

CEDA Media Overview - The ABC in the Digital Future

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Well, thank you Matt, and thank you ladies and gentlemen, good to be with you. Matt largely got it right last week, except it wasn't a phone call, I was in a meeting when that little Post-it note was put under my nose. Eleven staff detained by APEC security. But I didn't quite realise the impact of it until I watched the programme last night. Very interesting footage. And of course legal proceedings are underway, and I can't say too much. But I will say that 3 million people watched that programme on the ABC last night. The third largest audience for an ABC programme since the introduction of people meters in 1991. The largest audience ever for a comedy shown on the ABC. And so the Australian public was also certainly interested in what went on and how they got that far, and they got some good insight into it last night.

I want to talk with you a little bit about the ABC at 75; where we are today and the challenges we face to be a public broadcaster in the digital era. As Matt said, I've been here for about a year. I'm still having some great, I think, ABC experiences. I was at Mount Gambier for the opening of the new studios, and it was terrific. Wonderful new studios on the main street that people can walk by and see the local radio broadcasters, and I met the head of the fire brigade and the head of the police service there, and the local school principal, and then, I understand in the tradition of south east South Australia, we went back to the station manager's office - house - for a bonfire. And so we're there at the bonfire, and there again is that school principal, and I think, "They are really tight with the school principal in Mount Gambier". And so I'm chatting with him, and I find out his name is Colin Beaton, and that in addition to being principal of a school in Mount Gambier, for 20 years Colin Beaton has gone to the ABC studios on a Saturday morning to broadcast a one hour programme that talks about all the sport that's happening within a 200 kilometre radius of the studios in south east South Australia. And then at 6.00 at night he goes back with his wife to listen to the answering machine, to check the e-mails and the faxes that come through, and does another programme broadcasting the sports results for the ABC. So not only is he the local school principal, he's been on air, part of the community, a local figure, broadcasting sport to that part of South Australia for 20 years.

I had another fascinating evening when I sat in a hall in Sydney and watched Phillip Adams put together a programme based on what Australia believes to be the most unforgettable speeches that have been delivered. They'd done a survey through Radio National that asked the audience to vote, and they were going through the top ten list, and he'd pulled together a panel, and on that panel was Bob Carr, the former Premier of New South Wales, John Bell, the great Shakespearean actor, and Peter Jensen, the Anglican Archbishop of Sydney, and they went through the results, and more than 6,000 people had voted and they had the tally and it was a countdown. Well, first of all there was great relief amongst

the panel that Pauline Hanson's maiden address had not made the top ten list because she had done well in early voting, and there was concern. There was bewilderment from the panel that Earl Spencer's eulogy for his sister, Diana, had snuck in at number seven; they were surprised by that. And then there was great shock when Peter Jensen, the Archbishop, commented that even though the Sermon on the Mount had come second he didn't actually think it was a great speech himself. Now, that's the kind of thing you say into a live microphone and afterwards you think, "As Archbishop, should I have said that?" He was worried about that. I assured him there'd be no trouble. So anyway, the top three were finally announced and I thought the pecking order was best summarised by Cathy Wilcox, the cartoonist, in the Sydney Morning Herald the next day, when she drew a couple reading the paper and looking at the results, and the woman says, "Wow, Paul Keating's Redfern speech came third, after Martin Luther King and Jesus". To which the man replied, "Keating will take that hard".

Still great ABC experiences, I went to the Country Music Awards having discovered that the ABC puts out more country music than any other record label in the country, and that Lee Kernaghan has sold more than a million albums on ABC Country Music. This year we'll record 600 concerts live for broadcast on the airwaves of the ABC and for our great classic label. I went with triple J to Kara, where Silverchair performed in Kara, and the crowd at the concert was bigger than the population of the town, and triple J has been recently doing concerts in Humpty Doo and Karatharra and Innisfail and Burnie, taking music to communities that would never see or hear these bands; connecting with local communities.

And then of course there are those things that only the ABC would do, like thinking that there was a television programme in pulling together a group of homeless, disaffected people and getting them to make beautiful music together. And the success of the Choir of Hard Knocks for those individuals and as a programme - absolutely remarkable. Our audiences grew every week as the word spread about this remarkable television programme. They've sold out multiple concerts in the Melbourne Town Hall and the Sydney Opera House, their CD has achieved platinum sales status, and their DVD is also a best seller for us. And again I think it's the kind of idea that only the ABC could do.

