

DARCE CASSIDY RESPONDS TO ROBERT MANNE



Darce Cassidy

In August 2003 *The Age* carried an article by Robert Manne, Professor of Politics at Latrobe

University, who argued that the ABC was grossly underfunded and since it was unlikely that either the Coalition or Labor would fund it properly, then it should take between-program advertising like the SBS.

Professor Manne argued:

A few years ago SBS introduced between-program advertising. This has interfered neither with the content of SBS news and current affairs nor with the enjoyment of its viewers, who do not endure the crass interruption of programs taken for granted by commercial TV. With a revised charter, requiring the ABC to maintain its independence from both government and business, and with a truly independent Board, I do not see why between-program advertising need compromise in any way any activity of the ABC.

Friends of the ABC spokesperson Darce Cassidy responds.

In their 1999 Study, *Public service*

broadcasters around the world, commissioned by the BBC, the management consultants McKinsey and Company mount a strong case against advertising on public service broadcasters.

Their review of 20 broadcasting markets on four continents focused on the issue of competition in those markets. It found that competition in broadcasting markets was strongest when the public service broadcaster took no advertising, and weakest when the public service broadcaster received a substantial income from advertising.

McKinsey argued against greater regulation of the media, but in favour of supporting advertising-free public broadcasters, which would combine creative and market pressures on broadcasters to achieve a society's aims for its broadcasting market.

The McKinsey study states: 'Our analysis shows clearly that an increased dependence on advertising has led inexorably to a more populist and less distinctive schedule.' It goes on to argue that the less distinctive a public broadcaster is the less impact it makes on the overall market, and the less competitive it is.

On the other hand distinctiveness alone is not enough. The public service broadcaster must be large enough, well funded enough and mainstream enough to have a significant market share. Without that, it

has no real market-power, and therefore no real competitive impact.

You say that advertising has not interfered with the content of SBS news and current affairs, nor with the enjoyment of its viewers, who do not have their programs interrupted by advertising.



It is tempting to think that advertising on the SBS will be contained on the periphery. There are strong pressures within the SBS for it to grow. Managing Director Nigel Milan has already floated the idea of giving up the between-programs limitation. The story of how sponsorship developed into advertising in the US is relevant.

In the early days of broadcasting sponsorship or advertising was widely condemned.

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THE PRESIDENT'S REPORT



Mark Scott announced on 8 February that he was setting up a new division, *ABC Commercial to examine the potential for new revenue streams of digital technology, such as podcasting, vodcasting and video-on-demand*. Neither the ABC Act, nor its including Charter prohibit this type of development. ABC Commercial will take over the existing ABC Enterprises, which earned about \$20m in a total ABC Budget of \$800m in 2005-6.

Quentin Dempster, former Staff-elected Director of the ABC Board, quite rightly dubbed this commercialisation by stealth. Mark Scott responded by saying that the ABC Cricket Book had advertisements when it was first published in 1938. This demonstrates nicely that it is creeping commercialisation – it just began a long time ago and diversity of methods for making a buck are always on the march.

The tragedy is that both positions are right, and the dilemma has been forced on the ABC by the paucity of funding from the Coalition

Government. Mark Scott, quite rightly, surveys the services the organisation should provide in an ideal world, matches this with the legal framework he has been given, and finds a niche for extra funds, which help his mission to ensure the survival of the organisation. He thus fulfils his obligations as Managing Director by doing all he can to ensure the survival of the organisation. Quentin Dempster, on the other hand, and like us all, surveys the

Fees for online podcasts and videos versus creeping commercialisation – the tragedy of both positions being right.

commercial push in the BBC, the creeping horrors of SBS advertising, and sees how

one more hole in the ABC wall can lead to the dam bursting.

In the meantime, the Coalition Government stands back, asserts that the ABC is being run independently and escapes any culpability for creating this impossible situation. Neat. The moral and ethical dilemmas are framed upstairs and fought out downstairs, causing allies to be antagonists. This situation also demonstrates how vital it is that in the current political climate that we oppose any hint

of amending the ABC Act, because we can be 100% certain that any changes would be detrimental. No wonder we don't feel comfortable and relaxed.

My Resignation - 30 April

After careful consideration, I have come to realise that I am not able to meet the demands (albeit self-imposed) of this position. I have some new grandfatherly and my own matrimonial activities later this year, amongst other urgent personal priorities, to all of which I need to devote my attention. After a preliminary advice to our Management Committee last November, I have now decided that my resignation will be effective on Monday 30 April 2007. I wish to continue to support FABC by working on the Events and Recruitment Committee.

Please accept my good wishes to all concerned, in pursuing the Friends' vital role in support of the ABC.

Bill Johnstone
President FABC (NSW)

POSITION OF PRESIDENT

Regrettably our President Bill Johnstone has advised us that he needs to resign from the position of President with effect from 30th April 2007, in order to attend to unfore-

seen and pressing personal and family matters which need to take priority. We thank Bill for his valuable service and his strenuous efforts in promoting the cause

of the Friends over past months. He will continue with other activities and will remain on the Events and Recruitment Committee, which does important work in the Sydney area.

