

The ABC in the Digital Age – Towards 2020

The ABC and Australia's Future

By reaching all Australians, with a presence on all major delivery platforms, and a comprehensive range of news and quality, trusted programming, the ABC ensures all Australians can participate in the national debate, and is integral to the development of a population with wide-ranging intellectual and creative curiosity.

As a brand synonymous with quality Australian content, the ABC enables audiences to find Australian content across all platforms and content genres, preserving and building the national identity and connecting creative Australians with audiences, and each other.

As a partner in the digital education revolution **the ABC can provide the platform and content to underpin a national curriculum**, working with schools, universities, government agencies and education bodies to deliver the digital content that teachers and students need via free to air digital broadcast, broadband, internet channels and downloads.

As an innovator, exploring new programming and new ways of connecting with audiences, the ABC develops the skills that Australia needs in the digital economy of the future.

By providing a national digital platform for Australia's artists and cultural institutions, and by developing new talent, **the ABC encourages experimentation**, **innovation and creative thinking** in a changing environment.

Through its international TV and radio broadcasts, the delivery of Australian content online, and aid projects that build local public broadcasting capacity in neighbouring countries, **the ABC projects Australian values and perspectives to the world**, and deepens the engagement with our neighbours in the Asia Pacific.

In 2020 the ABC is:

- **Australian** telling Australian stories in Australian voices and fostering the national conversation. Helping to build a shared understanding between city and country.
- **Universal** available to all Australians regardless of geographic or economic circumstances, and present on all delivery platforms.

- **Local** the "town square" for local communities where information is exchanged and issues discussed, and a critical source of information in times of crisis or emergency.
- **Quality and Diversity** a signpost for quality Australian content amidst limitless content choices. A trusted source of news and information backed by the highest editorial standards.
- **Innovative** exploring new ways of connecting with audiences and able to take creative risk. Fostering innovation and new talent across the creative industries.
- **International** projecting Australian values and perspectives into the Asia-Pacific region and deepening engagement with our neighbours.

What will Your ABC be delivering in 2020?

Adequately resourced to fully harness the potential of digital media technology, the ABC aims for:

A suite of six ABC TV channels, delivered to a variety of in-home and mobile devices, and supported by broadband delivery of on-demand content, niche internet channels, archival material and interactive online sites:

- ➤ **ABC1** comprehensive, with broad appeal, and 80% Australian content.
- ➤ **ABC2** fostering new talent, formats, programming and with at least 50% Australian content. A focus on factual, comedy, arts and entertainment.
- ➤ ABC3 dedicated non-commercial Children's Channel, with at least 50% Australian content across all genres, including drama, animation and education.
- ➤ ABC4 News and public information including live feeds of major events, press conferences and Parliament, building on the ABC's extensive local, national and international news gathering resources.
- ➤ ABC5 Education Channel providing English language tuition, curriculum material and an integral digital resource for a newly developed national schools curriculum. At least 50% Australian content to meet teachers and students needs.
- ➤ **ABC6** Best of overseas content, including BBC material.

A suite of at least 15 radio services, supported by broadband sites providing additional content, information and audience participation, including:

➤ The existing ABC national networks – Radio National, triple j, Newsradio and Classic FM.

- ➤ ABC Local Radio from at least 60 radio stations across metropolitan and regional Australia.
- Digital radio services catering to specific music genres including country, swing, jazz, metal, hip hop.
- > Dedicated children's radio.
- > Sports Channel, building on the strength of ABC Grandstand.
- ➤ Health and Well Being service.

Rich ABC broadband content, including:

- ➤ Internet TV, providing catchup and specialist genres.
- Internet Radio, accessing digital radio content nationwide.
- Archival access to a wealth of Australian audio visual content.
- Incubator for emerging talent in music, video and multimedia.
- ➤ Local broadband sites providing local communities with their own "town square" for information, video, audio and community participation.
- Constantly updated news and information.
- ➤ Partnerships with universities, think tanks, research and government agencies to deliver a series of websites providing public access to unprecedented depth of content around key genres including:
 - o Rural and regional Australia
 - Science
 - Education
 - o Asia and the Pacific.

Internationally, the ABC projects Australian values and perspectives to the world, and deepens Australia's engagement with the region:

➤ Harnessing the combined strength of Australia Network and Radio Australia as a common content carrier across all platforms – TV, radio and online.

- ➤ Extending the reach of Australia Network to the Middle East and extend the impact of Australia Network through increased subtitling of Australian programs.
- Increased focus on engagement with the Pacific including:
 - o More extensive news coverage;
 - English language and vocational learning;
 - o Institution building.
- > Extension of Radio Australia into India.
- ➤ Building public broadcasting skills and infrastructure throughout the Pacific, in partnership with Australian Government agencies.