Let me talk a little bit about where we are on our 75th birthday, because we're 75 this year. We had a wonderful celebration down by the river here in Adelaide a fortnight ago, with massive crowds turning up to celebrate with us. There's no doubt that the ABC is Australia's largest media organisation in terms of depth of content, the extent of our platforms and the range of our reach. To fund this, the public gives us \$850 million a year, which is a lot of money, and we do a lot with it. And we do this with the great affirmation of the Australian people. News Poll recently conducted a survey for us that said that 90% of the Australian public believe that the ABC provides a valuable or very valuable service - 90%. I defy you to find another business, another government department, another agency that has anything like that level of public support.

And I think that it's fair to say that in 2007 we are having more impact than ever with our audiences. Our performance of our main channel - the main ABC channel - it's the best performing of all the television networks this year, on a year on year basis. Our audiences are significantly up; and our audiences are significantly up as Australian programmes dominate. The Chaser, Spicks and Specks, that great telly movie Curtain, the new show Summer Heights High - just remarkable Australian programming that's connecting with the Australian public. Eight of our top ten shows in our ratings performance this year are Australian shows. And on the back of that now we've launched ABC2. ABC2 drawing audiences in excess of 300,000 people are now watching ABC2. Only can be seen through digital set top boxes or digital televisions or on subscription television, but again really finding an audience.

In many ways I think that radio is the lifeblood of the ABC, because it is that personal connection that so many people have, often on their own - in the car, out on the farm, in the shed - the voice speaking

to you through the ABC. We have in Australia five networks, and our local radio network of 60 stations. Local voices broadcasting local news and information. Local characters from those communities broadcasting the best of local, national and international news and information. And then our national networks as well. Radio National, triple J, Classic FM - a lot of that comes from here in Adelaide - and News Radio. What I find is that each of those national networks have passionate, committed audiences that just love what we produce. And it's great to be able to say that in terms of our reach, the number of people who are listening to our national networks and our local networks - we're almost at all time high audience levels.

ABC Online pioneered the movement of the Australian media into the digital space. If you look at our ABC news site there are, I believe, about 2 million pages of content behind what you see there, and we're continuing to upgrade that site all the time. Our growth in traffic around our sites has far exceeded the growth of the internet population in Australia. Apple Computers said to me last year that they didn't believe that there was another organisation in the world that was creating as much updated content for podcast as the Australian Broadcasting Corporation, and in the month of July alone 5 million broadcasts were downloaded for podcasts or vodcasts from ABC content. So we know that in the future we'll need to increasingly play in the space of digital media, and that's what we're doing.

I think often invisible to an Australian audience is impact of the ABC Overseas, and part of our charter is not just to reflect back Australia to Australians, but to reflect Australia to the world. Australia Network is our television service that goes into 41 countries in the region. It's now in 21 million homes and rising. It's in 11 million homes in India with an average weekly audience in India alone of 3 million. The audience reach of our Radio Australia network in Asia Pacific has grown to over 100 million, with an average weekly audience of 20 million. Radio Australia was nearly dead a decade ago, but it's back to life and it's providing an important, relevant, compelling service to this region. And when you add up the news journalists we have on Australia Network and Radio Australia operating and reporting on what's happening in the region, we have more reporters on the ground than any other broadcasting network in the world.

And then on top of all of that is our news service, and I want to just focus on our commitment and service to news briefly. Because our news service and our current affairs programmes - they often attract criticism and controversy. But I would say to you, often they attract that criticism and they're controversial because they are doing their job, and the idea of the Australian Broadcasting Corporation's news service is not to keep people happy - particularly not to keep politicians happy. And often we get criticised because we do ask the tough questions, but they're questions that need to be asked. But going all the way from the 7.30 Report, which last night ran an interview with the Prime Minister that's on the front page of every newspaper in the country today, through to Four Corners, Lateline, Landline, AM, PM, The World Today, The Country Hour, the ABC, more than any other news organisation, sets the news agenda for the country.

But in addition to that we have detailed editorial policies that every broadcaster knows and has to adhere to, and these editorial policies set the highest standards of journalism for any media outlet in the country. And with those editorial policies we make a commitment to fairness, to balance, to seeking the truth and reporting the truth in an accurate and an impartial way. We take those very seriously. We train our staff in them, we review those policies over time, we monitor and audit our performance over time. No other news organisation in the country takes its reputation and its credibility around news and current affairs more seriously than the ABC, and that is why it's such a vital part of what we do, and whilst at times we may get it wrong, whilst at times we may make errors, we may overreach, we are very, very attuned to trying to deliver the highest and best possible performance that we can do.