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Meet Mal Hewitt Vice President

Mal Hewitt has been a member of the NSW FABC since its beginning and, for the past 5 years, a member of the NSW FABC Committee. Mal is President of Parramatta Branch, and



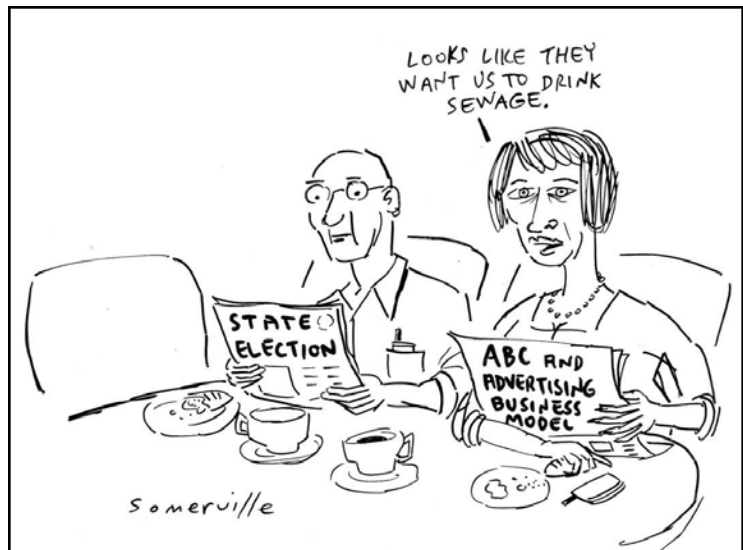
organised the State Conference of FABC, held at Rooty Hill last August.

He comes from a background of education (40 years with the NSW Department of Education) and music, particularly youth and community choirs and orchestras. He conducts his own symphony orchestra, The

Occasional Performing Symphony made up of students, teachers and professional musicians. They perform regularly throughout Sydney, and also in country

centres such as Armidale, Lismore and Bowral.

Mal organizes the Annual Celebration Concert in Sydney Town Hall, where over 1,000 students from throughout NSW perform to raise funds for The Children's Hospital and medical research. Mal is married to Alison and they have a 15-month-old son Reginald Mark who keeps Mal and Alison very busy these days.



Cartoon courtesy Phil Somerville

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POSITION OF PRESIDENT - VACANT FROM 30 APRIL

Should there be an intervening period between Bill's departure and the accession of a new president, our Vice President Malcolm Hewitt has consented to serve as Acting President for that time. Mal Hewitt is President of the Parramatta Branch, and has a strong background in schools and music education and public performance by young people, and more recently in handling FABC events. Continuity will be maintained.

We now need to find a person who can serve in this important role. Persuasive presentation both spoken and written and a high degree of media awareness are desirable. The President will chair the NSW Committee in Sydney, liaise with members and with other branches, and have an important role in relation to this newsletter, *Update*.

Members are invited to consider nominating themselves, or some other person who

need not necessarily be a current member.

The candidate must live in the Sydney area for his or her contribution to be effective.

If you have any suggestions, please contact James Buchanan (Hon Treasurer)

E-mail

<jamesbuc@bigpond.net.au>

or phone 9371 5621

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Rose Bay NSW 2029

COWPER BRANCH

Friends of the ABC

As this is the first report that we have submitted to *Update* I will briefly give you some history of the Branch. The federal electorate of Cowper is on the Mid North Coast, from Kempsey in the south, to Grafton in the north and to the west of Dorrigo. The city of Coffs Harbour is more or less in the centre. The demographics of Cowper are a rapidly expanding population consisting of the full gamut of people, from primary production, manufacturing, young people, retirees, and people moving from the city looking for a new lifestyle change. It also has above average numbers of over 65s.

In 2000 there was a small group of people who actively supported Friends of the ABC (FABC) and lobbied the local member etc. Then in 2006, Friends of the ABC, Nambucca Valley Branch was formed and within 12 months we now have over 100 very active members. At the recent AGM we changed the name to FABC Cowper.

The AGM in November was held at Nambucca Heads and well attended and the new office bearers are:

President: Tony Waugh
Vice President: Janet Court
Secretary/Treasurer:
Joyce Gardener
Publicity Officer:
Martin Miller
Social Committee:
Chairperson: Jo Smyth
Committee: Auchan Oakley,
Madeline Purcell, Mike
Buchhorn

After the short AGM there was a mouth-watering smorgasbord luncheon, with more than 60 people showing their appreciation for all the hard work that went into the preparation and presentation for the luncheon.



Our guest speaker was Dr Richard HIL BA(Hons)(Essex), MSc(Bristol), DipSocStud(Southampton), PhD(Luton) who is from Southern Cross University, Coffs Harbour Campus: Organisational Unit: School of Arts and Social Science.

He is also a director of the Bellingen Institute and Associate Director of the Centre for Peace and Social Justice.

Richard gave an extremely thoughtful and alarming presentation on The Composition of the ABC Board. We do not have space here to print all his comments but here are a few of the points that he made:

- ▶ If the ABC needed friends, it needs them now.
- ▶ The new ABC Board is a rogues gallery.
- ▶ The Board is applying direct political interference.

▶ The nature of Australian society has changed under this present government.

▶ Howard has begun to expunge the so-called right and left tribes within the ABC, and the Universities will be next.

▶ The Board has direct influence on the running of the ABC.

