Arguing Over Auntie

In the 'eighties the ABC has been on the back foot. Unloved and underfunded by governments of all persuasions, it's become embroiled in an atmosphere of crisis. Is the solution more financial independence from government? Or is this merely the first step towards privatisation?

The ABC's John Cleary and Glyn Davis, author of Breaking Up the ABC?, debate the issues.

Just a Little Bit Pregnant

One consequence of Labor's broadcasting policy over the past four years has been the sight of the Merchant Princes of Australian capitalism desperately seeking to turn themselves into Media Barons.

Under the fashionable dictates of economic rationalism and the 'user pays' principle, elements in Treasury, DOTAC, the Opposition and even cabinet are asking: why is it that public media, and the ABC in particular, consume $470m a year and return nothing but trouble?

If broadcasting is so commercially attractive why isn't the ABC doing more to 'pay its way'?

For the ABC, as for other public radio and television organisations, broadcasting is more than a commercial commodity. The airwaves are a scarce resource capable of multiple uses in culture, entertainment, education, information and analysis, which the commercial sector, necessarily constrained by the profit motive, cannot fulfill. Of these values, Sir Ian Jacob, a former director general of the BBC, said, "they must not be vitiated by political or commercial consideration".

Such a 'commercial consideration' is the recurring debate over sponsorship and advertising of ABC programs.

Commercial radio and TV stations earn their revenue from money received from advertisements. Their program policies are predicated on maximising audiences so as to attract the most lucrative advertising contracts. Program content or quality is relevant only insofar as its capacity to serve this end.

What tends to dominate under commercial formulae is mass appeal, entertainment-oriented programming with special interests not acknowledged or recognised only at the margins.

In 1985 Margaret Thatcher established the Peacock Inquiry to consider future financing of the BBC and whether it should take advertising. It recommended firmly against, saying:

"We are not persuaded by the claim of advertisers that it would never be in their interests to influence program content. There would certainly be a risk that controversial drama, critical consumer programs, current affairs programs and satirical programs which challenge conventional attitudes and prejudice would not be supported by them."

The urgency of these concerns is evident when one looks at the sorry state of those public broadcasters in the USA, Canada and New Zealand, who have travelled the commercial road. Charter commitments have been replaced by dollar obligations.

In Public Broadcasting in Transition Barnett and Docherty point to the increasing dependence of the NZBC on commercial funding (1985 - 71.5% advertising and 16.3% licence fee). "In New Zealand this dependence on advertising has resulted in a narrowing of the range and type of programming."

The New Zealand government has recently announced that it is only prepared to provide continued licence
funding for two of RNZ's networks. It is expected that the government will soon announce which networks are to be privatised and sold off. Most observers say that the commercialised 'pop' network NZ will be one, and much speculation is centred on which others.

Sponsorship is seen by some 'reluctant realists' as a less intrusive form of commercial activity that may provide a middle road for the ABC to supplement its budget. Sponsors pay money to programs or projects which they think will benefit their corporate image. They gain acknowledgment of their contribution in the program credits. Sponsorship is seen as inoffensive to the viewer, image building for the sponsor and a valuable addition to revenue for the broadcaster.

For program makers, however, it poses as great a danger as advertising for, while it may be less visible, sponsorship has a far more insidious effect on individual programs.

In holding the purse strings, sponsors hold the potential to influence editorial judgment on the project selected to benefit from their largesse. They gain the power to influence which programs are made. Those attracting sponsors' dollars and able to fund their production costs, gain a significant advantage in financially stretched organisations. Un-sponsored programs will be left to languish.

Sponsors may also influence program content directly. If an issue is not handled in a way which meets with the sponsors' approval they may withdraw from the project or choose not to participate in future ones. Either case is a powerful incentive for producers to find a compromise.

They can hold sway in determining when programs are scheduled. Sponsors are going to want their material broadcast when most people are going to see their generosity at work. Unsponsored material will tend to be pushed to the margins.

Speaking in 1985 to the American show business newspaper Variety, one highly placed PBS official said "corporations will now tell us, the stations, what they will sponsor". In the same article Bill Moyers, one of America's most respected journalists and a veteran of 'pub-tv', said "The system leaves no room for an independent journalist or a serious inquiry into our society".

Moyers added that he was grateful to Chevron Oil for sponsoring his latest series but, "I should've been able to air controversial views. I wasn't."

Some have suggested that to avoid the worst dangers of both sponsorship and advertising is to 'fence off' core activities to be funded entirely from within the corporation, protected from the market place. This was the thrust of the 'Evans Papers' in 1987.

Such guarantees as 'fencing off' news and current affairs ignore the fact that many of the ABC's best and most politically sensitive programs are made by production departments outside the fence. Two of the ABC's most controversial and challenging programs of recent times 'Nobody's Children' and 'Out of Sight, Out of Mind' were made by the documentaries department.

This view may also underestimate the power of the dollar to jump the fence. If, for example, Elders IXL were a major sponsor of ABC sport or the arts, what attitude would be taken by Elders if Four Corners launched a damaging investigation into IXL? Would they be tempted to withdraw their general sponsorship? What subtle internal pressures would be placed on the producer to 'get it right'?

