

ABC'S TRIENNIAL FUNDING 2006-09 - an analysis by FABC (ACT & Region)

Congratulations to the public for calling so loudly for more funds for the ABC - the \$88.2m added to the funding for the next three years is the first increase in triennial funding since it was introduced in 1989. So that's good. (And it's a lot better than the cut of \$60m over 2 years made by the Howard Govt. in 1996. Almost back to Square One, isn't it?)

However, no popping of champagne corks. Beyond the apparent generosity the door is left wide open to commercialising the ABC. Watch out for more on the sale of content to third party websites!

LOCAL TV CONTENT:

Govt: \$30m over the next 3 years - for children's programmes, documentaries as well as local drama.

(One hour of drama alone could cost anywhere from \$500,000 to \$2 million, according to Sandra Levy, then ABC TV Head, in an interview with 'the Age' on 27 June 2005. Current Head of ABC TV, Kim Dalton, hopes to produce 20 - 25 hours of drama each year SMH 17 July 2006).

ABC: \$60m over 3 years - **twice the amount it's been given** (ABC Triennial Funding Submission 2006-09: Summary, p.1)

http://www.abc.net.au/corp/pubs/documents/ABC_Triennial_Funding_Submission_Summary.pdf

REGIONAL AND LOCAL PROGRAMMING - the big winner! -

Govt: \$13.2 over three years - is almost exactly what the

ABC: \$13.5m. over three years, asked for

DIGITAL CONTENT:

Govt: Nothing

ABC: \$41.7m over three years

CAPITAL RENEWAL:

Govt: \$45m over 3 years

ABC: KPMG review findings

AND ALL OF THE EXTRA \$88.2M IS A ONE-OFF GRANT.

None of the funding becomes part of the ABC's base funding. It cuts out in three years time. It is not only short term but is tied to the areas specified. In 2004-05 the ABC's total appropriation was \$625m. In 2006-07 it will be \$633.7m. What the ABC needed was for the extra funding it received to become part of that annual appropriation, its basic, ongoing, funds - which are applied to all areas of programme production as well as to capital renewal, borrowings and depreciation.

AND THE KPMG REVIEW?

Why has the Government so far refused to release the findings of this review?

The Budget announcement makes it all the more essential to release the findings of the KPMG review - that pre-election promise which is being kept a secret and which cost the public \$417,000!

http://www.liberal.org.au/default.cfm?action=plaintext_policy&id=3059 p.10)

Presumably that review accounts for the \$45m over three years for capital renewal (<http://abc.net.au/corp/pubs/media/s1634610.htm> Donald McDonald says he's pleased that the KPMG review has been taken into account by the Govt. But surely it recommended more than \$45m over three years?

For comparison - the Macquarie Bank review commissioned by the ABC in 2002 found that

"an increase in ABC Government funding of at least \$200m to \$700m would be required to raise Australian public funding levels to levels comparable to international averages".
(Macquarie Bank Report for the ABC, 2002, p.2)

CONTEXT

To put that total \$88.2m extra funding over three years in context -

- the ABC has an *annual* appropriation of about \$625m. That extra funding is about \$29.4m *per annum*. Not much is it?
- last triennium the ABC asked for \$450m extra over 3 years.
- this triennium the ABC didn't even ask for all it needed. It left it to the KPMG review to identify what was needed to fill a "cumulative funding gap" for operational and capital expenditure

WHAT THE ABC ASKED FOR:

- **NEW SERVICES - \$115.2m over 3 years** for:
 - Drama, documentaries, children's programmes \$60m,
 - local and regional programming \$13.5m, and
 - digital content \$41.7m
- **TIED FUNDING UNTIED - \$64.3 m over 3 years**
For the second time, the Govt. has refused to roll the National Interest Initiative Program (originally gained by Jonathan Shier, and renewed in the 2004 Budget) - into the ABC's base funding. Next year the ABC will have to go cap in hand to the Govt. to renew funds which run out in 2008 (\$54.4m over 3 years).
The ABC will also have to go cap in hand for the continuation of the tied \$3.3m per annum to enhance Radio Australia transmissions. The Govt. refused the ABC's request to roll this funding (\$9.9m over 3 years) into base funding.
- **CUMULATIVE GAP FILLED - per favour of KPMG**
- **TOTAL: \$179.5m PLUS ?????????????????? KPMG**

WHAT THE ABC GOT:

\$88.2m - TIED TO THIS TRIENNIUM ONLY

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