▶ Of all the members on the ABC Board, there is only one, Mark Scott, the new Managing Director who has any knowledge of running a media organisation. There is only ONE media group left to give you the TRUTH ie: the ABC.

▶ How ABC News and Current Affairs is presented has a direct influence on how it affects you and your families.

▶ Fox News (News Ltd) is great entertainment but there is not much news.

A lively discussion followed, and I might say there was a lot of agreement with Richard's presentation.

Parts of the speech were published in the *Coffs Coast Advocate*.

(Continued on Page 5)
Martin Miller
(Publicity Officer)



Members looking at ABC merchandise before the start of the AGM.

DARCE CASSIDY RESPONDS TO ROBERT MANNE

Continued from Page 1

Erik Barnouw, author of the definitive three volume *A History of Broadcasting in the United States* wrote that Herbert Hoover, while Secretary of Commerce, said it was inconceivable that we should allow so great a possibility for service to be drowned in advertising chatter.

When radio was first established, sponsorship announcements were discrete, never personal. Barnouw describes how under the unofficial rules prices were not to be mentioned, samples were not to be offered, store locations were taboo and personal items such as toothpaste were questioned. The clothing firm of Browning King was content to attach its name to an orchestra. The fact that Browning King sold clothes was never mentioned. The Browning King Orchestra simply played nice music. Other sponsors followed and stations rushed to sign up the Kodak Chorus, the Ipana Troubadours and the Goodrich Silvertown Orchestra. In the meantime the National Association of Broadcasters proposed that sponsorship announcements be banned from prime-time listening, on the basis that it was family listening time.

All this changed with the 1929 crash. CBS, one of the major networks was in trouble. George Washington Hill, President of American Tobacco, came to the rescue. Cremo cigars were suffering from rumours that they were made with spit. He needed to counter the rumours, and was prepared to pay. CBS capitulated, and in between tunes from the Cremo Military Band an announcer shouted: *'There is no spit in Cremo'*. NBC soon followed suit, sponsorship became advertising, and aggressive.

Australia has relatively diverse broadcast media because we have three distinct funding models. The ABC does not have advertising, but is subject to influence by government. To some degree it has been protected by its arms-length rela-

tionship with government, and a tradition of independence. It has never, of course, been fully independent, and its limited independence is under challenge.

The commercial media are dependent on advertisers, but much less so on government (except when they need to do deals to change the rules – like those applying to cross media ownership).

The community sector depends primarily on volunteer labour and public subscriptions. Unfortunately the initial rules preventing advertising have now been relaxed in the community sector, and many community stations, particularly in regional areas, are now dependent on advertising. A look at the number of complaints against radio stations that have been upheld by the ABA in the first half of this year shows that the great majority of adverse findings by the ABA relating to radio are about excessive advertising by so-called community stations.

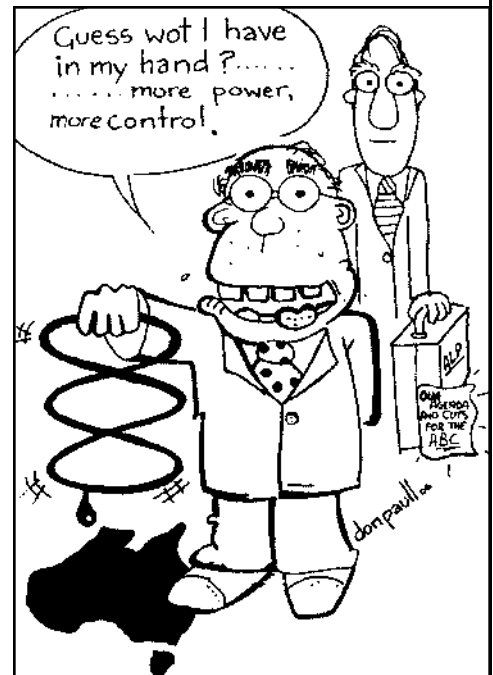
In commenting on the then media ownership rules Henry Mayer said that it mattered comparatively little whether Rupert Murdoch or Kerry Packer or Conrad Black owned the media. What mattered more was how they were financed. With three distinct sectors, financed in three distinct ways, by advertising, by government and by community organizations, we have some guarantee of diversity. Advertisers have already invaded the community sector. They already largely control the commercial sector. They have a foot in the door at the SBS. Only the ABC is advertising free.

You are right when you say that neither the government nor the opposition have much time for the ABC. Yet most Australians do, and they are prepared to pay more for it. The National Social Science Survey, carried out in 1999 and made available to Professor Glenn Withers of the ANU in March 2000, found that the average will-

ingness to pay for the ABC was 30 per cent higher than the 1999 actual mean outlay (\$48 per head versus \$37). The survey found that taxpayers wanted to pay less for social security, defence, industry assistance and a range of other government services, but were willing to pay more for the ABC.

In view of the above I think it is too early to give up.

Cowper Branch
(Continued from Page 4)



Did you know that over 86% of all Australians come into contact with the ABC in one of its many facets each week.

Please support Friends of the ABC
(see reverse)

Above is one side of a pamphlet that we had drawn up by a cartoonist, Don Paull in Bellingen. We had 5000 printed. On the other side is information about the ABC and how to become a member of either the Cowper Branch or a full member of Friends of the ABC NSW.

