



2024-25 Federal Budget

Funding for the Australian Broadcasting Corporation

Submission by ABC Friends

About ABC Friends

ABC Friends was established in 1976 in response to funding cuts to the ABC made by the then federal government. Our purpose is to represent the community interest in defending and promoting the vital role of the ABC as an independent national public media organisation that is essential for a healthy democracy. ABC Friends is not aligned with any political party. Our organisation has grown in numbers and strength over recent years, with more than 73,000 members and supporters in every state and territory.

ABC Friends welcomes the opportunity to submit a pre-budget submission for the ABC for the 2024-25 federal budget.

Background

Between 2014 and 2022 the ABC's funding was cut, heavily. More than \$520 million was stripped from its operating budget. Add to this the closure of the Australia Network and the total comes to more than \$780 million. More than 1,000 jobs were lost.

All of this happened at a time at a time of rising costs and when the ABC had to ensure its relevance to all Australian audiences by developing new content on streaming, mobile and online platforms and podcasts, as well as servicing a growing number of radio and television services.

Only a small share of the cuts has been restored.

In 2022 and 2023 the government made some modest but welcome improvements to the ABC's budget, giving the ABC greater certainty and ability to plan. ABC Friends welcomed the introduction of five-year funding, the restoration of indexation and the incorporation of some terminating programs (notably the enhanced news gathering program) into the ABC's operating grant, along with additional funding for services in the Pacific.

But after years of brutal cuts, it wasn't enough. It is essential that the government do more to repair the harm that was done to the ABC over almost 10 years and prevent a further slide in the quality and quantity of the ABC's offerings.

The ABC needs almost \$90 million in ongoing new funding annually just to get back to the equivalent of its funding in 2013, and that does not take into account the need for additional funding for growth and new initiatives.

The effects of funding cuts

Since 2014, we have seen:

- The end of state-based television current affairs
- A heavy reduction in the hours of original drama content

- A heavy reduction in TV science and natural history program-making
- The outsourcing of most program-making, so the ABC does not own copyright and cannot profit from overseas or library sales.
- Cuts to specialist radio programming and live music recording
- Cuts to sports coverage
- The closure of some international bureaus, a reduced international presence and a decline in the ABC's capacity to provide comprehensive international coverage and analysis.

Additionally, an increase in the number and intensity of extreme climate events has obliged the ABC to expand its emergency broadcasting, an essential service for all Australians. But because that service is funded through the ABC's operating grant, it has been funded at the expense of other programs and services.

A bleak future

If there is no change to the ABC's funding its revenue will go backwards.

The indexation formula that has been applied to the ABC's budget falls well short of the actual cost of inflation because the 'weighted cost index' used by the Department of Finance to calculate the appropriate rate of indexation is far less than the actual CPI. To make matters worse, the CPI itself is less than the actual cost of doing business in the highly competitive and inflationary media industry within which the ABC operates. Thus, the indexation formula applied to the ABC will go nowhere near to covering the rising costs of production, which are fuelled by increasing competition from the giant streaming companies.

The ABC also faces a drop in revenue of \$21 million in 2026, the final year of the five year funding cycle. In its first budget the Albanese government restored \$84m to the ABC (\$21m a year over four years). The funding will cease in 2026 leaving a big hole in the budget.

The modest increases in 2022 and 2023 were not sufficient to prevent further damage to the ABC. In May 2023 there was another restructure and more cuts to programs and jobs, with 120 staff made redundant. Without additional funding there will be more cuts to programs, staff and quality over the coming five years.

Recommendations

1. Increased operational funding

The federal government should progressively increase operational funding to the ABC in the order of \$80 million a year to restore the ABC's budget and help offset increased costs. This increase would provide no real growth in the ABC budget, but it would help undo the damage of the last decade.

It is essential to the independence and integrity of the ABC that the increase in funding be provided without condition or direction. The ABC's charter gives it the autonomy to determine content and programming decisions without government interference or direction. However, the ABC's own funding submissions, and the losses forced on it by past cuts, make it clear that there are obvious areas where new funding could be applied.

These include:

- More and better coverage of state and territory politics, including the restoration of Stateline
- An increase in original Australian drama, comedy and documentary content
- More quality science and arts programming

- Maintenance of emergency broadcasting

If climate emergencies intensify there may be a need for an additional funding allocation to expand and modernise the ABC's emergency broadcast services.

- Improvements to radio content, especially on Radio National. Too much RN content relies on repeats and its presence as a nationally important provider of intellectual stimulation for regional and remote has declined.
- News, current affairs and fact checking

The ABC's investigative journalism is second to none. But there is much less of it than there used to be: there is less international reporting, programs like Four Corners and Foreign Correspondent have been cut back and others, like Lateline, have been scrapped. The ABC must also be funded to counter fake information in political campaigns. 2025 will be the first election held under an AI influenced media.

2. Indexation formula

To ensure that the ABC's funding does not continue to deteriorate in real terms the indexation formula should be adjusted to meet the full costs of the CPI and reflect the rising costs of producing original Australian content.

3. Funding for infrastructure and the digital transition

A special funding allocation should be made to cover the costs of new infrastructure and fund the digital transition to ensure that the ABC is able to reach all Australians.

The ABC's Digital-First strategy will significantly alter the ways in which the ABC creates, produces and distributes content. The plan states:

"By 2028 the ABC will be an integrated digital operation and most of the audience engagement with the ABC will be through our digital products."

Of fundamental importance is the need to guarantee access to the ABC for all Australians, regardless of where they live. At present there are large swathes of this vast land where the ABC isn't available. That problem must be rectified.

Cassandra Parkinson
National President
ABC Friends
president@abcfriends.net.au
PH: 0403 105 901

