

**ABC responses to Questions on Notice**  
**'Inquiry into Recent ABC Programming Decisions'**

**Written Questions on Notice**

**Senator Xenophon**

1. How many staff members – within ABC TV production, Production Resources and Technical Services – are being cut nationwide by the ABC as a result of the TV redundancies which were revealed in the August 2 announcement?

**Answer:**

Total redundancy figures are not yet available. Negotiations on redundancies are ongoing.

2. Are any management positions being cut or is it just program makers and resource staff?

**Answer:**

See above.

3. When the ABC had a single TV channel (Channel 2), how many managers did the channel have and what were their combined salaries?

**Answer:**

The ABC has been unable to collate this information in the time available.

4. Since the transition from one to four ABC channels, how many managers are now employed by ABC TV and what is their combined salary?

**Answer:**

The ABC engaged 50 managers across genre management, commissioning and senior financial management pre April 2005 (prior to the launch of ABC 2) at a cost of \$6.09m.

As at June 30 this number now totals 55 staff at a cost of \$8.4m.

5. In 2006 Mr Dalton addressed the national conference of SPAA. In that speech he said:

In the area of factual production as a result of one of our genre heads leaving we have taken the opportunity of clearly and structurally delineating between internal and external production. Part of these changes will mean that in the longer term, outside of its weekly magazine or program strands, ABC TV will move out of internal factual and documentary production. Going into the future, one-off or short run series documentary or factual production will only be made in partnership with the independent sector.

No question asked.

6. At the time of this speech, did this statement reflect the position of the ABC Board?

Answer:

The ABC Board supports Mr Dalton's decision to pursue a mixed production model.

Mr Dalton is employed as Director of Television and is responsible for making decisions on how best to structure ABC TV's commissioning arrangements.

7. Does the ABC Board currently support this position?

Answer:

See above at 6.

8. The submission by SPAA and by Jigsaw Cordell included information on the ABC budgets for entertainment. This data is traditionally viewed as commercial in confidence.

- a) Can the ABC confirm whether the information contained in the submissions is correct?

Answer:

The commissioning budget figure for Entertainment programs quoted is correct. The percentage decrease in the Entertainment budget was incorrect.

The figure quoted concerning the percentage of the total TV content budget for commissioning external Entertainment and Factual programs is incorrect.

The figure quoted concerning the amount spent on commissioning Entertainment, Arts and Factual programs is incorrect.

The figure quoted in the SPAA submission relating to the cost of the OB Vans is incorrect. The ABC operates nine outside broadcast (OB) vans which are used extensively for a range of television

genres and programs, including news and current affairs. The OB vans are also a central part of the ABC's disaster recovery strategy. It costs the ABC approximately \$2.79m per year to provide and maintain the vans. Personnel costs vary, depending on the complexity of the broadcast and are charged to the relevant program.

b) Can the ABC confirm the material is commercial in confidence?

Answer:

There are numerous figures raised in the submissions. Some figures relate to information that is in the public domain. The ABC does not consider this information to be commercial in confidence. Some figures are incorrect. These figures have not been provided by the ABC and the Corporation does not claim them to be confidential.

9. The CPSU has suggested that it has requested similar information from the ABC previously but has not been provided it.

a) Can the ABC confirm this is the case?

Answer:

The ABC notes that on 27 May, the CPSU published an Open letter to the Managing Director of the ABC. In it, the CPSU called upon the Managing Director to:

*"... commence a transparent audit of these claims and to address the following questions:*

- *does the Dalton model provide real value for money for the ABC?*
- *given the rapid increase in the value of TV rights, should the ABC trade away these rights? Is the opportunity cost of forgone revenue to ABC Commercial factored into TV's commissioning process?*
- *does the Dalton model result in the commissioning of material that is designed to suit its secondary Pay-TV market at the expense of its Charter obligations?*
- *does the '\$90 for \$30' model amount to anything more than a 33% licence fee? How does this licence fee compare with benchmarked industry rates? Is the ABC giving away too much in these deals or should the ABC be seeking a better deal?*
- *what are the risks of the ABC further reducing its internal production capacity? Will the ABC be able to effectively negotiate contracts with private sector producers where they have lost the ability to make the programs themselves?"*

This call for an audit by the CPSU was not and is not considered a request for information.

b) In the event that this is the case, does the ABC believe this information has been leaked?

Answer:

No.

c) What other material was made available to SPAA and Cordell Jigsaw?

Answer:

Genre budgets and leverage figures have in the past been in the public domain. Mr Dalton's speech to SPAA in 2009 outlined genre budgets, expected spend and leverage figures in a number of genres.

Genre budgets for drama and children's content were included in press releases at the time of the announcement of those funding packages. Genre budgets will have been discussed with various producers on various productions in the course of explaining the limited ability of ABC TV to commission programs.

d) In what context was this information provided to them?

Answer:

See above at 9(c).

10. What opportunities did the ABC provide to its staff to rebuild a local replacement program for Talking Heads when it was considering not re-commissioning the program?

Answer:

There was no requirement to replace Talking Heads in the schedule. Despite this, a number of ideas were submitted from the team. None of those ideas were considered by ABC TV to be strong enough to commission or develop further.

Local staff were instead encouraged to focus on producing new ideas for a brand new format for Poh's Kitchen. A number of ideas from the team were considered with the travel series emerging as the strongest idea.

11. The ABC said that it was replacing the program because of cost pressures. Has the ABC commissioned any programs under the FACTory initiative with the SAFC? What are these factual programs?

Answer:

SAFC and ABC intend to commission up to six factual entertainment series for ABC1, totalling at least 20 x half hour episodes in total.

To date, the ABC has commissioned two projects with the SAFC under the FACTory initiative which will screen in 2012. These are:

**Croc College** (6 episodes x half hour)

Croc College follows six Australians keen to turn their lives around and who embark on a life-changing experience in the Northern Territory. Over the 6 episodes, the students must learn how to capture crocodiles, move them and collect their eggs, raise the babies, butcher and skin some of the adults.

**Olympic Dreams (6 episodes x half hour)**

Olympic Dreams is a candid observational documentary series which follows 7 athletes who aspire to represent their country at the *Olympics*.

A further series has been fully developed and will be commissioned in early 2012. In due course, the ABC will call for ideas for further commissions.

**12. What is the cost to taxpayers for the new programs?**

Answer:

The cost of the programs is set out in the table below.

<b>Title</b>	<b>ABC Television Contribution</b>	<b>Total Production Budget</b>	<b>Episodes</b>	<b>Production Budget Per Episode</b>	<b>ABC Cont Per Episode</b>
Croc College	\$534,400	\$1,312,107	6	\$218,685	\$89,067
Olympic Dreams	\$483,795	\$1,121,851	6	\$186,975	\$80,633
<b>Grand Total</b>	<b>\$1,018,195</b>	<b>\$2,433,958</b>	<b>12</b>	<b>\$202,830</b>	<b>\$84,850</b>

**13. How does this compare with the per episode cost of Talking Heads?**

Answer:

The average per episode cost of Talking Heads is \$53,460.

The ABC cautions that it is misleading to compare Talking Heads costs per episode with the projects so far commissioned through the Factory initiative. These projects differ significantly in terms of: format, studio based versus being shot on location, research requirements, scripting and resourcing.

**14. Will the ABC hold the rights to any programs produced under this funding deal?**

Answer:

The ABC holds a standard broadcast rights position for programs commissioned under the ABC/SAFC FACTORY Initiative: 5 broadcast runs over 5 years; program streaming and download at low resolution following the 1<sup>st</sup> transmission for 14 days, and the 2<sup>nd</sup> transmission for 7 days with Series Stacking.

For companion program websites, the ABC has exclusive website creation rights for the earliest of 12 months from 1<sup>st</sup> transmission or 18 months final episode delivery.

The exclusivity of the production to the ABC is protected by the standard holdback position- the earliest of 12 months from 1<sup>st</sup> transmission or 18 months final episode delivery.