The Committee decided to have a special pamphlet made up to grab people's attention. If any other branch would like to use it please contact us at:

<fabccowper@gmail.com > and we will send it to you for your perusal, if you decide to use it, it is free and has been approved by FABC NSW.

Central Coast Branch

FRIENDS OF THE ABC

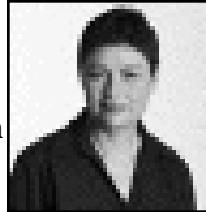
On Saturday 3 February the Central Coast Branch of the FABC held its AGM for 2007. The meeting again elected John and Margaret Hale as Co-convenors, Pat McDonnell as Treasurer and Val Sharman as Minutes Secretary.

Much of the discussion at the meeting centred around our program for the year which includes talks by Chris Masters on 30 March at the Central Coast Leagues Club



from 7pm, Quentin Dempster (again at the leagues Club.

on 26 May) and Monica Attard later in the year.



We also set up a subcommittee to decide whether the FABC will join with other organisations in lobbying Federal candidates for the elections later this year.

Desmond Moore

To support the ABC, Friends need more Friends.

Your support is needed to obtain more members. Talk to your friends and neighbours.

Ask them to join Friends of the ABC.

Use the form on the back of Update.

Northern Rivers Branch

Friends of the ABC

The Northern Rivers Branch finished the year with a very successful fund raiser at the Byron Community Markets and then a visit by former ABC Middle East



Correspondent Mark Willacy. This was the latest in a series of addresses by Greg Wilesmith, Sean

Dorney, John Highfield, Eric Campbell and Sally Neighbour

forthcoming book that recounts his experiences in Iraq, Israel, Palestine and



A group of about 90 Friends and residents of the Northern Rivers region attended Mark's address at the Ocean Shores Country Club. Mark spent the first 40 minutes drawing on excerpts from a

Lebanon. Following that he fielded a wide array of questions from the audience.

In March, April and May next year, the Northern Rivers

Branch will work with the Richmond Tweed Regional library, ABC North Coast, Southern Cross University and Twin Towns Ex Services Club to host the ABC Foreign Correspondents' exhibition that has previously been on display in Sydney, Brisbane, Canberra and Wagga Wagga. We hope to launch the exhibition in Lismore early in March and then move the exhibition to the Tweed area in May 2007.

Neville Jennings
President

March to advertising will deliver a two-tier ABC

The future of the ABC as a commercial-free media service that is accessible to all in the community is under serious threat. The creation of an even more powerful commercial division at the ABC that will consider the possibility of introducing advertisements on ABC websites and charging for some of the broadcaster's, at present, free services should alarm everyone (*"ABC looks at charge by byte brigade"*, February 8).

While these are not the first steps, they are an escalation in what appears to be an agenda to steadily commercialise the ABC, and a shift by the ABC to deny Australians universal access to their national broadcaster.

Advertising would undermine the ABC's independence. As the saying goes: *he who pays the piper calls the tune*. The SBS experience demonstrates the inevitable pressure to extend advertising once it is introduced, and the excuse it provides government to withdraw further from its responsibility to fund public broadcasting.

Like television and radio, technologies such as online, podcasting and vodcasting are simply another means of delivering content. Free from time constraints, their significance is growing as a means to access ABC programming in our busy lives.

The ABC has rightly recognised the importance of these new technologies as an integral part of public broadcasting. It cannot,



with any credibility, then turn around and charge for them. It is not acceptable for the national public broadcaster to provide a two-tier service, with some services being available only to those who can afford to pay. In addition to denying some in the community access to its content, the ABC's place in Australian life will be diminished.

The ABC Board and executive's ever-growing commercial outlook is diverting the ABC's focus from what it exists to do. The national public broadcaster is not meant to be a business. It was conceived of as a service to the public - an independent educational and cultural institution that enriches the country and the lives of its citizens. One which has already been paid for through our taxes.

*Judith Rodriguez President,
Friends of the ABC (Victoria)*

UPDATE

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Update is also supplied to journalists, politicians and libraries across Australia. It is edited and produced in Sydney but contributions are welcome from NSW country and interstate branches.

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Acting Editor: Mal Hewitt. Layout, format and assembly: Irwin Kurtz.

Advertising, sponsorship and corporate underwriting

*Briefing paper developed by
Friends of the ABC, South
Australia*

From time to time it is suggested that taking advertising might be the answer to the ABC's problems. While it is possible that it might help the ABC financially, there is evidence that advertising brings compromises. And of course advertising is not free. We all pay for the ABC through our taxes, and we all pay for commercial broadcasting when we buy a packet of OMO.

It is by no means certain that advertising would benefit the ABC financially. The Government might well decide to reduce funding to the ABC in line with advertising income, leaving the ABC with the same budget problems. Gordon Harcourt has described how the New Zealand Government, after it commercialised TVNZ, actually used it as a way of raising revenue for the government. TVNZ ended up subsidising the government, but in the process abandoned its public service charter¹.

Then there is the potential for advertisers to influence ABC programs. This has

been documented in the Australian Broadcasting Authority's Cash for Comment investigation and in the Australian Broadcasting Tribunal's Soap Suds Inquiry.

