run and have no adverse implications on Australian film and television production in general, or on the potential quality and diversity of programs.
- The ABC should increase the level of externally commissioned productions. The BBC should serve as a proven model.
- The ABC’s role as the nation’s public broadcaster requires the decline in funding for Entertainment and Factual programs to be immediately redressed.
- ABC TV management should have full control over the facilities and resources budget and make decisions concerning those ongoing operations to deliver the best results on screen.