ABC Commercial will distribute Croc College.

Other income opportunities leveraged from both deals includes Music Publishing rights granting ABC Commercial first opportunity to negotiate with a composer to acquire Music Publishing rights. Also, Screenrights income will be obtained which is available to the ABC pro rata the investment level.

<b>Rights Summary - Olympic Dreams and Croc College</b>		
<b>Deal Terms</b>	<b>Olympic Dreams</b>	<b>Croc College</b>
FTA Runs	5 Runs	5 Runs
FTA Licence Period	5 Years	5 Years
Free Streaming from 1st tx* (ABC Online)	14 days	14 days
Free Streaming from 2nd Tx (ABC Online)	7 days	7 days
Free Download from 1st tx (ABC Online) low res	14 days	14 days
Series Stacking	Yes	Yes
Website Creation Rights	Exclusive for 12 months from 1st ABC tx or 18 months from delivery of last ep (whichever is earlier)	Exclusive for 12 months from 1st ABC tx or 18 months from delivery of last ep (whichever is earlier)
All Holdbacks	Exclusive for 12 months from 1st ABC tx or 18 months from delivery of last ep (whichever is earlier)	Exclusive for 12 months from 1st ABC tx or 18 months from delivery of last ep (whichever is earlier)
Holdback exceptions	Theatrical Rights	Theatrical Rights
Distribution	N/A	ABC Commercial
Music Publishing Rights	First Opportunity to negotiate with Any proposed composer to acquire Music Publishing Rights	
Percentage of Screenrights Income	Pro rata for ABC Investment	Pro rata for ABC Investment

\* Tx = transmission

15. Will the ABC's capacity to earn revenue through its rights to books and related material including DVD sales reduce as a result of the outsourcing?

Answer:

Yes, the ABC's capacity to earn revenue can be reduced as a result of outsourcing, dependent on the rights retained by the ABC. ABC Commercial has gained significant revenue from content developed in co-production in recent years, however, including Summer Heights High and The Chaser.

16. What was the total revenue to the ABC from the sale of products and the licensing of an internal program *The Cook and the Chef*?

Answer:

The total revenue to the ABC from the sale of products and the licensing of *The Cook and the Chef* program from Program Sales Worldwide, DVD, mobile and online revenue to date is approximately \$1m.

17. What was the peak audience of *The Cook and the Chef*?

Answer:

*The Cook and the Chef* achieved a peak audience of 792,000 (18 June 2008).

18. What was the average audience per episode of *The Cook and the Chef*?

Answer:

*The Cook and the Chef* five city series audience averages were as follows:

- 2009 - 604,000
- 2008 – 609,000
- 2007 – 516,000
- 2006 – 393,000

The series ended when key talent decided they no longer wanted to make the program. The future of programs is not only determined by the ABC. As with *Spicks and Specks*, when key presenters decide they no longer want to make further episodes, the future of the program can be unviable.

19. What is the average audience per episode of *Poh's Kitchen*? What is the peak episode audience (so far) of *Poh's Kitchen*?

Answer:

*Poh's Kitchen* achieved a five city average of 417,000 in 2010.

The premiere episode on 10 February 2010 achieved the peak audience of 556,000.

To date in 2011, *Poh's Kitchen on the Road* is achieving a five city average audience of 606,000 (Eps 1-3).

20. How much revenue did the ABC make through the internally-produced Bananas in Pyjamas (BiP) series, in terms of DVD/Video sales and merchandise sales?

Answer:

Gross revenue earned by the ABC through the internally produced Bananas in Pyjamas (BiP) series, including television program, characters and associated merchandising since 1995 is approximately \$40m.

Licensing revenue comprises around 70% of the revenue earned, with the remainder comprises sales of books, audio, music and video/ DVD products.

21. Now that BiP is produced externally by Southern Star, what arrangements are in place for the sale of DVD sales and other related merchandise?

Answer:

The ABC and Southern Star have appointed Haven Licensing as their merchandising agent and Harper Collins as their book publisher in Australia / New Zealand for the BiP animated series co-produced by the ABC with Southern Star. For other territories, there will be a similar joint appointment for merchandising agents / book publishers.

For other distribution rights including DVD, ABC is the distributor in Australia, New Zealand, the Pacific Rim and Central / South Asia on a commission basis, while Southern Star is the distributor in the rest of world on a commission basis. All net receipts are shared between program investors.

22. On Monday September 19, Crikey published an article entitled '*Leaks shows local footy costs cash-strapped ABC \$22 per viewer*' by Margaret Simons, which revealed that information had been given to her about the costs and audiences for local football.

a) Was this information also commercial in confidence?

Answer:

This information was not commercial in confidence.

b) How many employees had access to this information?

Answer:

This data was available to a number of employees in a number of divisions across the Corporation.



c) Does the ABC believe this information was leaked?

Answer:

The ABC does not know how this information was obtained.

d) If so, can the ABC advise who provided Margaret Simons with this information?

Answer:

The ABC does not know how Margaret Simons came by this information.

23. The Crikey article revealed that the cost of producing the Tasmanian local football is \$22 per audience member.

a) How is this cost calculated?

Answer:

The overall project cost consisting of cash, labour and facilities (less any revenue) is calculated on a cost per episode basis.

The average audience across all episodes broadcast, as per the OzTAM ratings, is divided by the cost per episode of the series resulting in an indicative cost per episode by viewer.

An average audience across a series can marginally move week to week depending on how many viewers are obtained per broadcast of each episode.

On this basis the cost per viewer on Tasmanian State League 2011 is:

Year	Program	Episodes	Series Ave Audience	Total ABC Contribution \$	Cost Per Episode	Cost Per Viewer
2011	TAS AFL	24	3,000	\$1,554,128	\$64,755	\$21.59

b) Is this cost calculated using the attributed market value of the use of OB vans and as such does not represent cash cost to the ABC?

Answer:

The cost represents all costs to the ABC, costed at ABC internal rates, including cash, labour and facilities.

24. What would the impact of the loss of local football coverage be on the capacity of the ABC to cover significant multi-camera events (such as ANZAC Day) be?

Answer:

The ABC believes there would be no impact on the capacity of the ABC to cover multi-camera events if it chose not to broadcast local football in the future.

25. Are there commercial OB vans in all branches that could perform this function?

Answer:

There is commercial capacity for OB vans across Australia.

26. In light of the ABC's decision not to axe local football coverage, will it now reconsider its position on lawn bowls? If not, why not?

Answer:

The ABC's decision to cease bowls coverage was editorial. Bowls has been on the ABC for many years and audience numbers had declined markedly. In 2009 average 5 city audience numbers were 200,674. Most recent average audience figures for this year are 168,000.

Minister Arbib has raised this matter with the ABC and is continuing to discuss with the ABC the potential for future bowls television coverage.

## Senator Bilyk

27. Who sought and approved the release of previously quarantined NRPI internal program funds into general revenue and why? Did the ABC Board play a role in this decision, and was the Board cognisant with the implications?

Answer:

In its Triennial Funding Submission 2009-12, the ABC proposed that funding for the National Interest Initiatives (NII), also known as Regional and Local Programming (RLP) initiatives, be incorporated into the ABC's ongoing base funding in order to provide a greater level of certainty for the level of services achieved with this funding.

In the May 2009 federal budget, the Minister announced confirmation of the amount of ongoing operational base funding including the NII funds.

The ABC continues to apply these funds to programming activities in line with the purpose for which they were originally provided.

28. The ABC Submission quotes a figure of 84% of production being classed as internal. How has this figure been arrived at? Does this figure include repeats, and if so, what percentage of repeats makes up each of the 84% and 16% figures. What time period was this figure accurate for, and is there a more recent figure? Given the cuts to programs like Art Nation, New Inventors, Collectors, Talking Heads and Can We Help? do you have an estimated figure for next year and the year after?

Answer:

All hours captured as internally produced are made in-house with ABC cash, resources and facilities.

The figure of 84% of production being classified as internal production hours relates to ABC TV's Production Plan for the 2010/11 financial year.