However perhaps the strongest argument against running advertisements on the ABC is the need to ensure media diversity. Media ownership is becoming increasingly concentrated in Australia, and the trend may continue if the cross media ownership rules are relaxed. While the commercial mass media are controlled by a handful of companies a degree of diversity is guaranteed by the fact that Australia has three distinct broadcasting sectors, each with its own special characteristics, and its own funding model

The commercial sector exists by creating audiences, which it then sells to advertisers. All other things being equal, larger audiences can be sold for more money than smaller audiences. In a situation where there is a limited number of channels this can bring into play the economic behavior known as *The Principle of Minimum Differentiation* as Professor Glenn Withers explains:

The reason for this is that stations based on advertising revenue will seek to maximize their audience (and thereby their revenue). Stations will therefore duplicate program types as long

as the audience share obtained is greater than that from other programs. Hence a number of stations may compete by sharing a market for one type of program (such as crime dramas) and still do better in audience numbers than by providing programs of other types (such as arts and culture). In economics this point is an application of the Principle of Minimum Differentiation, a principle also capable of explaining such associated phenomenon as why bank branches may cluster together, why airline schedules may be parallel, and why political parties may have convergent policy platforms².

However the two other broadcasting sectors, community broadcasting and public service broadcasting, are less likely to behave in this way. By behaving differently, the different sectors provide competition and contribute to diversity. But if they were all funded in the same way, by advertising, then all of them would be under pressure from the Principle of Minimum Differentiation.

The ABC is governed by its Charter which requires it to provide specialist programs as well as programs of broad appeal. It has to foster the arts, provide educational programs and broadcast parliament.

Community broadcasting serves small geographic communities, or specialist communities of interest including classical music and jazz listeners, migrant communities and religious organisations. All of this looks like an excellent model for diversity.

But advertising has now intruded into both community and public service broadcasting. Community TV is allowed seven minutes per hour, and community radio five minutes per hour. Now advertising revenue is addictive – once started, the broadcasters can't stop.

The community broadcasters want to run more advertising, and are campaigning to ease the existing restrictions. A detailed case study by Dr Kitty van Vureen concluded that those stations which received a large proportion of their income from advertising (like 2TEN, Tenterfield, which received 80% of its income from advertising) tended to take commercial radio as their model. Meanwhile the SBS Board, which runs advertising only at the head and tail of programs, has recently [begun] interrupting programs with advertisements in order to increase advertising revenue.

A comparative study carried out by McKinsey and Company in 1999 concluded that those public-service

broadcasters (like RAI in Italy) which relied on advertising for a significant part of their funding have little to differentiate them from commercial channels, and offer little effective competition. McKinsey and Co [state]:

Our survey shows clearly the potential dangers of this approach. We have found evidence that the higher the advertising figures is as a proportion of total revenues, the less distinctive a public broadcaster is likely to be³.

1(<http://www.friendsoftheabc.org/Public%20Broadcasting%20in%20New%20Zealand.pdf>)

2 Withers, Glenn, Economics and Regulation of Broadcasting, April 2002

<http://eprints.anu.edu.au/archive/00001231/01/No93Withers.pdf>

3 McKinsey and Co, Public Service Broadcasters Around the World, London, 1999 (mimeo)

Local Radio Stations in the U S A

The results of Conglomerate Ownership

Local radio stations -- the vast majority of which are owned by giant national conglomerates -- have a sterling reputation for programming. Music stations are boring, talk stations air the same programs with different hosts (if they're not picking up a nationally syndicated arch-conservative or arch-liberal, they have their own versions) and news stations all too seldom beat the local bushes.

*Posted by Todd Leopold,
CNN.com Entertainment Producer*

Aunty delivers a health kick

In the early '70s when I bought my family's first TV, I soon became alarmed at the requests from my children for junk food. I contacted a friendly technological genius who modified my TV to only receive the ABC.

The requests for junk declined markedly.

Joan Huggett
Bowral

This above item appeared in the 19/02/07 SMH Letters Section.

New Committee Members – Your ABC needs you!

More members to serve on the NSW Committee would be most welcome, as numbers are down at present. This important committee is jointly responsible for the control and management of the affairs of FABC NSW.

We meet on the 3rd Monday of most months February through November, at 6.30pm in Pitt Street Sydney.

You must have email, and the main requirement is an ability to attend regularly.

If you can help, please contact James Buchanan (Hon Treasurer)
E-mail "jamesbuc@bigpond.net.au" or phone 9371 5621

We need your email address

Email is an easier way to reach members. If we don't have your email address please send it to Acting Membership Secretary - Chris Cartledge at <fabcmem@fabcnsw.org.au>.

Would you like to receive Update magazine electronically?

Save the planet's trees and The Friends printing and postage costs and read *Update* magazine on your computer.

Each quarter, when *Update* is published, you will receive an email with a link to the latest issue (each magazine is around 3MB).

You can try this now by going to our website at www.fabcnsw.org.au and clicking on *Update Magazine*.

If you prefer this delivery option for future *Updates* please send an email to the Membership Secretary at <fabcmem@fabcnsw.org.au>.

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It won't happen overnight, but it will happen

Darce Cassidy February 2007
1 The impact of advertising on the SBS

There have been major changes to the SBS since the introduction of advertising, but they have not happened overnight. We can chart developments at the SBS since strictly limited advertising was introduced in 1992-3.

