

Further moves to undermine Australian public broadcaster

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The Australian Broadcasting Corporation (ABC), the country's major public broadcaster, has been hit with funding cuts to its news and current affairs division that further threaten its independence. The cuts mark an escalation of attempts by successive governments to silence the ABC as a source of news and analysis.

The ABC's new managing director Jonathon Shier announced the cuts last month in his 2000-2001 budget. The ABC Board, hand-picked by the Howard government, appointed Shier eight months ago in order to restructure and commercialise the national broadcaster. A man with no experience in public broadcasting, he has worked exclusively in commercial television in Britain and Scotland for the past 23 years, mainly selling advertising and pushing pay-TV.

Shier has made it clear that he views the ABC as a business and is intent on developing its profitable areas. He told a recent staff briefing that he wanted to “reinvent” public broadcasting in Australia and referred to himself as a “mini-media mogul with no money”.

The news and current affairs division requested \$120 million to maintain its present level, but received only \$112 million in Shier's budget. Shier attempted to play down the extent of the reduction, claiming that it was just \$3.7 million—an estimate based on an adjusted budget figure from last year. In real terms, however, the cut is \$8 million.

Although this may appear to be a relatively small amount, it comes on top of more than a decade of crippling cuts. Senior staff in news and current affairs have indicated that the division is struggling financially and that the latest reductions will have a serious impact on the quality of programs.

ABC Radio will lose \$2 million. Shortly before the new budget was announced, a memo from the head of ABC local radio suggested that Radio National's flagship morning and afternoon current affairs programs, AM and PM, should focus more on “lifestyle” areas and business reporting, rather than politics and economics. PM should be reduced from 50 minutes to 20 minutes, the memo stated.

Shier has yet to announce his programming changes and staff cuts but it is already clear that 100 jobs will be eliminated in TV production alone, including camera operators, editors and sound and lighting technicians. A 12-month wage freeze has been imposed, together with restrictions on travel.

A memo circulated to staff declared that “money shaved from traditional parts of the ABC will be used to support initiatives approved by the board”. The funding taken from news and current affairs will be transferred to the ABC's online service and digital TV. Shier has also spent more than \$6 million since July on redundancy payments for 26 axed executives.

The ABC Charter, which requires the ABC to provide “an independent national broadcasting service,” does not cover the Internet and pay-TV. Commercialisation has already been attempted through an unsuccessful joint venture in pay television in 1995, and a commercially-sponsored satellite television service to Asia that was sold to the Channel Seven Network in 1997. Both these ventures were bitterly opposed by ABC staff members.

Founded in 1932 as the Australian Broadcasting Commission, the ABC has come under increasing government pressure over the past two decades. The Hawke Labor government began the process of commercialising the ABC in 1983 when it replaced the Commission with the Corporation, designed to run along business lines. The ABC's reliance on commercial income has grown since then—last financial year it earned \$140 million from non-government sources, or 16 percent of its total revenue.

Under the Hawke and Keating Labor governments \$120 million was cut from the ABC's annual budget and a major downsizing took place. Program production was wound back significantly, particularly in the smaller states, and between 1987 and 1992, 1,200 jobs were slashed. An extremely hostile relationship developed between staff and ABC executives, who refused to keep staff informed about restructuring. ABC transmissions were regularly disrupted by industrial action.

When the Howard government came to office in 1996 one of its first acts was to slash a further 10 percent, or \$50 million, from the ABC's budget, despite election promises that its funding would not be touched. A further one in five jobs were eliminated and severe cost-cutting measures adopted.

Facing staff opposition and public alarm, the management agreed to protect the news and current affairs division as much as possible by absorbing the cuts in other areas, but this has become increasingly difficult. Now that the latest cuts specifically target news and current affairs, entire programs such as *Foreign Correspondent*, *The 7.30 Report* and *Lateline* could face the axe.

Members of the Howard government have made no secret of their enmity towards the ABC for its supposed political bias. They are particularly anxious to suppress scrutiny of the government with a federal election due in 2001. Former staff members claim that they experienced political interference while working at the ABC, and that they were censured on a number of occasions for satirical material about Prime Minister John Howard.

In a step toward further commercialisation, Shier has commissioned a private consultant's report recommending Disney-style merchandising of ABC brands and the establishment of an ABC-brand credit card. Evidence has also emerged that the merchant bank Credit Suisse First Boston has prepared a report on privatising the ABC, but the report was deemed too politically sensitive to be released.

A leaked cabinet-in-confidence document from Communications Minister Richard Alston in 1996 outlined the government's position clearly: "I have previously indicated my support for an approach where resources are targeted to fit a redefined role for the ABC and also wish for the ability to influence future ABC functions and activities more directly."

Formally, the ABC Act stipulates that the ABC shall not be subject to government direction, except that the Minister can direct the broadcasting of a particular matter that he considers to be in the national interest. This legislative protection, however, means little when the government can starve the ABC of funds.

In addition, the ABC Board has been stacked with members who have close ties to the ruling Liberal and National Parties and support the government's agenda. Most prominent among these is the chairman Donald McDonald, who has longtime links with the Liberal Party and is a close personal friend of Prime Minister Howard.

Others include right-wing economics professor Judith Sloan, a well-known free-marketeer who also serves on the economic rationalist Productivity Commission and several corporate boards; Michael Kroger, a merchant banker who

previously headed the Liberal Party in the state of Victoria; and former Liberal MP Ross McLean, who is the deputy chief executive of an employers' body, the Chamber of Commerce and Industry of Western Australia.

There has been considerable opposition to the government's plans, both within the ABC and among ordinary people. Stopwork meetings took place around the country the day after Shier unveiled his budget, and staff have foreshadowed a campaign in defence of the ABC, bringing together organisations, community groups and individuals opposed to its destruction. Reflecting these concerns, Eric Beecher, a publisher and former editor of the *Sydney Morning Herald*, recently used one of the ABC's televised annual lectures to launch a scathing attack on Shier and the erosion of serious journalism by commercial forces.

Public anger is particularly strong in rural areas where the ABC is the only source of news and information for many people, providing local content and specialised coverage of issues affecting those on the land. This coverage caters to a relatively small and widely scattered audience and therefore is not commercially viable.

The rural-based National Party was forced to condemn the cuts in order to appease voters who have already lost many basic services. Its Senate leader, Ron Boswell, said: "We want an informed electorate, we don't want a dumbed down electorate." The hypocritical character of this stance was exposed when National Party leader and Deputy Prime Minister John Anderson wrote a letter to Shier opposing the cuts but later endorsed them by declaring that "we in the bush know that you often have to do more with less".

Apart from the ABC and the smaller immigrant-oriented radio and TV outlet, Special Broadcasting Services (SBS), Australia's mass media is dominated by a handful of tycoons, notably Rupert Murdoch, Kerry Packer and Kerry Stokes. Packer owns the top-ranking television network—Nine—as well as a large stable of news, women's and other magazines. Murdoch owns a daily national newspaper, the *Australian*, plus dailies in nearly every capital city—in some cases the only daily newspaper. Their companies also control the pay-TV group Foxtel and Internet company One.Tel. Stokes owns the second-ranking TV network, Seven.

The gutting of the ABC will strengthen this extraordinary media oligopoly and serve to further stifle informed discussion and debate.



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