In 2010/11, this represented the below hours and percentages. As *Rage* produced 913 hours internally in 2010/11, the associated costs and hours were removed to give a more concise picture of what percentage of TV hours produced were internal.

**Television Production Plan summary 2010/11 excluding *Rage***

Specific Production Type	Total Hours	Total Hours %	\$	\$ %
CoFully funded	75	4%	\$14,498,085	11.2%
CoMix funded	125	6%	\$39,756,033	31.7%
Internal	1656	84%	\$57,667,981	44.5%
Pre-purchase	116	6%	\$17,643,561	13.6%
<b>Grand Total</b>	<b>1972</b>	<b>100%</b>	<b>\$129,565,660</b>	<b>100%</b>

**Television Production Plan summary 2010/11 including *Rage***

Specific Production Type	Total Hours	Total Hours %	\$	\$ %
CoFully funded	75	3%	\$14,498,085	11.1%
CoMix funded	125	4%	\$39,756,033	30.5%

Internal	2569	89%	\$58,425,730	44.8%
Pre-purchase	116	4%	\$17,643,561	13.5%
<b>Grand Total</b>	<b>2885</b>	<b>100%</b>	<b>\$130,323,409</b>	<b>100%</b>

No. The ABC does not have an estimated figure for 2011/ 12 or 2012/ 13.

29. If the 84% figure for internal production is based on the number of broadcast hours, please provide the breakdown of how much of the budget was spent on external production and how much on internal production.

Answer:

See above. Co-produced mixed-funded content includes Drama and Children's content which substantially inflates the total spend in that category.

30. Do you have any evidence directly relating the comparative costs of internal versus external productions?

Answer:

Internal production can be more cost efficient on a per episode basis due to the volumes of content created, the formats of the programs (studio based magazine style) and the genre (eg in general drama is far more expensive to produce).

External production will deliver efficiency benefits where the total budgets are high enough that the ABC could not afford to fund them itself without significantly reducing its broadcast hours. External partnerships also allow the ABC to access ideas and talent from outside of the ABC.

31. Given the fact that 800,000 Australians play lawn bowls every year, and that on average 300,000 Australians, peaking to 500,000 during major tournaments, watch the lawn bowls coverage every week, what is the rationale for your decision not to renew the broadcast agreements for bowls Australia.

Answer:

See above at 26.

32. What is the rationale for no longer broadcasting the NT Sport Awards, The NT Rugby Union Finals, or the Tiwi Islands Grand Final?

Answer:

### NTFL

The ABC TV will continue to televise the NTFL and feels that “Tiwi football” is best showcased in these broadcasts. The ABC TV also now broadcasts the Marngrook Footy Show, weekly at 7.30PM on ABC2. Tiwi football including the Tiwi Islands Grand Final will continue to be highlighted during this ongoing series. ABC Northern Territory will continue to support and provide coverage of the Tiwi Island Grand Final through ABC News and Local Radio.

### Northern Territory Rugby Union

Rugby Union is a minor sport in the NT and audience interest in the NTRU finals is small. ABC Television Sport has decided to focus on its main Rugby Union event in the Northern Territory, “The NT Hottest 7’s” tournament. As a result, the finals of the local NTRU competition will no longer be seen on ABC TV. 7’s rugby is now an Olympic sport and ABC TV considers its coverage will be well received by Territorians.

### NT Sport Awards

ABC TV has broadcast the NT Sport Awards for 14 years. The Northern Territory is the only state or Territory where such an awards ceremony has been broadcast. While the event itself is still of significance and importance to Territorians it’s stature as a television product has diminished over time. As a result, television audience interest in this event has declined. The ABC will continue to highlight the achievements of the the NT’s sporting men and women through it’s many other TV, Radio and online services.

33. Where have cuts to ABC Production outside of Melbourne and Sydney occurred over the last 5 years?

Answer:

Please see table below.

The following refers to internal production only.

There have been limited amounts of change to internal ABC TV programming over the last 5 years. Most often when a series reaches the end of its natural life a new series emerges in its place. Commencement dates in the table below are based on the beginning of production; discontinued dates are based on when production was completed. Internal programming (not detailed below) has remained the same.

## MELBOURNE & SYDNEY

### Children's

*Creature Features* discontinued approx. **16/03/2008**

*Giggle & Hoot* commenced approx. **31/08/2009**

*Studio 3* commenced approx. **24/08/2009**

*3 on 3* commenced approx. **14/6/2010**

### Arts

*Sunday Arts* (completed production **22/11/2009**) became *Art Nation* commencing production **25/01/2010**

*Art Nation* will be discontinued approx. **December 2011**

*Arts Gateway* (online portal) commenced production **12/06/2009**

*Artscape* commenced approx. **02/02/2009**

*ABC2 Live* projects commenced **09/04/2008** – 10 projects have been commissioned including *Swan Lake, Keating! The Musical, Opera Australia's La Bohème, Firebird and Other Legends, Così Fan Tutte, Bliss, Jai Ho!, King Lear, Eddie Perfect, Tim Minchin vs the Sydney Symphony*  
*Sydney Dance Company Farewell to Graeme Murphy & Janet Vernon* commenced **20/07/2010**  
single program only

*Stephen Fry Live at the Sydney Opera House* commenced **01/07/2010** single program only

*Jennifer Byrne Presents* commenced **01/07/2007**

*First Tuesday Book Club* commenced **18/07/2006**

### Entertainment

*The Hack Half Hour* commenced **28/07/2008** for a single series only

*Spicks and Specks* discontinued approx. **26/08/2011**

*The New Inventors* discontinued approx. **19/08/2011**

### Factual

*A Difference of Opinion* commenced approx **12/02/2007**

*Choir of Hard Knocks* commenced approx **03/07/2006**

*Family Fortunes* commenced **20/08/2007**

*A Difference of Opinion* discontinued approx. **29/11/2007**

*Choir of Hard Knocks* discontinued approx. **29/06/2007**

*Family Fortunes* discontinued approx. **20/6/2008**

*Q&A* commenced approx. **14/04/2008**

*Big Ideas* (previously known as *ABC Fora*) commenced approx. **12/03/2008**

### Sport

*Netball* discontinued approx. **25/11/2007**

*Tasmanian Hockey* discontinued approx. **14/09/2009**

*Bowls Coverage* will be discontinued from **02/09/2011**

*Hockey International Super Series 2011* commenced **05/09/2011**

*Women's Australian Open Golf 2007* commenced approx **13/11/2006**

*Wheelchair Basketball* commenced approx. **29/06/2009**

*Wheelchair Rugby* commenced approx. **12/04/2010**

*World Championship Athletics* commenced approx. **01/11/2010**

*World Championship Swimming* commenced approx. **05/07/2010**

*Westfield W League* commenced approx. **22/09/2008**

*Women's International Football (Soccer)* commenced approx. **1/1/2009**

*Marngrook Footy Show* commenced approx. **21/02/2011**

*Handa Women's Australian Open Golf* will commence **mid 2012**

*RACV Ladies' Masters Golf* will commence approx. **16/01/2012**

*Hockey: International Super Series 2011* will commence approx. **05/09/2011**

#### **Queensland, South Australia, Western Australia and Tasmania**

##### **Children's**

*Rollercoaster Hostings* discontinued approx. **5/12/2009**

##### **Factual**

*The Cook and the Chef* discontinued approx. **20/09/2009**

*Collectors* discontinued approx. **17/06/2011**

*Talking Heads* discontinued approx. **01/11/2010**

*Can We Help?* discontinued approx. **23/05/2011**

*Auction Room* commenced approx. **30/06/2011**

*Poh's Kitchen* commenced approx. **28/09/2009**

##### **Sport**

*Hopman Cup* discontinued approx. **17/1/2010**

*NT Sport Awards* discontinued approx. **10/4/2011**

*NT Rugby Union Finals* discontinued approx. **11/09/2010**

*Tiwi Island Grand Final* discontinued approx. **10/04/2011**

34. What cuts have been made to Production in Melbourne and Sydney?

Answer:

See above at 33.