► 1992 - SBS Managing Director, Brian Johns, moves programs in languages other than English (LOTE) out of prime time as advertising is about to start¹. Subsequent chief executives maintain the practice of English language domination of prime time, with LOTE programs broadcast either in the mornings, afternoons, or late at night, when many people would be at work, asleep or otherwise occupied.

► March 2003- SBS management is involved in a dispute with its own journalists over the introduction of advertising into news programs, which had previously been exempt. MEAA NSW secretary says 40 journalists had written to management claiming that sponsorship of news and current affairs programs compromised editorial integrity and could result in reporters being disciplined or fired for airing unfavourable stories about advertisers².

► November 2003 - More key staff to leave. Since the

arrival in January of former Television New Zealand (TVNZ) executive Shaun Brown as the head of television, there has been a succession of changes on and off screen at the Special Broadcasting Service. At first they seemed incremental. But over the past few months, long-established people and programs have been removed or relocated, new line-ups have been launched and pivotal programs reshaped. Since August 2002, the head of television has left, the chief programmer has resigned and the head of internal production has been told his job no longer exists³.

► December 2003 - The Federation of Ethnic Communities Council says that SBS has lost its way. FECCA Chairman Abd Malak claims: 'The only people who like SBS TV now are the cappuccino crowd - well-educated, middle-class people, it's mainly sex and soccer, I think. He added that his organisation was very close to giving up on SBS TV ... In the last three or four years they have separated themselves from ethnic communities. They don't come to our functions or religious festivals.' The dismissive, not to say insulting, response from SBS Managing Director Nigel Milan was: 'We're not going to cover the clog dancing from Brisbane Town Hall'⁴.

► January 2004 - *The Age's* media writer Ross Warneke comments on the banishment of non-English programs from prime time: The bulk of its 'ethnic content' these days is its morning news marathon, with hour after hour of foreign language news services relayed from everywhere from Manila to Madrid⁵.

► May 2004 - Staff become disenchanted. *The Age's* Debi Enker writes that SBS staff fear that the search for a broader audience is leading to the acquisition and commissioning of programs that are 'safer and blander', that SBS will become 'a poor man's version of a commercial network rather than providing a challenging alternative'. The harshest critics fear SBS will end up looking like a second-rate cable-TV station, running reality TV shows and English-language drama series that the free-to-air channels have rejected as either being too limited in their appeal or too provocative⁶.

► June 2004 - SBS joins with commercial broadcasters to oppose the tightening of restrictions on tobacco advertising through the insidious practice of product placement⁷.

It won't happen overnight, but it will happen

Continued from Page 11

► October 2004 - SBS joins with the existing commercial stations to restrict competition and to argue against the granting of an additional free to air TV licence. The reason – more competition would impact on their advertising income⁸.

► November 2004 - Veteran SBS film critic Margaret Pomeranz, who together with co-host David Stratton deserted SBS for the ABC comments: 'I think that the current management has a much more commercial bent than any previous management. They seem to be after the young female demographic, and I worry about this, because this is a demographic already catered to in excess on the commercial television stations.

SBS was meant to broaden the scope of television in this country, extend what was already available, or that was always my vision of it. And I think it was the vision of a lot of people there as well. We were so little we didn't rate very well, although during the 90s under Peter Cavanagh, our ratings increased at really a remarkable rate. And for all of this new direction towards a more commercial bent, young female demographic, SBS is appealing to less viewers than it did before⁹.

► June 2005 - George Zangalis, President of the National Ethnic and Multicultural Broadcasters Council, and a former member of the SBS Board, issues a media release criticising the direction of SBS TV. He says: The SBS was established as a multicultural broadcaster, but has been moving away from its original charter. Programming in community languages has shrunk, while English programming has grown. Advertising has increased and become increasingly strident. Rather than focusing on different cultures, the SBS seems to be moving towards mainstream sports like cricket and now AFL. There is plenty of this type of programming on the ABC and the three commercial channels¹⁰.

► August 2005 - When first introduced, advertising on SBS is limited to five minutes per hour, and is not permitted to interrupt programs. It can only be used to top and tail programs. There are media reports that the SBS Board wants these restrictions lifted, and Managing Director Nigel Milan commissions a confidential survey on possible audience reactions to program interruptions¹¹. However the government does not remove the ban on advertisements interrupting programs. The experience of the early history of advertising in the US is relevant

here.

► February 2006 - The SBS confirms the complaint made by George Zangalis, President of the Ethnic Broadcasters Council, in June 2005, that SBS advertising has increased and become increasingly strident. SBS's Director of Commercial Affairs, Richard Finlayson, says that the broadcaster has reviewed the type of ads it will and will not accept.

In the past SBS has been reluctant to carry some ads, such as hard-hitting, in-your-face retails ads. That's changing².

2. How corporate underwriting changed to sponsorship and then became full-blown advertising – the US experience. Sometimes sponsorship or corporate underwriting is raised as a more palatable alternative to brash and hard-sell advertisements. What is wrong, it has been asked, about The Macquarie Bank Einstein Factor – a simple announcement at the front of the program that it is supported by the Macquarie Bank?