Let me talk a bit about the world that we are operating in now, because it's almost impossible to envisage a business sector that is experiencing the profound change that the media sector is

experiencing now. One of the reasons there are media barons and media tycoons that litter their way through business pages through the 20th century and the 19th century is that it was very hard to be a broadcaster, very hard to be a publisher. I worked at Fairfax, the newspaper company, and to build a new printing press for Fairfax to print those newspapers - that would cost \$300 million. To run a television station you needed a licence, and there were few licences, and you needed all that equipment and technology and all those transmission towers, and so the power of the media was held in the hands of very few people, and those few people were very dominant figures in our society and very wealthy figures in our society. And commercial media operations would make their money by aggregating audiences, by bringing people together in large numbers, and then selling that audience to advertisers.

But what we're seeing now with digital media, where anyone with a computer and a modem can publish - what we are seeing is the power of those traditional media barons is being fragmented as audiences are fragmented. I can still remember when in most capitals, and certainly where I was growing up, there was the ABC and two commercial networks. But now you subscribe to Foxtel there's a hundred choices, and five hundred choices are coming, and once internet television starts, which basically allows you to stream programming to your computer and then it appear on your flat screen television, there'll be thousand of channels coming, and that is why there is so much pressure in commercial media today. Because the business model that has operated so successfully so long about their power to uniquely gather big audiences and then sell them to advertisers - that is under threat.

There was a view at Fairfax, and I'm not sure if it was ever validated, that for every reader the print edition of the newspaper lost they needed to pick up a hundred new readers online to make the same amount of money, so those media entities are under enormous pressure because their business model is being threatened. This technology does not threaten the ABC's business model at all. We are in the business of connecting with Australians, and it doesn't matter if we are connecting with them and they are watching a programme on television or they're watching it on a vodcast. It doesn't matter to me if someone's listening to Phillip Adams at 10.00 on Radio National or they're downloading a podcast of Phillip Adams and listening to it the next day or the next week. It's just another way of reaching more Australians in more ways more often.

And there's a really interesting example about that, that we can actually see through the experience of The Chaser. Last year The Chaser was screened on a Friday night quite late, and in the capital cities it would get an audience around about 700,000. What we've done with The Chaser, we've moved them to Wednesday night and now they're averaging audiences almost double that - more than double that - 1.5 million. But what else are we doing with The Chaser? We're replaying them late on Friday night, and they're collecting another 200,000 or 300,000 people there. We're replaying them on ABC2. Tens of thousands of people watching them on ABC2. We're allowing people to download the episode to their iPod or their MP3 player. Some weeks half a million people download the episode, and then we put that Chaser product out on DVD, we've sold 150,000 Chaser DVDs. So we are taking advantage of the technology to connect with the Australian people, and allow anyone who wants to watch The Chaser a chance to watch it. And if you're not at home on Wednesday night, that doesn't matter, because we'll get that episode to you at a time you want and in a format you want, and there's far more of that coming to bear.

I think there's particular opportunities emerging for the ABC because of the pressure that is existing in the commercial media space. If you look at the commercial networks in Australia now...and please eat that dessert. I would. If I was sitting where you are sitting I would be eating, Matthew, so. The...if you look at commercial television in Australia now, two of the three networks are now controlled by private equity money. The media barons in a sense have moved on or diluted their stake. And the third has been seeking private equity partners. Now, private equity - private equity owners are attempting to drive a business for strong short to medium term return. They aren't long term investment players;

that's just the reality of the business. But to create great television and to do great broadcasting sometimes you need to have the long term view.

And another, I think, an interesting example of that is *The Chaser*. You know that old line about, you know people, you know, it's taken them 30 years to be an overnight success. It's not quite like that with *The Chaser*, but this is their fifth series that is on air now. It takes time to grow an audience, and I think you're going to see less and less of that big investment and patience in commercial media now. Well the ABC does have the time, and does have the patience, and doesn't have the crippling commercial pressures about driving a financial return, that will allow us to make the investment to grow our talent.

And I think some of the programmes that we have on air now that are most successful, may have never passed the patience test of commercial media, may never have made it to a fifth series, or stuck with the *Spicks and Specks* as it took time to grow, or taken a risk around a Chris Lilley. I think it's the role the ABC plays and does play and will play. And of course sometimes those people will end up being very successful, like Kath and Kim, and the commercial dollars will be irresistible, and we will need to let them go, but with a commitment to find the next talent, to find the new talent, to be patient, to grow it, and make that available for the Australian people.