35. How many staff has the ABC made redundant over the last 5 years? How many of these are from regional areas?

Answer:

There have been 56 staff made redundant by ABC TV since 2007. Please see table below.

Position Summary	State					Total
	NSW	QLD	SA	TAS	VIC	
<b>Operations</b>	10				4	14
<b>Operations Total</b>	<b>10</b>				<b>4</b>	<b>14</b>
<b>Producer /EP</b>					3	3
	15	1	2	1	1	20
	2					2
<b>Producer /EP Total</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>25</b>
<b>Production Staff</b>					1	1
	10				5	15
					1	1
<b>Production Staff Total</b>	<b>10</b>				<b>7</b>	<b>17</b>
<b>Grand Total</b>	<b>37</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>15</b>	<b>56</b>

36. During the hearings you mentioned that some of the staff that work in the Outside Broadcast vans are casual employees while others are full time employees. Could you please provide a breakdown of the percentage of full time to casual staff on a state by state basis?

Answer:

The outside broadcast vans are staffed by a mix of internal and external employees (see table below). The percentages provided are an average for the financial year 2010-2011 in each state.

In NSW and Victoria, the internal staff work on outside broadcasts or in studios when rostered on. Staff members in the smaller states are multi-skilled and engaged on either TV or News productions when not working on outside broadcasts.



<b>Shifts by ABC Employment by Branch - Financial Year 2010-2011</b>						
	External		Internal		Total # Shifts	Total % Shifts
Branch	# Shifts	% Shifts	# Shifts	% Shifts		
ACT	270	25.62%	784	74.38%	1054	100.00%
NSW	471	25.34%	1388	74.66%	1859	100.00%
NT	321	40.23%	477	59.77%	798	100.00%
Other	46	25.56%	134	74.44%	180	100.00%
QLD	672	62.16%	409	37.84%	1081	100.00%
SA	332	25.58%	966	74.42%	1298	100.00%
TAS	523	44.14%	662	55.86%	1185	100.00%
VIC	1589	67.65%	760	32.35%	2349	100.00%
WA	981	39.88%	1479	60.12%	2460	100.00%
<b>Grand Total</b>	<b>5205</b>	<b>42.44%</b>	<b>7059</b>	<b>57.56%</b>	<b>12264</b>	<b>100.00%</b>

While the total averages of the split between casual and core staff sit at approximately 40/60 nationally, those numbers are affected by the very high ratio of casuals to core staff in Queensland and Victoria (approximately 70/30).

The “Other” category refers to projects that were not resourced entirely within one state (i.e. Cyclone Yasi) or were for a client other than News or Television, such as the Managing Directors office or similar.

37. How is ABC24 rating? What is the percentage of TV Division funds that has been diverted to it?

Answer:

The latest audience report for September indicates that ABC News 24 has achieved an average reach of 2 million viewers this year, with a peak reach of around three million viewers.

This compares with a reach of 1.5 million viewers for the same period last year, and it makes ABC News 24 the most watched of all the 24 hour news channels in Australia.

No ABC TV funds have been diverted to fund ABC News 24.

38. The Submission by SPAA and by Jigsaw Cordell included information on the ABC budgets for entertainment. I am led to believe that this data is traditionally viewed as commercial-in-confidence.

Answer:

See above at 8.

39. Is it true that the costings for local sport are based on a model developed on the TV Production model that requires a nominal charge to be billed for the OB facilities based on prevailing market rates for the use of these types of facilities?

Answer:

The costings are based on a total cost approach, using all cash, labour and facilities costings. Labour is derived from salary costs (converted to a labour rate) and facilities are charged on an internal facility rate card which is modelled on external facility costings.

40. What would the actual cost of providing local sports coverage be per episode and per episode per hour both nationally and in each of the states, especially in Tasmania?

Answer:

Please see table below.

**Regional and National Sport 08/09-10/11:**

	Managing State	Sum of Ttl Eps	Sum of Total TV Hours	Total ABC Television Contribution	Sum of Cost Per Ep	Sum of Cost Per Hour
Sport National	ACT	0	0.0	\$124,647	\$0	\$0
	NSW	100	144.0	\$5,984,560	\$59,846	\$41,559
	NT	1	3.0	\$139,995	\$139,995	\$46,665
	QLD	38	39.0	\$963,778	\$25,363	\$24,712
	VIC	186	306.0	\$11,381,025	\$61,188	\$37,193
	WA	34	111.5	\$5,890,350	\$173,246	\$52,828
Sport National Total		<b>359</b>	<b>603.5</b>	<b>\$24,484,355</b>	<b>\$68,202</b>	<b>\$40,571</b>

Sport Regional	NSW	56	112.0	\$3,378,295	\$60,327	\$30,163
	NSWR	27	53.3	\$1,476,079	\$54,670	\$27,720
	NT	57	115.5	\$3,024,115	\$53,055	\$26,183
	QLD	84	167.0	\$3,729,175	\$44,395	\$22,330
	SA	86	267.5	\$5,018,095	\$58,350	\$18,759
	TAS	74	223.5	\$4,893,174	\$66,124	\$21,893
	VIC	83	250.0	\$5,802,844	\$69,914	\$23,211
	WA	82	247.0	\$4,611,968	\$56,244	\$18,672
Sport Regional Total		<b>549</b>	<b>1,435.8</b>	<b>\$31,933,745</b>	<b>\$58,167</b>	<b>\$22,242</b>
<b>Grand Total</b>		<b>908</b>	<b>2,039.3</b>	<b>\$56,418,100</b>	<b>\$62,134</b>	<b>\$27,666</b>

41. How much additional cash would be freed if the ABC no longer covered local sport?

Answer:

The ABC remains committed to coverage of local sports and has not calculated the funds that would be “freed” if in the future it no longer broadcast local sport.

It is difficult to calculate the total savings in cash and over what period if the ABC ceased broadcasting local sport, as a redundancy program would need to be put in place and funded, capital requirements would reduce maintenance and a range of other overheads would also reduce.

42. Would a consequence of the removal of local sports would be the removal of the local Outside Broadcast vans and if so what would be the impact of this be on coverage of events such as ANZAC day marches?

Answer:

See above at 24.

43. What is the per hour per audience cost for other programs such as News 24 in prime time? Does the ABC believe the measure to be used to determine commissioning is the per episode per audience per hour cost?

Answer:

ABC News advise that it is impossible to identify a per hour /per audience cost for ABC News 24 content, due to the way the channel was funded, staffed and established.

The channel re-uses, extends and repurposes material already being gathered and/or produced for other outlets, and then adds in additional content and rolling coverage of its own.

44. The new Tasmanian based program, Auction, has only a short run of 10 episodes. That would not appear to be sufficient to efficiently sustain the production crew that makes the Collectors. Does the ABC intend to make some or all the staff working on Collectors redundant? When?

Answer:

The TV production staff employed on Collectors are now working on Auction Room. Until the series is complete, no decision will be made regarding commissioning further episodes. Until this time, the ABC has no intention to make staff redundant.

45. What opportunities did the ABC give the production team to build an alternative program?

Answer:

The idea for *Auction Room* was generated from within the Collectors production team. The team were asked to submit ideas for new programs. Auction Room was the best creative idea and came from one of the Producers on the team.

46. Did the ABC provide the team with any resources to build a pilot for any alternative programs?

Answer:

An experienced format producer was brought in to work with the team to create the format for *Auction Room*.

47. Why did the ABC decide to axe Collectors?

Answer:

*Collectors* has been rested. It has not been axed.

*Collectors* has just last week completed its seventh series on air and in order to keep the ABC1 schedule fresh, a new show *Auction Room* has been commissioned.

48. What was the per episode cost of the Collectors and how does it compare with the cost of externally produced entertainment programs? programs?

Answer:

*Collectors* is a factual genre program. It is of a different format to most Entertainment programming. The average cost per episode for *Collectors* is \$122,000. This is significantly above the average cost per episode for other factual programs of \$76,000 per episode.