There are three things that concern Friends of the ABC, and many listeners and viewers, about advertising. First there is the concern that advertising will distort

Continued on Page 13

It won't happen overnight, but it will happen

Continued from Page 12

Second there is the concern that managers and program makers will be wary of airing any criticism of important advertisers – it can act as an unseen form of censorship. Third is the irritation factor – advertisements are often unduly loud, repetitive, and disruptive of the program's flow.

Simple corporate underwriting of the Macquarie Bank Einstein Factor kind would be less susceptible to the third concern, but is in no way exempt from the first two concerns. Moreover such corporate underwriting would attract only a fraction of the income that real advertising would bring, thus defeating part of the purpose. An account of how corporate underwriting gradually transformed into sponsorship and then into full-blown advertising in the United States is relevant here.

Advertising first appeared on the SBS in 1992-3, and its effect has indeed been grad-

ual. However the same was true about advertising in the United States, where it took some ten years to make its real impact felt. When it started, in the 1920s, it was genteel and low-key, but by the 1930s it was crass, loud and aggressive.

Advertising was not the main support for radio in its early days in the US. David Sarnoff, of RCA for example, advocated a tax on radio receivers, as a way of supporting broadcasting. Some stations were funded by colleges and universities. Others received support from philanthropists. However advertising grew steadily, if slowly at first.

International experience has clearly shown that advertising impacts on the program priorities of public service broadcasters¹³. Despite the fact that advertising accounts for only 15% of SBS income, its impact has by now become clear.

- 1 Brian Johns. SBS: Coping with a Strange Idea. In D. Goodman et al. 1991. Multicultural Australia: the challenges of change. Carlton: Scribe
- 2 Kylie Walker. SBS clashes with journalists over ads. In The Age 9 March 2003
- 3 Sydney Morning Herald 11 Nov 2003
- 4 Christopher Kremmer. Ethnic groups find SBS sex and soccer a turn off. In Sydney Morning Herald 20 December 2003
- 5 Ross Warneke. Public broadcasters face big year. In The Age 8 Jan. 2004
- 6 Debi Enker. Where to now, SBS? In The Age, 27 May 2004
- 7 Letter from Julie Eisenberg, SBS Head of Policy, to Senate Community Affairs Legislation Committee, 17 June, 2004
- 8 Provision of Commercial Television Broadcasting Services after 31 December 2006, SBS Submission to the Department of Information Technology, Communications and the Arts, October 2004
- 9 Radio National Media Report 4 November 2004
- 10 NEMBC Media Release 8 June 2005
- 11 Errol Simper, Borrowed time up for Milan. In The Australian 11 August 2005
- 12 Neil Shoebridge. FIFA world cup kicks off SBS ad sales. In Australian Financial Review 27 February 2006
1. New York: Oxford University Press
- 13 McKinsey and Co. 1999. Public service broadcasters around the world. London: mimeo

An Easy Way to Get More Members of The Friends

If you have a daughter or son or, grandson or grand-daughter who believes in supporting the ABC it would be a nice gesture to ask them to become members of the Friends by offering to pay for their first year's membership (\$15 for students, \$20 for individuals).

Simply fill out the form on the back of Update. They would then learn what the Friends do to support the ABC through the Update Newsletter and the FABCList.

AN OPINION PIECE FROM FABC COWPER

It is evident that FABC is becoming quite ineffective in getting and implementing our vision for an ABC that is free of financial restraint and political influence. Our Branch, Cowper, has been quite vocal in its dissatisfaction about getting a better deal for the ABC. We have written to both Gary Cook and Bill Johnstone on this matter, as well as bringing this issue up in a discussion group at the Regional Conference in August 2006.

We point to the apparent futility of writing to ministers/local members, making small delegations, joining with like-minded people, writing letters to the editor (often unpublished), and carefully monitoring the situation. Whilst we accept that it is important to do these things, we are convinced that in today's tightly controlled and managed political world, they are no longer effective and all we will gain is the satisfaction of saying we went down fighting.

We believe there must be some other potentially more effective strategy than simply relying on bringing down a government. This particular government now has everything in place to make change almost impossible. Even if the government is changed, all we get is more party politicians, more interested in their party's future than returning to the democratic process. Political parties will still be hobbled by the big corporate players, without whose cooperation governing becomes exceedingly difficult and their tenure most fragile.

It still seems to our group that we would be best served and more likely to be successful, if we could link liberal, progressive thinking people into fighting a battle which they may have more chance of winning. Leave those with rusted-on political affiliations the opportunity of continuing to support their party in the Lower House. Nor should we direct our efforts at John Howard's aspirationalists and the disinterested. Leave that demographic to the major parties to fight over, and direct our efforts at the 10-15 % of people who are informed, concerned about the erosion of democracy and care about the freedom of information.

We believe one of the fundamentals of democracy is freedom of speech. Isn't that one of the reasons why we are members of FABC? We hope within the FABC organisation there are like-minded people.

Is it time, for FABC, to be the conduit to forming

an effective lobby group/political party so our concerns and voice can be heard in the Senate of Australia?

Tony Waugh, President,
Martin Miller, Publicity

Note from the Executive:

It would be great to think that this proposal from the Cowper Branch (at that time Nambucca Valley) could be a potentially successful way ahead for FABC NSW. However, as noted by the authors, it was discussed at the NSW Regional conference of all branches 19-20 August 2006.

