

# Contesting the ABC – broadcasting's only hope?

February 2005

For over a decade, Australian governments of every persuasion have moved to make funding for the delivery of public service objectives more contestable. From health care to defence, we recognise that the functions of setting objectives and providing funding can and should be distinguished from those of actual program delivery. To use a familiar expression, we separate 'steering' from 'rowing' and allow competition to select the rowers. Now the time has come to consider whether this approach, which has become an integral part of our approach to efficient administration of the public sector, should be applied to the ABC.

The ABC exists so as to provide broadcasting that otherwise would not be available to the Australian public. While these otherwise unmet social and cultural objectives will necessarily be viewed differently over time and from Government to Government, the ABC's Charter (section 6 of the *Australian Broadcasting Corporation Act 1983*) states among other things, that its objectives are to:

- contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of the Australian community
- broadcast programs of an educational nature
- encourage and promote the musical, dramatic and other performing arts in Australia.

As we move forward into the digital world and the convergence of technologies transforms mere broadcasting into *communications*, we must examine whether the existing objectives of a public broadcaster such as the ABC remain valid. But even if they do, it is clear that the ABC is not the only body able to deliver broadcasting that meets these objectives.

Indeed, the proliferation of content delivery platforms, on Free-to-Air, subscription TV and via the Internet, creates opportunities for using an ever broader range of means to meet legitimate public sector broadcasting (PSB) objectives. The issue that then needs to be addressed is whether these other channels should be allowed to compete for funding currently reserved to the ABC.

Allowing such competition could have substantial advantages. It would mean that content that meets public service goals could be delivered in a wider variety of formats. Additionally, it could stimulate quality growth at the current commercial broadcasters.

Funding under the contestable model would enable the specific PSB objectives and social groups to be better targeted. For example, children's educational and drama programming could be specifically allocated funds if those purposes are identified as worthy objectives. Particular groups may also seek to 'top up'

Government funding with their own to pursue their aims if they are complementary to PSB objectives. This may include indigenous or other ethnic programming.

As well as these benefits, making funding for PSB contestable would bring new and better disciplines to the ABC.

At the moment, unseemly budget stoushes are the main way in which the wider policy process and the ABC interact. This is no more satisfactory for the ABC than it is for the Government – and it will be even less satisfactory as the ABC has to adjust to dramatic change in the broadcasting environment.

How would a new system work? Essentially funding for the purpose of meeting PSB objectives would be made available to commercial broadcasters, independent content producers as well as the original government funded broadcaster. In practical terms, this would mean the creation of a Board or Trust invested with the responsibility for allocating funds for content that meets the objectives Government and the viewing public want to see for their money. Some part of this funding would come from existing funding to the ABC, which would in turn have the opportunity to contest the allocation of funding for projects in line with the stated PSB objectives.

That said, the ABC would retain some core funding that would allow it to develop and maintain a program supply and delivery capability. This programmatic funding (as against the project funding supplied through the contestable fund) could be determined on a five year basis, and fixed for the five years as a share of budget outlays. However, in exchange for that greater certainty, a rising share of total PSB funding would become fully contestable over time.

Contestable funding has been adopted with great success in New Zealand, Canada, and most recently in Ireland. The United Kingdom may also soon be heading down a path of some sort of contestable funding with the Conservative Party and others increasingly advocating this approach in some form or other. If anything, countries where contestable funding is in place are increasing their reliance on this model for delivery of PSB outcomes.

This year's budget provides an opportunity to start a move in this direction. It would be a shame if in this area only we remained stuck in a funding model that all those involved regard as unsatisfactory. While change will require a great deal of leadership, it will also provide opportunities the entire community should welcome.

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