49. Will there be any ABC commissioned programs coming out of Tasmania other than Auction?

Answer:

There are pre-purchase documentaries, *The Outlaw Michael Howe* and *Devil Island*, being produced in Tasmania and ABC TV will continue with its ANZAC Day coverage and local football in 2012.

### **The Australian Greens**

50. You told the National Press Club that the ABC currently internally commissions 84% of material.

- a) What period of time does this relate to?
- b) What would be the figures if sport were removed?

Answer:

(a) See above at 28.

(b) If local football was removed from the internal hours produced in 2010/11 the total internal hours produced (excluding *Rage*) would equate to 1,168. With this reduction in internal hours, 79% of hours produced across the 2010/11 financial year would be internal.

51. For the 2010/11 financial year please provide a breakdown of the programming that was

- a) produced in-house
- b) outsourced and
- c) co-produced (indicating the minimum and maximum of the ABC's contribution)

Answer:

See above at 28 and below at Table A.

52. Who (ie the Board or Management) determines the extent to which ratings will be a measure of success and in which areas?

Answer:

The ABC Board and Management consider that ratings are just one measure that is considered in assessing programs. ABC also considers the impact and audience engagement, quality of the product, critical response and value for money.

Television management is responsible for decisions on evaluating the performance of TV programs. Regular updates are provided to the Board.

53. Without the indirect public subsidy that private producers bring for some programs, for which types of programs would the ABC be the most cost-effective producer, and for which would it be the private production sector; and why?

Answer:

See above at 30.

54. What independent producers and private production companies from which states have the ABC has commissioned programs from, or done co-productions with over the past 3 years (up to and including the present).

Answer:

Externally, the ABC has commissioned 232 projects with 156 external companies since 08/ 09 (see list below). ABC TV consider that it would be misleading to provide a state by state breakdown of the production companies as the companies often produce productions across multiple states or have multiple offices in Australia.

**Independent producers and productions companies that have worked with the ABC in 2008/09**

- 360 Degree Films
- 3D Films Inc.
- A Pigeon Fancier
- Active TV
- Alternator Pty Ltd
- Ambience Entertainment
- Animazing Productions Pty Ltd
- Australian Documentaries
- Based on Birds

- Beyond Productions
- Big and Little Films
- Big Fish
- Big hArt Productions Inc
- Blackfella Films Pty Ltd
- Blackwattle Films Pty Ltd
- Blue Moon Film and Video
- Blue Rocket Productions Pty Ltd
- BND The Film Pty Ltd
- Bombora Film & Music Co
- Brown Cab Productions
- Browns Lane
- Bungabura Productions Pty Ltd
- Bunya Productions
- Burberry Productions
- Carbon Media
- Carolyn Johnson Films Pty Ltd
- Carousel Media
- Chapman Pictures
- Chaser Broadcasting
- Chocolate Liberation Front
- Circling Shark Productions
- Cian O'Clery
- Closer Productions Pty Ltd
- CM Film Production
- Contact Films
- Content Mint Pty Ltd
- Cordell Jigsaw Productions Pty Ltd
- Craig FX Pty Ltd
- Crossbow
- December Films
- DirtGirlWorld Productions
- Early Works
- Electric Pictures
- Essential Media & Entertainment
- Evershine P/L
- Every Cloud Production Pty Ltd
- Film Art Doco Pty Ltd
- Flaming Star Films
- Flickchicks
- Flying Fish Films Pty Ltd
- Follow Productions
- Footprint Films
- Freehand International
- Frontline Films
- Frontyard Films

- FTI – Film and Television Institute (WA) Inc.
- Fury Productions Pty Ltd
- Ghost Pictures
- Giant Dwarf Pty Ltd
- Goalpost Pictures Pty Ltd
- Gordon St Telepictures
- Granada Media Australia Pty Ltd
- Gristmill Pty Ltd
- Grubstreet Media Pty Limited
- Handsomity Institute
- Hartflicker Films
- Heiress Films
- Hibiscus Films
- High Wire Films
- Hoodlum
- House of Gary
- Iguana Films
- Ikandy Productions
- Imajica Media Pty Ltd
- Indian Pacific Picture Company
- Inside Out Productions
- International Skylarking Pty Ltd
- Iris Pictures
- Jennifer Crone
- Jigsaw Entertainment
- Joined Up Films Pty Ltd
- Jotz Productions Pty Ltd
- Jungle Pictures
- Jungleboys
- Kapow Pictures
- Kaufmann Productions
- Hugh Marks
- La La Pictures Pty Ltd
- Light Image Productions Pty Ltd
- Little Leaf Pictures Pty Ltd
- Lowdown TV Pty Ltd
- Matchbox Pictures
- Mitra Films Pty Ltd
- Moonshine Movies
- Mushroom Pictures
- Mum's Spaghetti
- NicNat Films
- Nirvana Films Pty Ltd
- November Films
- Orana Films
- PALMAA Pty Ltd



- Paper Bark Films EOS
- Paw Productions Pty Ltd
- Pericles Film and Television Production
- Plexus Films
- Polar Productions
- Pony Films Pty Ltd
- Porchlight Films
- Pretty Good Productions Pty Ltd
- Princess Pictures Pty Ltd
- Prospero Productions
- Pursekey Productions
- Quail Television Pty Ltd
- RDF
- Rebel Films Pty Ltd
- Renegade Films
- Roar Film Pty Ltd
- Ronin Films
- Ruby Entertainment Pty Ltd
- Scarlett Pictures Pty Ltd
- Screentime
- Sea Dog Films
- Shalom Almond
- Smart Population Foundation Ltd
- Soul Vision Films Pty Ltd
- Southern Star Entertainment Pty Ltd
- SPARKZ
- Spirited Films
- Starchild Productions
- Sticky Pictures
- Stray Dog Productions
- Tamarind Tree Pictures
- TEABBA
- That's A Wrap Pty Ltd
- The Bazura Project Pty Ltd
- The Feds Australia Pty Ltd
- The Hollow Men Pty Ltd
- The People's Republic of Animation Pty Ltd
- Tindale Rd Films No 1
- Toombak Indigenous Production
- Twentysomething Productions
- Ultramarine Films Pty Ltd
- Valarc Films
- Vishus Productions
- Visionquest Entertainment
- Viskatoons
- Waterbyrd Filmz

- Wawili Pitjas
- WBG Pty Limited
- Werner Film Productions
- Wild Fury Pty Ltd
- Wonder Bucket Productions
- Your Ex-Boyfriend
- Yvette Coyne
- Zactoons
- Zapruder's Other Films

55. What is the ABC's process for selecting and working with external production companies? Who is responsible for the selection and what mechanisms are in place to ensure decisions are fair? What scrutiny occurs to ensure there is transparency about this decision-making process?

Answer:

Programming decisions are made based on the merit of the individual program.

A robust and comprehensive commissioning framework has been established over the years. Editorial managers, genre heads, commissioning editors and Channel Controllers develop proposals in liaison with executive producers.

The process of project development requires proposals to go through a number of "gates". These include Budget Review, Resources Assessment and Proposal Review. These various bodies are made up of staff from across the ABC. Projects are also assessed for OH&S and Insurance Risk.

Following development, Genre Heads propose projects to the Television Content Executive, which is chaired by the Director of Television and comprises the Controllers of ABC1, ABC2, ABC Children's, ABC Multiplatform, Head of Business and Operations, Head of Marketing and Head of Strategy and Governance.

ABC's Content Executive then assess projects against a range of criteria including financial, scheduling, editorial policy compliance and compliance with the TV Strategic Plan and the ABC Charter.

If a project is approved it proceeds to the formal Commissioning Body. The Commissioning Body is chaired by the Head of Business Operations and comprises of representatives from Director of Television, Head of Strategy and Governance TV, Head of Business & Operations TV, Director of ABC Resources, Head of Business Affairs, Team Leader (Acquisitions & Production) ABC Legal, Head of Financial Control. Other attendees may include a Group Audit Representative, Commissioning & Project Manager TV.