The overall impact is to distort program schedules towards the populist, the inoffensive and the bland. And it may be worse.

Even the best PBS stations are engaged in a constant struggle to remain viable. On a visit to Boston I arrived to find that WGBH, one of the nation's leading public stations, had stripped down two of its broadcast/production studios and filled them with telephones. These phones were staffed by station employees and volunteers in a constant round of calls begging the public for money to keep the station afloat. This is nothing unusual, public stations in the US are regularly engaged in all sorts of cup rattling, from televised auctions to fund-raising galas.

In these circumstances it is not surprising that as long ago as 1982 there were plans by WNET in New York to organise fund-raising along more familiar lines. WNET president John Jay Islen referred to 'enhanced corporate underwriting credits'. Few dared to speak the word 'commercials'.

Either by circumstance or by design, it appears that once the market imperative enters public broadcasting its progress to dominant value is just a matter of time.

Unfortunately, editorial concerns are not high on the list of those seeking to push Aunty towards sponsorship. The immediate purpose is to reduce the drain on government revenue. This view is predicated on the belief that the ABC is expensive and somehow less efficient than the corporate sector and that it would require a 'quantum leap' in funding to fix.

As to efficiency, Radio National, the ABC's equivalent of a major daily newspaper, delivers its service to an audience of approximately one million Australians for about 10 cents per day. The cost of a major daily newspaper to the reader is 50 cents. It would be closer to $2 if advertisers didn't provide a significant proportion of the revenue.

Studies have shown that, in TV, the cost per unit of audience reached is no greater than that of commercial stations. On present indications, 'Peoplemeter' surveys will improve these figures considerably.

At what cost? In 1974/75 the Australian workforce worked for three hours 45 minutes to fund the ABC. In 1987/88 this time had fallen by 30% to two hours 35 minutes.

ABC funding has been falling as a proportion of Commonwealth budget outlays since 1975 and, except for the first two Hawke budgets, the erosion continues. From 1985 to 1989 staffing levels fell by 10%. A current review of resources predicated upon government guarantees of indexed funding anticipates a similar fall over the next five years.
The federal government failed to honour its 1987 commitment to index funding for three years in each of the first two years of its operation. The total shortfall is now around $32m.

The most optimistic projections about the financial returns from corporate sponsorship are around $20m per annum. To risk the permanent damage outlined above for a figure equal to 4% of one year’s appropriation seems a poor bargain.

For the ABC, sponsorship is a double penalty. Forced to devote much of its already stretched resources to chasing commercial dollars and forced into the editorial compromises necessary to achieve them, it must then accept the government’s withholding the equivalent of that hard-won amount from its budget.

For the government, however, it has the additional bonus of providing a handy means of disclaiming responsibility.

As appropriations are wound back, the ABC is ‘free’ to seek more in the marketplace, increasing pressures for ratings-based programming and the adoption of a fully commercial operational model. All without pain for the government.

What, then, will remain of public purpose?

As the inexorable dictates of the market begin to work their way through the commercial broadcasting sector, forcing stations ever more ‘down-market’ in the search for profitable ratings, history and experience may be on the side of the ABC. Unfortunately, those charged with policy-making in this area may require lessons in both.

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Nobody wants advertising on the ABC or SBS. Well, hardly anyone. Some advertisers perhaps. Some retailers with products to sell. Some ministers with budget cuts to find. And some staff and directors who, however opposed in principle to advertising on public networks, must look longingly at the dollars dangled before them. SBS is about to catch some of that loot with ministerial approval to accept sponsorship funding for the 1990 World Cup Soccer series and SBS test pattern transmissions. The ABC may not be far behind.

At present both national broadcasters rely primarily on government funding, supplemented by their own commercial activities. The risks of such dependence are well known. Occasionally a broadcaster may be favoured with largesse, such as SBS has gained from a pre-election rediscovery of multicultural policy. More often, though, dependence has meant sudden cuts, or a lengthy decline in support. Gareth Evans’ promise of triennial funding was supposed to take away the uncertainty of an annual budget round, and so bolster independence. This year’s claim by the ABC to be underfunded by $28 million, though rejected by the Hawke government, suggests that even guarantees are open to dispute. Blank screens and angry press conferences follow, but do not disguise the essential powerlessness of national broadcasters reliant on one paymaster.

SBS has prospered since its supporters demonstrated the strength of their commitment by fighting amalgamation during 1986 and 1987. Sponsorship deals promise even greater income next year. The ABC, in contrast, feels it has done badly. Despite a $473.6m appropriation in 1989, the corporation points to a declining share of total government outlays, and argues that it can no longer fulfil its full range of responsibilities. Such claims are worthy but dangerous. By publicising a funding crisis the ABC may promote the case for some sponsorship. How better, the government could argue, to make up any perceived shortfall?

The ABC fears that, in accepting some advertising, eventually it must accept all, to the detriment of the objectives of its Charter. Yet if the corporation really cannot make do on nearly half a billion dollars, and if the political reality is restricted funding for the indefinite future, who gains by being pure? Certainly not the ABC which, after all, has no qualms advertising its own merchandise. Nor the audience, unless it likes reruns and test patterns. The pressure to take advertising will increase as governments cut public sector spending further. The more the ABC hurts, the more the need to find alternative sources of income will become irresistible.

