



16 September 2011

Mark Scott  
Managing Directors  
Australian Broadcasting Corporation  
Ultimo, NSW

Dear Mr Scott

cc CPSU members

### Commercial in Confidence Data

In preparing its submission to the Senate Inquiry into Recent ABC Programming Decisions, the CPSU noted the difficulty of locating clear data on the internal/external spend. The CPSU managed through an analysis of the annual reports over the past four years to extract limited data on the ABC spend on external TV commissions. We were unable however to derive any data on the spend by genre, and similarly were unable to locate any publicly accessible data on expenditure at the program level. We have in the past sought this data but have been advised that it was commercial-in-confidence.

It comes as a surprise therefore that SPAA and the so called 'Independent Producers' submissions contain commercial in confidence material. The information that we believe to be commercial-in-confidence include:

Statements about the value of the ABC spend over the past few years on Entertainment. The SPAA submission includes the following statement

Adding to cost pressures are the rising costs of acquisitions for completed programs from overseas, declining revenues from DVD sales of past programs, and the costs associated with the increase in servicing three channels, funding ABC Online, and ABC 24. This has led to a squeeze internally and management have made some adjustments including **reducing the Entertainment budget down from \$13.5 million in 2008/09 to \$9.2 million in 2011/12** resulting in some of the cancellations that have excited this inquiry.

A similar statement is made in the Cordell Jigsaw (Independent Producers) submission:

Overshadowing debate over the appropriate levels of internal/external production is the broader issue of overall funding at the ABC. **Allocations for commissioning Entertainment shows have fallen by 40% in real terms in the last 4 years alone.** This affects both internal and external productions.

Less than 5% of the \$193 million FY12 budget for TV content is available for commissioning external Entertainment and Factual. **Cash funding to Entertainment TV has been seriously cut in recent years, from \$13.5 million in FY09 to \$9.2 million in 11/12. Independent producers have been informed that this figure is likely to fall again in 12/13.**

The Cordell Jigsaw submission also states:

There is now a genuine funding crisis for television programming at the ABC that affects both internal and external commissioning. The ABC spends \$48 million a year on internal facilities and staff, while only spending \$27 million commissioning Entertainment, Arts and Factual shows.

On a separate matter, the SPAA submission reveals:

“SPAA believes that sport is an important part of community life, particularly in regional areas, and the ABC has long played a significant role in the wider community by broadcasting regional sport. However, the cost to the taxpayer of maintaining and upgrading expensive outside broadcast equipment and personnel is extensive – in excess of \$10 million dollars a year.”

None of the highlighted information is in the public domain. The CPSU notes that information concerning where the ABC spends its resources is central to the public debate about the future of the ABC and the matters being investigated by the Senate Committee. It is disturbing therefore that commercial-in-confidence material has been leaked from within the ABC to assist the private sector producers' position in the current debate. The CPSU can only assume that this information has been leaked by the Television Division of the Corporation to give effect to Mr Dalton's request to SPAA in 2006 that their members take on the fight to dismantle internal production.

In the past, the leaking of sensitive information has resulted in the Federal Police being called to the ABC. The CPSU is not suggesting that the Federal Police be called in again, but rather calls on you to investigate the source of the leak and to take appropriate disciplinary cation against those who have selectively leaked the information.

The CPSU notes that since parts of the so called commercial-in-confidence material have been leaked, the ABC should now make a full disclosure of its internal commissioning budgets. How much has been spent on internal and external commissioning by genre over the past four years? Are the figures on the cost of the maintenance and upgrading of the OB vans accurate? Is the claim that 65% of the TV local program budget is spent on fixed staff and facility costs accurate given the Annual Reports indicate that only 33% of expenditure is made on internally commissioned programs?

The leaking of this information suggests collusion between ABC management and private sector interests. The CPSU requests that you help clear the air by supporting our call for an audit of the TV books and a performance audit of the TV commissioning process by the Australian National Audit Office.

Yours sincerely,



Graeme Thomson  
ABC Section Secretary