The highest levels of scrutiny are applied through the process to ensure transparency.

56. In 1994 the Palmer inquiry found that allegations of influence on ABC program content as result of outsourcing were true. How does current oversight of editorial policies when outsourcing or in co-production differ to the practices that led to the Palmer inquiry?

Answer:

Since the Palmer Inquiry, the Editorial Policies have been reviewed and updated a number of times, most recently in 2011. Section 13 of the Editorial Policies deals with external funding and includes safeguards to protect the independence and integrity of the ABC. In particular, high levels of scrutiny and assessment are applied to all commissioning proposals. Decision-makers are required to apply detailed criteria, to know the source of external funds before arrangements are formalised, and to keep appropriate records. Detailed guidance on the standards is also available.

57. Regarding the letter to you from the CPSU was recently discussed in Crikey:
- a) Is the information discussed in the letter and relevant submissions correct regarding the entertainment budget being reduced from 13 top 9 million, a fall of 40% in real terms.
  - b) Are the figure on the cost of the maintenance and upgrading of OB vans accurate?
  - c) Is the claim that 65% of the TV local program budget is spent on fixed staff and facility costs accurate given the Annual reports indicate that only 33% of expenditure is made on internally commissioned programs?

Answer:

See above at 8.

58. What was the number of hours of first-run arts programming on ABC TV in the 1996 financial year as compared to the 2010 financial year? What is the predicted number of hours for the 2011 and 2012 financial years – for all ABC TV and for each TV channel?

Answer:

The table below outlines production hours of ABC Arts programming since 2005/06. The broadcast hours of Arts programming will differ somewhat as productions can be broadcast in subsequent years or across years. ABC TV has been unable to collate the broadcast hours in the time available.

	2005–06	2006–07	2007–08	2008-09	2009-10	2010-11
Arts	76	70	81	84	80	94

59. What will be the responsibility of ABC1 (ie the mainstream channel) to the arts?

Answer:

The ABC is aware of its responsibility to encourage and promote the musical, dramatic and other performing arts in Australia, as set out in the ABC Charter. The ABC is committed to fulfilling this responsibility across its platforms for the benefit of its audience.

60. How many staff does the unit presently have? How many of them do the ABC plan to make redundant?

Answer:

There are presently 17 staff working in the ABC Arts Unit.

Redundancies are yet to be finalised however, it could be that up to 11 staff are ultimately made redundant.

61. What positions will remain? How much of the time of those remaining will be spent on TV arts? What is the brief description of the work that will be performed by each of those who will remain?

Answer:

In Melbourne, the on-going arts production team will consist of an Executive Producer, a Production Manager, a Production Assistant, a Gateway Editor and a Creative Shooter/Editor.

These individuals will form a team to curate all the arts material from across the ABC, foster and manage the flow of incoming content from major stake holders including galleries, individuals, ABC Open and ABC Regional. They will also be responsible for covering major events, festivals and creating a level unique content for the Gateway. There will also be an additional Creative Shooter/Editor position in Sydney created to further cover the major art centres. These individuals will work full time on Arts.

62. If the arts unit is disbanded, who will be the point of contact for film-makers and artists around Australia - to give advice and help people understand programming needs and possibilities in the ABC?

Answer:

The process and pathway for all incoming arts content and program proposals will remain unchanged.

Currently filmmakers, distributors and artists with content ideas come directly to the Head of the Department. Advice, help and direction for people approaching the ABC with new content proposals is available from the Head of the Department, the Development Manager and from four Executive Producers all keen to foster the best content for the ABC.

For all web coverage of arts events, gallery exhibitions and openings, individual artists' work, festivals, events etc approaches come directly to the editor of the Arts Gateway and the Melbourne based Executive Producer.

The Executive Producer in Melbourne is also the point of contact, and responsible for Artscape, the 10pm Tuesday art documentary time slot, comprising selected externally produced programs in concert with *First Tuesday Book Club*, *Jennifer Byrne Presents* and *In Conversation with Virginia Trioli*.

### 63. What other ABC program units have been shut down since 1996? Why?

Answer:

The only comparable example is the Natural History Unit (NHU).

ABC TV closed the NHU because it determined that there was scope to increase the number of hours of natural history programming by leveraging funding and accessing to a greater extent the expertise and ideas available in the broader TV production industry.

The discrete team of production staff assigned to that unit were re-assigned as internal projects were commissioned to make best use of ABC resources.

As evidence presented to the Senate hearings testified, there has been a significant increase in the amount of Australian commissioned natural history programming broadcasted by the ABC since these production changes were made.

### 64. How many people now commission ABC television programming?

Answer:

The Content Executive numbers 8 people, the commissioning body that oversees the process also numbers 8 staff from all across the ABC. They have programming responsibility across ABC 1, ABC2, and ABC3, with further staff in the News division responsible for programming ABC4.

The individual genre areas have a combined commissioning staff of around 40 staff who make recommendations to commission content.

More generally, the ABC involves over 100 staff in the ABC TV commissioning process including Legal, Business Affairs, Commercial, Rights Management, Finance, Resources, Innovation and Group Audit staff.

65. Are they different commissioners in each program genre?

Answer:

Yes.

66. How many are there in each program genre?

Answer:

The ABC has the following number of commissioners in the following program genres:

- Entertainment- 5
- Factual- 8
- Documentaries- 6
- Fiction- 10
- Sport- 3
- Indigenous- 2
- Children's- 5

67. To what extent do they have specialist qualifications (eg scientific qualifications in the Natural History area)?

Answer:

All commissioning personnel are employed for their extensive knowledge of television, as well as a particular speciality, be it sporting programs, documentaries, drama and so on. ABC TV's commissioning staff are extensively experienced and qualified for the roles required of them.

**Senator Cameron**

68. What percentage of the total ABCTV Drama Budget is spent on local production and what is spent on purchasing product from overseas (eg the BBC)?

Answer:

None of ABC TV's Drama budget is spent on overseas acquisitions.

69. What percentage of the total ABCTV budget is spent on commissioning product from outside the corporation? What percentage of the individual producers and directors are recent or not so recent ABC employees?

Answer:

See above at 28 and attached at Table A (page 41).

In regards to the second part of question on notice 69, the ABC has not been able to collate this information in the time available.

70. What percentage of the total budget for entertainment and documentaries is allocated to product from Zapruder's Other Films organisation?

Answer:

Of ABC's total spend in Entertainment, Documentaries & Factual from 0809 – 1011, 27% was directed to projects from the top 5 production companies (spend) for each genre.

Payments to specific production companies is commercial in confidence.

The ABC has commissioned 9 projects from Zapruder's Other Films in the last three years. These are:

- *Elders Series 2*
- *The Gruen Transfer Series 2*
- *The Gruen Transfer Series 3*
- *The Gruen Transfer Series 4*
- *Gruen Planet Series 1*
- *Hungry Beast Series 1 & 2*
- *Hungry Beast Series 3*
- *Country Town Rescue*
- *Gruen Nation.*

71. What percentage of the ABCTV budget is allocated to management and what to production?

Answer:

In 2011/ 12 the proportion of Management (excluding Editorial Commissioning staff) within the ABC TV Division is 2.2%.

The proportion of ABC TV's budget in 11/12 allocated to production is 67% of TV's budget.

72. Could the ABC provide specific responses to the questions raised in the CPSU Submission (submission 145) at paragraphs 128, 152 and 160.

Paragraph 128:

The CPSU suggests that this Committee poses the following question to the ABC:

Does the ABC acknowledge that the additional funds were provided to the ABC for the production of a range of regional productions and that following the ABC's request for the funds [sic] to be rolled into its base, it betrayed the government's trust by closing down the productions?

Answer:

The ABC does not accept this statement. The ABC has consistently applied the same level of funding to NII initiatives since 2001—including after the NII was rolled into its funding base in 2009. It has consistently applied the same criteria when determining which projects qualify for NII funding.

