

NETWORK INSIGHT

ABC SBS Review

Session 2

8 December 2008

The Review and Discussion Paper

- ABC SBS Review and Discussion Paper have some odd aspects
- 4 months before Triennium Funding (2009-2011) determined it raises substantial issues that go directly to the quantum of that funding
- Already the ABC and SBS will have submitted their Triennium Funding proposals
- The Discussion Paper and Review deal with high policy matters rightly the subject of Government and Parliamentary consideration (eg the respective Charters) but also operational matters the province of the Boards and management and which Government could not enforce

Universality of Access

- Homes can access ABC and SBS primary broadcast services via:
 - FTA terrestrial transmission (primary delivery)
 - FTA satellite transmission (primary delivery)
 - Subscription TV retransmission (complementary delivery)
 - Broadband internet subscription (complementary delivery)
- Universality should be tied to access “without ongoing charges”
- 98.28% of population can access ABC via FTA terrestrial means
- 1.72% or 360,000 must rely on satellite for FTA access to ABC
- A growing amount of material from ABC and SBS will only be available via broadband. Care will be needed to not use this “continuing ongoing charges” method of delivery to exclusively provide ‘primary’ and not ‘complementary’ services

Comprehensiveness of Program Schedule

- Comprehensive means all genres and all demographic groups are serviced
- ABC Board 1984 satellite distribution decision declared:

TV

State and National

Radio

State, National and Regional

- None of ABC's 5 broadcast radio services have 'comprehensive' schedules
- Clearly ABC sees 'comprehensiveness' being achieved across services
- If ABC and SBS end up with 4 or 5 digital TV services is there a need for one of them to be comprehensively scheduled after or close to analog switch-off? Perhaps as with ABC radio each should be targeted
- Should Australian content aspirations be set "across all TV services" rather than service by service
- US Australia Free Trade Agreement Australian content 'restrictions' are service and not 'platform' specific

Division of Funding Between Services

- Has the ABC Board ever appropriately dealt with the division of existing funding between services
- From 1975 to 1990 ABC moved from 2 metro and 1 regional radio service to 5 nationwide services
- Until recently the ABC spent more on PNN than ABC 2
- I suspect ABC still spends more on Classic FM than PNN
- ABC and SBS will get more funding from Government for new digital TV multichannels but both Boards should also review the division of all their existing funding
- About 20% of current ABC and SBS Government funding is for distribution and transmission. It is delivered through tied funding via Appropriations 2 and 3. Neither ABC or SBS currently have any incentive to make fundamental spending priority decisions between 'coverage' and 'content'

ABC and SBS Internal Structural Arrangements

- The TEN Network early 90s receivership discussion

<u>Activity</u>	<u>Outlets</u>		
	<u>TV</u>	<u>Radio</u>	<u>Online</u>
Scheduling, promotion and distribution	FTA Subs TV	Digital Analog	TV+ Rad + Other
Production	Across all outlets		
Facilities	Across all outlets		
Support services	Across all outlets		

Special Initiatives Contestability

- If Government sees a 'market failure':

EG lowered consumption of Australian content by children – lack of Australian produced primary and secondary curriculum schools programming

it can consider setting out objectives and a sum of money and seek tenders from organisations to provide and distribute the desired content

- ABC and SBS perhaps should not be seen automatically as the 'providers' of content to rectify problems for commercial TV and radio entities wrought by the digital multichanneling platform world