At that meeting the general consensus was that the proposals to field a new political party and a senate candidate are beyond the organisational resources and capacity of the Friends of the ABC NSW Branch. That is so particularly because the chances of success would be less than slim, as the record of small single issue parties will attest. Gary Cook recalls that a past president of FABC tried to mount an ABC support party and to stand for the Senate about 10 years ago, and the attempt failed.

In the absence of support from other regional branches, any such move would therefore need to be made without specific backing from the FABC NSW Branch.

Importantly, the Executive remains of the view that letters to MPs and communications with persons of influence remain an integral and necessary part of our support for the ABC, and we urge members to maintain a constant effort to tell our representatives what we think.

Members may recall the 2006 GetUp campaign on line via the web, masterminded by Gary Cook, in which more than 78 000 people voted on-line for a petition to the Treasurer to maintain funding for the ABC. We believe that campaign was largely successful in achieving some small degree of moderation in the final budget outcome.

Mal Hewitt, Vice President, FABC NSW
James Buchanan, Treasurer, FABC NSW

ABC may take advertising on its websites

Dear Readers herewith the information from Crikey.com and thanks to them for this information. Penelope Toltz

Margaret Simons writes:

The ABC may take advertising on its websites following a review of the issue, which will be one of the first tasks of the new ABC Commercial division, Managing Director Mark Scott said this morning.

'We understand the sensitivities, and we are going to consider and review the process. I am not saying we will do it, but I am not ruling it out either,' he said.

Scott's comments about the review follows yesterday's announcement of moves to exploit the commercial potential of the ABC's content, with plans to charge for downloads that are presently free.

The advertising industry, meanwhile, is salivating at the prospect of ads. The leading trade journal *B&T* this week quotes media buyer Harold Mitchell proclaiming the wonders of the ABC's special audience which is impossible to reach any other way. He believes advertising on the ABC websites could reap up to \$10 million a year.

Advertising

So what are we to make of all this? I think it is of vital importance to make a distinction between different kinds of commercialisation, rather than having a knee-jerk reaction against the lot.

Advertising should be opposed to the hilt, but I can see that charging citizens for downloads of ABC content may be acceptable depending on how it is managed.

What is important about the ABC? Two things: its independence, and its ability to commission and produce good content. Advertising will inevitably threaten the independence. Anyone who has worked for a media organisation knows how energetically advertisers can throw their weight around. The church and state division must be constantly patrolled and policed

and this depends on the integrity and strength of individual managers. Even if Scott and his team have that strength, their successors may not.

A big part of the future for the ABC will be user-generated content and social networking. Its point of uniqueness - its distinction from sites like *MySpace.com* - should be that it is a non-commercial public meeting space - a town square rather than a shopping mall.

Charging for podcasts and vodcasts is a different order of threat. It places the ABC at the behest of its audience, rather than big business. It raises issues of equity, and of commercial decisions driving content investment, but is easier to see how these concerns might be managed.

As I understand it, Scott is contemplating charging for time shifting. Downloading shortly after initial broadcast would be free. After a certain period, there would be a charge. Some content - such as news and current affairs - might, and should, remain free.

This isn't ideal. In a perfect world all the content would be free all the time. But there is no Father Christmas for public broadcasters at a time of increasing demands and potential. Government will not give it the money it needs, let alone wants. This leaves three options: taking advertising, finding ways to make money from content, or accepting decline and creeping irrelevance.

SBS, sadly, has taken the first path. The third option would be a disaster. Making money from content is the lesser of the evils.

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FABC RESOURCE CENTRE

Darce Cassidy
www.friendsoftheabc.org

Membership form

Please fill out the form below and return it with your payment to:

The Treasurer, Friends of the ABC (NSW) Inc.
PO Box 1391, North Sydney NSW 2059.

Use only if joining or if your membership has expired.

First Name	Last Name	Email:
(Please Print)		
Partner First Name	Last Name	Email:
Address	Suburb	P/Code
Phone (Home)	(Work)	Mob
I would like to join <input type="checkbox"/> I would like to renew <input type="checkbox"/> Membership No. _____ Age Group <input type="checkbox"/> 30 or under <input type="checkbox"/> 31-50 <input type="checkbox"/> 51+ I am interested in: Letter Writing <input type="checkbox"/> Stalls <input type="checkbox"/> Helping in the Office <input type="checkbox"/> Political campaigning <input type="checkbox"/> Computer work <input type="checkbox"/>		
My details will be passed on to my local FABC branch. (Strike out if you disagree) I/We apply for membership of FABC (NSW) Inc. and accept its objectives and rules.		
<input type="checkbox"/> Individual <input type="checkbox"/> Family/Household <input type="checkbox"/> Student <input type="checkbox"/> Pensioner <input type="checkbox"/> Corporate (covers 3 members) <input type="checkbox"/> I would like to make a donation	1 Yr. 3 Yrs. \$20 \$55 \$25 \$70 \$15 \$40 \$15 \$40 \$60 - \$_____	I am paying by <input type="checkbox"/> cheque in favour of FABC (NSW) Inc. <input type="checkbox"/> money order <input type="checkbox"/> mastercard <input type="checkbox"/> visa Card number _____ Name on credit card _____ Expiry date _____
Cardholders Signature	Amount \$	Date