The majority of NII funds are allocated to radio, television and online services for regional and rural Australia. Smaller allocations are made to programs relating to business and the economy and to supporting children and parents.

Paragraph 152:

As noted above there is little information on the public record about the costs of production or of the ABC's equity or ownership of rights in the programs it commissions. The CPSU considers that the issue of ownership of rights is important and that the ABC should accordingly be required to furnish to this Committee answers to the following questions to enable the Committee to adequately consider the term of reference.

(a) What has been the ABC spend on TV internal production (excluding RAGE) in each year since 2001 together with any projections that may have been made under the Production Plan for future production

Answer:

See attached at Table A.

(b) What has been the spend on co-productions in each year since 2001 together with any projections that may have been made under the Production Plan for future production?



Answer:

See attached at Table A.

(c) What has been the spend on co productions where the ABC has fully funded through cash and/or resources and facilities these productions in each year since 2001 together with any projections that may have been made under the Production Plan for future production?

Answer:

See attached at Table A.

(d) How much has the ABC spent on TV programming through internal production, co-production and pre-purchase (acquisition of rights) over the past 5 years?

Answer:

See attached at Table A.

(e) What is the total value of the rights inventory held by the ABC and attributable to that spend?

Answer:

Can the Committee please clarify the question for the ABC.

(f) Does the ABC hold the rights beyond 5 years for any of the productions (other than internal productions) that it has commissioned in the past 5 years?

Answer:

Yes.

(g) It has been reported that the ABC has reduced its target for equity in programs from 8% to 1%. Is this true, and if so why?

Answer:

This assertion is not true. It may be that the question is confusing copyright with equity. These are very different things.

The ABC holds at least 1% copyright in all productions but this position allows the ABC to structure deals to deliver rights revenue where available.

In all cases the ABC attempts to maximise its position on every production deal.

Mr Dalton said in a speech to the 2007 Annual Conference of SPAA:

*Whilst this area will always be an area of robust engagement between the ABC as a user of rights and producers as creators of rights, we must move forwards with the intention of being fair in our dealings and respectful in regard to our needs and objectives. ABC TV recognises that fundamentally it is a user of rights rather than a creator or owner of rights, and new terms of trade that reflect the new realities of the fragmentation of broadcasting, that facilitate a cohesive strategy to making content available, will be crucial.*

(h) When Mr Dalton made the statement that ABC TV saw itself as a 'user' rather than a 'generator' of rights, had the ABC Board considered or endorsed that view? Has the ABC Board subsequently considered or endorsed that view?

Answer:

See above at 6.

(i) Was Mr Dalton authorised to make that statement?

Answer:

See above at 6.

(j) Does it represent the ABC Board's current thinking about the matter? And if it does not, why is the speech still posted on the ABC website?

Answer:

See above at 6.

The ABC TV Division negotiated a Terms of Trade Agreement with SPAA shortly after the 2007 Annual Conference.

(k) Did that agreement result in a reduction in the rights held by the ABC?

Answer:

No. Overall the SPAA terms of trade agreement preserved and consolidated the rights held by the ABC.

(l) Did that agreement result in a change in the holdback period? If so, what was that change?

Answer:

No, the agreement consolidated the ABC's existing holdbacks and preserved those holdbacks in a changing digital environment.

(m) Did this agreement result in a reduction in the number of 'runs' the ABC was entitled to use?

Answer:

No. In the past there was more variation in the runs held across different types of programs. The agreement consolidated the ABC's runs position and preserved the ABC's runs overall.

It should be noted, however, that for some programs the number of runs is determined by existing arrangements with funding bodies and in others the number of runs is determined by the arrangements between SPAA producers and actors.

(n) Did the terms of trade improve the ABC's content rights or equity overall, or was it designed to transfer rights to the private sector producers?

Answer:

Overall the SPAA terms of trade agreement preserved the ABC's content rights and equity and maintained the value of the ABC contribution while providing clarity for producers.

To enable the Committee to develop a better understanding over how a decision was taken to expend approximately \$10 million, the following questions are suggested about the commissioning of the series Crownies:

(o) What equity does the ABC have in the program?

Answer:

The ABC holds no equity in Crownies.

(p) Did the ABC seek equity in the program, and if not why not?

Answer:

The ABC initially sought to have some of the licence fee allocated as an equity contribution. However, this was not acceptable to the Producer on the basis that there were many non-standard elements to the finance and budget structure that were of great benefit to the ABC (see detail below).

(q) Does the ABC have exclusive use of the program, and if so for how long?

Answer:

The ABC acquired its standard rights under the ABC/SPAA Terms of Trade. This includes pre-purchased rights (eg 4 runs over 5 years, streaming rights on iView to accompany the first and second runs) as well as pre-agreed holdbacks which are intended to create a degree of exclusivity for the ABC over the program.

(r) Does the Commercial arm of the ABC hold any rights to Crownies? Did they have to purchase these rights from Screentime, and if so at what cost?

Answer:

ABC Commercial acquired a variety of distribution rights to Crownies in Australia and New Zealand, on a commercially competitive basis. Rights acquired include television distribution, transport rights, DVD, soundtrack and online rights.

(s) Which staff or managers were involved in the commissioning of Crownies?

Answer:

The decision to go ahead with the series was made by the Content Executive, and the final deal was approved by the ABC TV's Commissioning Body. The licence fee was approved by the Managing Director.

(t) Was there any competitive tendering or pitching process involved in the selection of Crownies?

Answer:

The process for commissioning drama projects is extremely competitive. ABC TV receives on average 250 written submissions for drama projects each year. We assess each project on its merits, including the quality of the idea, the strength of the writing, the creative skill and production expertise of the production company in realising the idea, the ability to finance and manage the budget, the diversity of the drama slate, the scheduling needs and priorities of the network.

Crownies was pitched to the ABC by Screentime . The series was then developed with finance provided by the ABC.

Paragraph 160:

The ABC has favoured external production over internal production in both absolute terms, and relative terms (as a proportion of spend). Since the ABC has sought to

justify the axing of internal programs in part on their failure to attract audience share, the CPSU suggest this committee may benefit by seeking data from the ABC on the relative internal/external spend. The CPSU also believes the Committee would benefit from information being provided by the ABC on the following:

Answer:

ABC TV employs a mixed production model. It does not favour external production over internal production.

- How are publicity budgets determined for programs?

Answer:

The ABC TV Marketing Department is internally resourced to cover marketing activity in the form of on-air promotion, publicity and online/social media activity.

Additional marketing activities (eg external advertising) are undertaken on a limited scale by drawing down funding from other internal sources. For example in 2010 ABC TV sought funding from ABC Corporate to externally advertise the TV drama *Rake*.

- How are decisions made on which programs are to receive publicity?

Answer:

Content is prioritised for marketing spend on the basis of:

- 1) Audience
- 2) Network identity
- 3) Commitment to Australian stories.

Given the ABC's limited marketing budget and its heavy reliance on free press coverage each production must be carefully assessed to determine if it is likely to attract the required level of publicity and is capable of extending our publicity reach to potential new viewers.

### Senator McKenzie

73. For each of the last three financial years (2008-09, 2009-10 and 2010-11) please provide:

- a. The number and name of internally ABC-produced programs and the number and name of co-produced programs aired on ABC television;

Answer

The ABC was unable to collate this answer in the time available.

- b. For the internally ABC-produced programs aired on ABC television, the total number of programs, and the name of each program, that was produced by the:

- i. ABC Television Division; and

Answer:

See above at 73(a).

- ii. ABC News and Current Affairs Division.

Answer:

In relation to the News Division, there have been no co-produced programs of any note during these three years, other than occasional one off episodes of existing programs where some minimal co-production arrangements have been entered into with other media organisations for the purpose of covering major news investigations (for example, the Four Corners episode on the Arctic which aired in July 2008, and was jointly produced by the ABC and Fairfax). Almost without exception, News programming is internally produced.

