

13 May 2009



ABC
Australian
Broadcasting
Corporation

Office of the
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Ms Melissa Sharpe
Friends of the ABC
PO Box 301
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Dear Ms Sharpe

I wanted to update you on our thinking at the ABC following the Government's announcement of increased funding in the budget. As you know, this budget was framed in the most difficult circumstances imaginable. When we started talks in Canberra about our Triennial Funding bid, there was a \$20 billion surplus. Last night the Government announced a \$58 billion deficit.

In light of this enormous budgetary pressure, it is pleasing we can press ahead with our plans for new services and distinctive content. Our new Children's Channel, ABC3, will be welcomed in the homes of Australian families across the country. We are going to significantly increase the levels of Australian drama on ABC television, working in partnership with the independent production sector. And regional and rural communities will benefit as ABC Local acts as a catalyst and host for the development of rich new broadband material.

This increased funding, the largest increased achieved by the ABC since the establishment of the corporation in 1983, is a robust vote of confidence in the work done by our people. Our Canberra strategy was based on highlighting the ABC's success as an innovator in new media, as a connector of communities and a provider of distinctive and unique content. We received strong support for our conviction that, in this dramatically changing media landscape, it was more important than ever that the ABC play a vital role in the lives of Australians everywhere. The increased funding is a vital stepping stone towards establishing the ABC as a great public broadcaster in a digital media era.

In doing this work, we had strong support from industry partners and key community organisations like the Friends of the ABC. Thank you for your support while our funding bid was considered by Government. The outcome does not bring to an end our discussions with Government around funding and strategic priorities and we will continue to engage over the role the ABC plays in Australia's digital future, including the allocation of new digital spectrum. The creation of broadband content to take advantage of the National Broadband Network will be a subject for discussion, as will Australia's international broadcasting opportunities.

At our Leaders' Conference in March this year, I said that, ultimately, the future of the ABC would be determined, not by funding decisions, but by choices we make: the priorities we determine, our ability to deliver on our strategy and the kind of organisation we create. That remains true after the budget. Clearly, in these tough economic times, we have not been funded for everything we wanted. We need to find ways to press on with our moves into digital radio and continuous news. These areas are set to be very important to the future of the public broadcaster. We also need to review our stretched operational budgets to ensure a focus on programming and service delivery.

We have a lot of work to do. We need to continue to deliver for Australians everywhere through broadcast and digital services as well as make the changes necessary to ensure the future of the ABC. In that light, the Board last week made some important decisions: moving ahead quickly on our new Brisbane headquarters and approving funding for the planning work on a new building adjoining our current premises at Southbank to allow all Melbourne activity to be consolidated on one site. The Board also approved a major new investment in a Web Content Management System – a decision that will be welcomed by staff labouring with the antiquated Wallace system as they expand our online services.

The ABC approaches this new era with vigour and excitement. We look closely to working with the Friends of the ABC over the coming years as we pursue our goals of being a new media innovator, a connector of communities and a trusted source of distinctive and unique content.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Scott', written in a cursive style.

Mark Scott
Managing Director