The Australian media environment in 2020

Confident predictions about the shape of the media in 2020 are difficult, given the pace of technological change, but the following broad trends can be expected:

- **Increasing availability of content**. Multichannel television and high-speed broadband connectivity provide audiences with exponentially greater choices of media content from providers anywhere in the world, bypassing local content regulation.
- Increased range of media forms and delivery platforms. Audiences expect to access content across an increasing range of devices and contexts.
- Personalised media. Audiences expect increasingly personalised media experiences, including time- and platform-shifting of content consumption.
- **Participatory media**. A growing proportion of the public is interested in active engagement with media content creation, ranging from voting and forum discussion, through to collaboration in content creation.
- Audience fragmentation. Greater content choice and delivery platforms fragments audiences, but screen-based content delivered free-to-view will continue to aggregate the largest audiences, particularly around major events, sport and high quality entertainment.
- **Increasing concentration of media ownership**. As the media environment becomes increasingly global and converged, larger media firms seek greater scale.

• **Digital production**. Low-cost, professional-quality digital production equipment allows cheaper production of content, at the same time as the cost of high-end production increases as major media organisations seek to differentiate their output.

Implications for Australian Content

In an environment of almost limitless choice and multiple delivery systems, the current reliance on Australian content quotas on analogue channels will be obsolete, and will fail to deliver the cultural outcomes they were designed to achieve. Australians will be swamped with foreign content at the same time as fragmentation of audiences and revenue reduces the profitability of high cost Australian content for the commercial media.

The ABC brand, synonymous with quality Australian content, will be an even more important source of Australian content in this environment, and a key mechanism for achieving cultural policy objectives. It will be the means by which Australian audiences can find quality Australian content, and the connection between the creators of Australian content and a mass audience.

Principles of public broadcasting

The traditional imperative to "inform, educate and entertain", articulated by the first Director-General of the BBC, Lord Reith, and long adopted by the ABC, reflects the policy rationale for public broadcasting – to both deliver cultural policy objectives and to address market failure, particularly in the provision of local content.

Consistent with its Charter and current role, the ABC in 2020 will continue to deliver the public benefits that underpin the rationale for public broadcasting:

- Universality
- Localism
- Australian Content
- Program Diversity
- Diversity of News and Information
- Education
- Creative Risk
- Quality

Universality

Substantial public benefit is derived from all citizens, regardless of circumstances, having access to a pool of necessary information and services that allows them to participate in society and democratic institutions.

Australia's geography means that it is highly uneconomical to deliver broadcasting and other services to regional and remote areas using terrestrial broadcasting transmitters. As a result, such areas have typically been poorly served by the market.

The growth of subscription and pay-per-view services creates another divide—between those who pay for, and thus have access to, information and those who cannot or do not. Similarly, broadband access is limited both by the physical infrastructure but also by the monthly cost, particularly for higher capacity or higher speed services.

By contrast, a core feature of public broadcasters is universality of service. The transmission footprint of ABC Television and Radio, for example, covers more than 98% of the population. An additional benefit of this national coverage is the ABC's unique capacity for emergency broadcasting to any part of the country.

Consistent with its obligation to provide services for all Australians, the ABC's policy is to ensure that its services are carried on all major platforms. Universality of service in this environment carries new challenges.

The ABC's distribution on traditional media platforms has been guaranteed, but in a broadband environment the cost of delivering bandwidth-intensive content to audiences is potentially high and increases with demand, unlike the fixed cost model of transmission for television and radio. For example, every time an audience member watches a television program online, the ABC currently has to pay for the bandwidth.

As broadband infrastructure is rolled out and high speed connections become commonplace, there is a great opportunity for the ABC to deliver a wide range of high quality programming to all Australians. However, the challenge is to do this in a way which is affordable for the ABC and affordable for the audience.

Localism

For a number of years, concerns have been voiced about declining levels of local news and information in media services in regional Australia. This decline reflects the growth of regional media networks that seek efficiencies through syndication of content, a rational response to the relatively small size, and hence low profitability, of regional markets. The result is inadequate local service levels outside of the major cities.¹

By comparison, public broadcasters, which are not bound by a need for profitability, are able to deliver dedicated services to regional areas. Virtually since inception, this is a role that has been expected of the ABC. Accordingly, the Corporation has offices in 60 sites – both cities

¹ See, e.g., Tim Dwyer, Derek Wilding, Helen Wilson and Simon Curtis. *Content, Consolidation and Clout: How will regional Australia by affected by media ownership changes?*. 2006. Melbourne: Communications Law Centre.

and regional centres — throughout the country. Each of these sites is a hub for digital content creation, with 60 broadband sites now delivering local content to local communities.