Other national broadcasters have long succumbed to advertising. The Canadian Broadcasting Corporation, the New Zealand Broadcasting Corporation and Ireland’s RTE all accept spot advertisement of the sort which interrupt programs with irritating messages. Other public systems, such as Italy’s RAI and West Germany’s ZDF, prefer a burst of advertising between programs. All rely on a mix of advertising income and government subsidy, either direct or through licence fees. There is little evidence these networks are any less independent or valued than the ABC - even if they are not as pleasant to watch.

In America, public broadcasting relies on a slightly different form of advertising - corporate sponsorship of specific programs of the kind accepted by the SBS and sometimes advocated for the ABC. The distinction between spot advertisements and endorsements at the start and conclusion of a program may seem immaterial, but it sets up a subtly different relationship between advertiser and broadcaster. Corporate sponsorship is relatively ineffective for promoting consumer items, but enables companies to project themselves as caring corporate citizens. To demonstrate their enlightened interest in culture and public affairs, companies tend therefore to sponsor worthy

And Now a Word From Our Sponsor ...

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programs rather than popular ones. Documentaries, seasons of opera or plays, and serious science attract corporate dollars. Sponsorship is about companies wrapping themselves in respectability by appropriating images and symbols from a world outside business.

America’s Public Broadcasting System (PBS) has received a bad press in Australia - partly because it plays to different tastes, partly because of easy accusations that corporate sponsorship means corporate domination. Yet if the test of independent public broadcasting is the quality and quantity of political content transmitted, then PBS, at least on television, offers a substantial range and depth of coverage. Its main news program, for example, deliberately avoids the breezy format and sixty-second stories found on both commercial stations and the national broadcaster in Australia. Instead, the McNeil-Lehrer NewsHour employs expert interviewers and specialised reporters to cover four or five items thoroughly. During election campaigns it broadcasts long extracts from political speeches including, in 1988, those of socialist and libertarian presidential candidates.

Though the excellent ABC Radio National does tackle similar subjects, ABC television - despite brief experiments with programs compared by Huw Evans and Robyn Williams - has rarely matched the time and resources made available to McNeil-Lehrer NewsHour, for example.

More startling for Australians used to the stifling balance of a Couchman are the numerous PBS television political discussion programs. In Washington Week in Review a roundtable of ‘liberal’ journalists quietly discuss current affairs, while in The McLaughlin Group moderate to extreme conservatives (“an ideological Neanderthal” the presenter described one guest who smiled with pleasure at the praise) heatedly debate why George Bush is too soft on almost everything. Similar programs on local PBS stations cover state, and even city, politics.

The content is less interesting than the form, which is partisan and argumentative. Here is television which transcends both politeness and the endless pairing of opposites, in which voices cancel each other out. PBS offers public affairs with enthusiasm, not just as duty. Corporate sponsorship of other programs frees money to underwrite this wealth of news and community services. Whatever the threatened evils of corporate sponsoring, by most criteria the apparently compromised American system delivers better political coverage and discussion than still virtuous Australian public broadcasting.

Of course it is not difficult to find things wrong with American public broadcasting. Those who work in the system are acutely aware of their relatively modest budget and audiences. Sponsors generally do prefer uncontroversial programs. But, unlike our ABC or, indeed, the BBC under Thatcher, the PBS has been able to resist government displeasure. PBS survived Nixon’s assaults, and weathered cutbacks under Reagan, by diversifying its income. Around 16% of its dollars now come from business, with the rest drawn from federal and state governments, individual subscribers, philanthropic foundations, universities and fundraising activity. Diversity can mean in-

coherence as the system responds to so many supporters. It can mean tedium, as airtime is given over to regular fund-raising events. But a mix of income also means financial independence, of a sort David Hill might envy.

To describe the American experience is not to advocate corporate sponsorship. Ideally, those many Australians who value the ABC wish it to remain fully funded by government, free of both advertising and corporate endorsement. But such government support has not - and is unlikely to be - forthcoming. For the ABC no longer plays a central role in Australian public life. Satellites and competition mean few communities depend exclusively on the corporation. The ALP seems more comfortable with private media owners than the public sector. Diversification of government support for the arts has contributed to a relative decline of once flagship companies such as the ABC and Australian Opera. The corporation may still rely on government, but government no longer needs the ABC as of old to reach the entire electorate.

European and Canadian experience tell us that, however undesirable, advertising is hardly fatal to national broadcasting. And the American PBS suggests that corporate sponsorship, by removing dependence on just one patron, provides some benefits - albeit through an odd convergence of public broadcasting needs and the interests of corporate image. Whether Australian companies would support similar programs remains unknown; certainly the pool of potential sponsors is small. But the SBS clearly perceives opportunities and the ABC, by its own account strapped for cash, may soon have little choice but to follow. If the effect is to make the corporation a little less timid in its televised politics, then we may anticipate a season of ironies.

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