See what I think we're seeing more and more in commercial television now is programming that is geared around short term financial return. You're seeing some new dramas, but you seeing a lot of reality television, you're seeing a lot of quiz shows, and as they provide that, we're finding the audience for the ABC is getting stronger and stronger, and we're showing some programmes now that are achieving remarkable audiences for us. Last year we showed a documentary on the Bogle Chandler murder; 2.5 million people watched that in Australia that night - the highest rating documentary in ABC television history. And I think as we continue to invest in drama, as we continue to invest in documentaries, in science programming, in religious programming, in rural programming, in smart, intelligent, cutting edge comedy, I think our audiences will find us.

One of the things I can say about drama is that we have been given additional money to put more drama on Australian television by the ABC. Now, our drama level has got far too low, but we are using the money we have been given - we were given \$30 million in the budget last year. We are working with private independent production makers to leverage our money and we will be putting on the screen \$100 million worth of drama for the \$30 million worth of public investment. And just about the first of those programmes out of that scheme we will see on air in a few weeks, and it's being filmed here in South Australia. It's called *Rain Shadow*, it stars Rachel Ward, and it is a beautiful series of dramas that reflects life in rural Australia - the reality of living with the drought - and I think it will attract big audiences and resonate across the country.

So let me briefly conclude by talking about what the strategic future means for us. It means taking advantage of this technology to reach more Australians in more ways more often, so that you can watch Chris Lilley on *Summer Heights High* last night, and if you can't believe what you saw, you can download it to your iPod and watch it again, and if you really are enamoured with the character Ja'mie King, as my daughters are, even though I can see a bit of my daughters in Ja'mie King, you can go onto My Space and be, at last count, one of the 22,300 friends that Ja'mie has attracted to her My Space page. So taking advantage of the technology to connect with more Australians in more ways more often.

Another thing that you will see is the digital technology not only allows us to move out to new areas, but allows us to do more in our traditional areas of radio and television. I've already said that we have ABC2, we have a proposal in to develop yet another television channel, ABC3, and the arrival of digital radio in January 2009 may well allow the ABC to double the amount of content it puts out on radio networks, effectively doubling the number of radio networks that are available as well. And we need to

continue to invest in our online news site to make sure that the thousand people that we have creating ABC news, that they are delivering the very latest, the very best, the breaking news, delivered to the ABC's high standards, is available for you at your desktop at a click of a button as soon as it's ready, and I want our proposition around our news site to be that you don't have to wait until 7.00, you don't have to wait until the top of the hour, the very best, the very latest ABC news is available to you at the click of a button.

What we also need to do is to create an environment where our users can generate more content themselves. This is one of the big changes I think we can see that's happening in digital media. When I was 15 I was listening to the radio and I was watching television and now I'm in my 40s I'm still listening to the radio and watching television, but when I look at my 15 year old daughter, she is creating media as much as watching and listening to it. She's putting videos up, she's putting photographs up, she's downloading music, she's chatting with her friends. She thinks that media is about participating in a media experience, and so we need to create an environment within the ABC where she can create and be part of the experience rather than just watching and listening.

Because, finally, we want the ABC to be Australia's public space. We want to be the town square of Australia; a place where all Australians can come, and they can listen, and they can learn from each other, and they can understand Australia and the world more fully, and they can contribute and be listened to, and be part of the great conversation that is Australia.

Let me conclude by quoting from an editorial in the Sydney Morning Herald to commemorate the ABC's 75th birthday just a month or two ago. And the editorial said, "Just try to imagine Australia without a national broadcaster. You can imagine an Australia, but not this Australia. The character of this Australia owes much to the ABC. No other institution reaches as many Australians or touches so many so profoundly. The national broadcaster not only helps fashion Australian life, it is also a deeply personal part of innumerable individual lives". At the ABC we're proud of where we are at 75, but we are determined to be stronger at 100 than we are today. Australia needs a strong, independent, commercial free ABC, well funded and delivering each day to the Australian people. We need to continue to touch lives profoundly. We need to continue to help fashion Australian life, by Australians, for Australians, reflecting Australia, and we need to keep being a deeply personal part of innumerable individual lives, and thank you for your continued support of the ABC.

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