As the future media environment is likely to see an acceleration of the trend towards concentration of ownership, the need for the ABC to correct this market failure seems likely to remain.

Australian Content

Delivery of Australian and children's content is an important cultural policy objective reflected in current regulation. But in a converged, digital media world, with limitless content choices, regulation based on analogue media platforms will no longer be effective.

At the same time, the fragmentation of audiences and revenue will reduce the profitability of Australian content for commercial media, placing pressure on their business models and increasing the likelihood of market failure in the delivery of Australian content.

Relatively high costs limit the provision of quality Australian content, particularly drama. High quality Australian drama costs \$1 million or more per hour to produce. Foreign content of similar quality can be purchased for 10% or less of that cost, because the production costs are generally recouped in the domestic market and the content effectively 'dumped' at low cost to other broadcasters around the world.

Building its brand as essentially Australian, and its reputation for quality, the ABC can be the key media institution in delivering high volumes of local content to Australian audiences everywhere, across all platforms. Specific initiatives may include:

- Drama telling Australian stories in a range of formats including telemovies, mini-series and longer form drama. A landmark series of dramas based on the great canon of Australian literature, providing an educational resource as well as content for TV and broadband.
- Documentary landmark historical documentaries in the tradition of the Constructing Australia series, again providing invaluable educational resources.
- Children's a dedicated commercial-free Children's Channel with high levels of Australian content.
- Rural and Regional TV and broadband content that builds a shared understanding between city and country Australia on the hot issues of climate change, water and food scarcity.
- News and current affairs delivering ABC News continuously, around the clock to a range of ABC platforms including 24/7 digital TV newschannel and ABC News Online.

Program Diversity

Substantial public benefit flows from the availability to media consumers of a wide choice of content. This includes supporting cultural diversity by providing content that is relevant to and representative of the widest possible range of groups within society.

As commercial free-to-air broadcasters' revenue is linked to the sizes of the audiences they can deliver to advertisers, they will tend to cluster their offerings around the content genres likely to attract the largest audiences, rather than seeking to substantially differentiate their services from their competitors. As a result, the range of content offered to viewers, already small as a result of the market, is further reduced by this clustering.

The Australian response to this market failure has been based on sectoral diversity in the form of a balanced structure of national, commercial and community broadcasting sectors, each of which is unique and complementary. This is widely understood to be a successful approach, and is borne out by economic modelling. Alcock and Docwra's work indicates that the presence of a major public broadcaster, such as the ABC, that is not principally driven by the need to maximise audiences, does indeed increase the diversity of content available to the public. They found that

[w]hen a government player was introduced to an otherwise free enterprise market, greater diversity, lower "collusion" and greater market coverage were enjoyed by viewers. Surprisingly though, the presence of a government player also brought about increased revenues for the other market players. Judicious direction of government player seemed to benefit both the viewers and the other market players.³

The ABC is the only Australian broadcaster with a commitment to a diverse range of content genres including arts, science, education and rural programming. The recently announced strategic partnership between the ABC and the Australia Council to deliver more arts programming across a range of platforms, is an initiative only a public broadcaster can deliver. The development of a suite of digital TV multichannels will enhance the ABC's ability to deliver program diversity. ABC2 is already demonstrating the potential through programming such as live ballet and concert performances, and shows such as *The Good Game*.

Digital Radio similarly will allow the ABC to provide even greater program diversity with a suite of radio stations catering for specific music and content genres. ABC Online is already demonstrating the range of content diversity possible through the ABC, with 3.9 million pages of content across 12 subject gateways, representing the richest and most diverse offering of any Australian media organisation.

² Jamie Alcock and George Docwra. "A simulation analysis of the market effect of the Australian Broadcasting Corporation", *Information Economics and Policy*, Vol.17, No.4, October 2005, pp.407–427.

³ Alcock and Docwra. "A simulation analysis of the market effect of the Australian Broadcasting Corporation", p.425.

Diversity of News and Information Sources

Effective democracy depends on informed public debate about key issues affecting society and the nation. This need is best served by the presence of a diverse range of sources of news and other information, including those that are independent of commercial and other vested interests.

The tendency of media markets towards concentration of ownership is clearly at odds with the socially-desirable outcome of ensuring a diversity of news and information sources.

Against this background, there is a clear role for public broadcasters, which not only increase the number of news and information services, but also are legislatively obliged to provide independent news and information services. The ABC's news and current affairs output is subject not only to public scrutiny through the Parliament, but also to a rigorous multi-tiered complaints process and the most comprehensive set of binding Editorial Policies of any Australian media organisation.