In relation to the Television programs produced by ABC News, the following list includes all discreet, stand-alone programs (and the number of hours produced) but excludes news bulletins, rolling news coverage, news updates and other news coverage (which is, in any event, fully internally produced):

<u>2008-2009</u>	<u>Hours</u>
- Australian Story	19
- Four Corners	30
- Foreign Correspondent	24
- Inside Business	23
- Insiders	47
- Landline	51
- Lateline	135
- Lateline Business	76
- Offsiders	24
- The 7.30 Report	106
- Stateline	158
- Behind the News	17
- Federal Election Night Coverage	6
- National Press Club	103
- Order in the House	13
- Parliamentary Question Time	58
- Asia Pacific Focus	19
- Jihad Sheilas	1
- Budget Specials	2

<b>2009-2010</b>	<b>Hours</b>	
- Australian Story	17	
- Four Corners		30
- Foreign Correspondent	21	
- Inside Business	22	
- Insiders	43	
- Landline		54
- Lateline	135	
- Lateline Business		76
- Offsiders		22
- The 7.30 Report	107	
- The 7.30 Report (Encore)		6
- Stateline		153
- Behind the News		15
- State Election Night Coverage	15	
- National Press Club		92
- Order in the House		19
- Parliamentary Question Time		141
- Asia Pacific Focus		17
- The Howard Years		4
- After the Firestorm		1
- Budget Specials		2

<b>2010-2011</b>	<b>Hours</b>	
- Australian Story	17	
- News Breakfast	1095	
- Four Corners		30
- Foreign Correspondent	21	
- Inside Business	22	
- Insiders	43	
- Landline		54
- Lateline	135	
- Lateline Business		76
- Offsiders		22
- The 7.30 Report	107	
- Stateline		153
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- National Press Club		92
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- Budget Specials		2
- The Quarters		13
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- One Plus One		25

74. Can the ABC inform the committee if the 'Quarters' is produced internally or if it is co-produced, and if internally produced, if it is done so by the ABC News and Current Affairs division or by the ABC Television division?

Answer:

The Quarters is internally produced by the News Division.

75. In addition to the question asked at near the end of the hearing: 'Could I get your comments on changes touted in Melbourne radio in the ABC that concern the replacement long term of the likes of Derek Guille and your comments on how to deal with these centralisation aspects.' What will happen when the one month appointment of Kathy Bedford concludes?

Answer:

Victorian Local Radio's Statewide Evenings presenter Derek Guille retired at age 60 after 24 years with the ABC, including 9 years as evenings presenter.

Until the end of 2011, Derek Guille's program will be hosted by Victorian Statewide Drive presenter Kathy Bedford from the same Southbank studio as was used by Derek.

A new Statewide Evenings program will be commissioned for the start of the 2012 program year and a presenter will be selected as a part of that process.



Table A

## Production Plans - Expenditure and Hours by Production Type per Financial Year (excluding Rage)

ABC Production Type	Reported to Senate 2006/07												Updated information							
	01/02		02/03		03/04		04/05		05/06		06/07 est @ P10		07/08		08/09		09/10		10/11	
	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$	Hrs	\$\$
Internal	91%	65%	90%	64%	86%	56%	86%	64%	89%	69%	86%	59%	84%	56%	86%	55%	85%	52%	84%	45%
Co-produced	6%	31%	6%	28%	9%	31%	10%	32%	8%	23%	9%	32%	9%	29%	7%	30%	7%	31%	10%	42%
Pre-purchase/external	3%	4%	4%	8%	5%	13%	4%	4%	3%	8%	5%	9%	7%	15%	7%	15%	8%	16%	6%	14%

**Notes:**

1. Detailed data is not available in this form prior to 2001/02
2. These percentages exclude 'rage' hours and costs
3. 0607 was reported to the government at financial period 10. Difference to period 12 in 0607 is marginal therefore this has not been updated to reflect the period 12 position
4. Changes around the treatment of development in the last 3 financial years means expenditure is generally offset by recoupment from development processed in the previous financial year.
5. Discrete content produced for broadcast on online platforms and associated expenditure has been captured in reporting from 0910
6. Expenditure reconciles directly to the finalised position reported corporately by ABC Financial Control

## Questions on Notice from Committee Hearing, 26 September 2011

### 76. Hansard page 60

**Senator XENOPHON:** You may want to take this on notice, given that it may take a lengthy answer to be fair to ABC management. The MEAA submission says that is 'a gross misrepresentation'. For instance, does it include midnight-to-dawn repeats, does it include programs that are produced—

**Mr Scott:** It does not include news and current affairs, and it does not include *rage*.

**Senator XENOPHON:** Sure. Could you take it on notice to respond to that criticism on page 10 of the MEAA submission.

**Mr Scott:** Yes, we can clarify that.

Answer:

See above at 28.

### 77. Hansard, page 60

**Senator XENOPHON:** Because of the time constraints, could you provide us with those documents referred to on notice. That would be useful in terms of how you deal with conflicts.

**Mr Dalton:** Do you mean a description of the commissioning process?

**Senator XENOPHON:** Yes.

Answer:

See above at 55.

### 78. Hansard, page 62

**Senator BILYK:** What sort of percentage of the overall production budget does that 84 per cent relate to?

**Mr Scott:** I would have to check on that. I have got a breakdown for hours.

**Senator BILYK:** If you could take that on notice that would be good.

**Mr Scott:** Yes.

**Senator BILYK:** And therefore the corresponding question is: in hours, what percentage of the budget does that 16 per cent—

**Answer:**

See above at 28 and attached at Table A.

**79. Hansard, page 68:**

**ACTING CHAIR:** I will have to put some of my questions on notice, but I would like to go to the production strategy that you are currently drafting. Presumably the production decisions you are making currently, and have been making in the medium term retrospectively, have been based on a previous production strategy.

**Mr Scott:** Yes. What we have had is a production guarantee, which has been an understanding about how we will use internal production resources, which is based around a certain number of hours, and now we are moving into our next phase.

**ACTING CHAIR:** Excellent. Is it possible that we can get a copy of the previous strategy?

**Mr Scott:** I am not sure. It is an internal working document. I will take a look at that and see what form it is in, but it was based around—

**ACTING CHAIR:** You can give it to us in camera if it is commercial in confidence.

**Mr Scott:** It is just based around a certain number of hours of internal production that we were doing.

**Senator XENOPHON:** We will still get that on a confidential basis.

**Answer:**

The ABC is in the process of developing a 3 year strategy for ABC TV Production.

The current strategic direction of ABC TV is set by the Corporate Plan, TV Strategic Plan and Channel Plans. While these documents set out the strategic direction for TV, they do not stipulate a number of internal or external hours of production.

## 80. Hansard, page 68

**ACTING CHAIR:** I want to get your comment on the impact of the Queensland floods and the Victorian bushfires on the budget bottom line. Do these incidents indicate that there is a national interest aspect to the public broadcaster which we have not discussed today? I will put that question on notice.

**Mr Scott:** Thank you.

**Answer:**

There is always a national interest aspect to the ABC's broadcast and coverage of emergency events. The ABC has not previously sought budget relief to enable it to carry out these functions however, the unusual size and development of the 2011 Queensland Floods and the subsequent impacts of Cyclones Anthony and Yasi meant that a material budget impact of \$2.3m was incurred across the ABC.

The ABC is giving further consideration to the funding required for emergency broadcasting services, particularly in the digital age.

## 81. Pages 68-9

**ACTING CHAIR:** The last one I will put on notice concerns a thematic of centralisation with the ABC that we have been hearing about today, especially in the BAPH states. Could I get your comments on changes touted in Melbourne radio in the ABC that concern the replacement long term of the likes of Derek Guille and your comments on how to deal with these centralisation aspects.

**Mr Scott:** Okay, thank you.

**Answer:**

See above at 75.

There are no "centralisation" issues related to these arrangements so far as the ABC is aware.

The ABC rejects the idea that ABC Local Radio is being centralised; ABC Local Radio is broadcast from 60 locations around the nation.