As public confidence in the media's ability to deliver quality news reporting declines and in environment where even Australia's quality newspapers need to run more tabloid content online in order to monetise audiences, Australians seeking a credible source of news and information will be even more reliant on the ABC.

Education

The digital education revolution will involve a major expansion of digital resources within the education area, including extensive upgrade of hardware, networking within schools and a national high speed broadband network. The government is also committed to establishing a national curriculum in core subject areas.

In this context the ABC is looking at expanding its educational service, including the possibility of establishing a dedicated digital education channel to provide content to meet teacher and student needs, and resourcing the national curriculum as it is developed. The ABC is keen to draw on its program archives, re-purpose current programming and create new content to make Australian history, society, science, and contemporary issues come alive in the digital classroom of the future.

The service would also provide English and foreign language teaching resources and be promoted and accessible throughout the Asia/Pacific region. It would be a comprehensive educational service delivered via free to air digital broadcast, broadband, internet channels, streaming and downloads.

The ABC will work in partnership with educational bodies, government agencies, universities and schools in developing the Education Channel. ABC educational material is already used by 60 per cent of schools, with an even greater number of schools making use of ABC programs such as news, current affairs and documentary programs.

The ABC also has a role in educating the public about developments in the media itself including new platforms, new content and new ways of consuming media. For many television viewers the first experience of the additional content that can be offered through digital television, for example, has been ABC2. Recent digital media innovations by the ABC including ABC Now, podcasts and vodcasts, and internet TV allow audiences to be introduced to new media forms via a brand they know and trust.

Creative Risk

In a converged, digital media world, the ABC's traditional role in encouraging creative endeavour and fostering new talent is enhanced by the ability to provide a national digital platform for Australia's artists and cultural institutions. The ABC is the mainstay of Australia's cultural infrastructure and at the forefront of creativity in the screen content industries.

As outlined above, there is a rational tendency for free-to-air commercial broadcasters to cluster output around the content genres likely to attract the largest audiences. For the same reason they are also unlikely to take significant content or technical risks, as to do so potentially jeopardises audiences, and hence advertising revenue. The result is that, not only does the market fail to deliver significant content diversity, it also creates disincentives to innovation, meaning that the development of new formats or platforms that might better suit the needs of audiences occurs slowly.

Public broadcasters, by comparison, are not subject to these constraints, and are able to pursue innovative content that may not attract significant audiences, such as cutting-edge drama or comedy, and to play the role of the "early adopter" of emerging technologies and formats. This has traditionally been the way in which the ABC has interpreted its Charter obligation to deliver innovative broadcasting services.⁴

By operating a suite of multichannels, the ABC's ability to take creative risk is enhanced, particularly on ABC2, which has a clear objective of fostering new talent and formats, and may be the place where Australia's next Aunty Jack, Norman Gunston or Mr G is discovered.

The ABC is also well placed to take creative risks with new ways of telling stories and creating conversations between Australians. The digital environment creates the potential for new content experiences and story-telling formats. In the documentary genre, this could be a non-linear, fully interactive documentary which gives the user much more control over how the story unfolds.

⁴ ABC Act, s.6(1)(a).

The online platform has been well exploited for news and information but its entertainment and narrative potential has not yet been fully explored. New forms of entertainment might involve creating three-dimensional narrative experiences with elements of games and role-playing. With its 'early adopter' and experimental approach, the ABC can play a crucial role in building these new ways for Australians to tell their stories to each other.

Quality

There are identifiable public benefits that flow from the provision of high-quality, informative and thought-provoking content that enriches society and allows audiences to cultivate their tastes, experiences and understanding. Without the constraint of commercial profitability, public broadcasters have greater freedom to pursue quality.

Potential indicators of quality include: providing insight into issues, people or the Australian nation, rather than providing simple entertainment value; contribution to Australia's national identity or the "national conversation"; transcendence of genre (e.g. drama programs that also have historical merit, documentaries that are educational); interactive extensions of programs that enable audiences to explore their substantive content in greater detail; high levels of investment in scripting and production; as well as critical review and audience perceptions.

Digital technology has already allowed the ABC to demonstrate its ability to deliver quality content in new ways. A suite of digital TV channels and digital radio stations will allow the ABC to deliver more quality content to audiences, catering for diverse interests, reflecting and building the national identity and enhancing the ability of all Australians to contribute to the "national conversation".

Conclusion

In 2020 an invigorated, multichannel, multi-platform ABC will be an essential guarantee that a comprehensive range of quality Australian content continues to be seen and heard by all Australians. In a world of limitless content choice the ABC will still stand for Australian stories, reliable news and information and diverse, innovative and quality content for audiences everywhere.

"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."

Sydney Morning Herald 30 June 2007