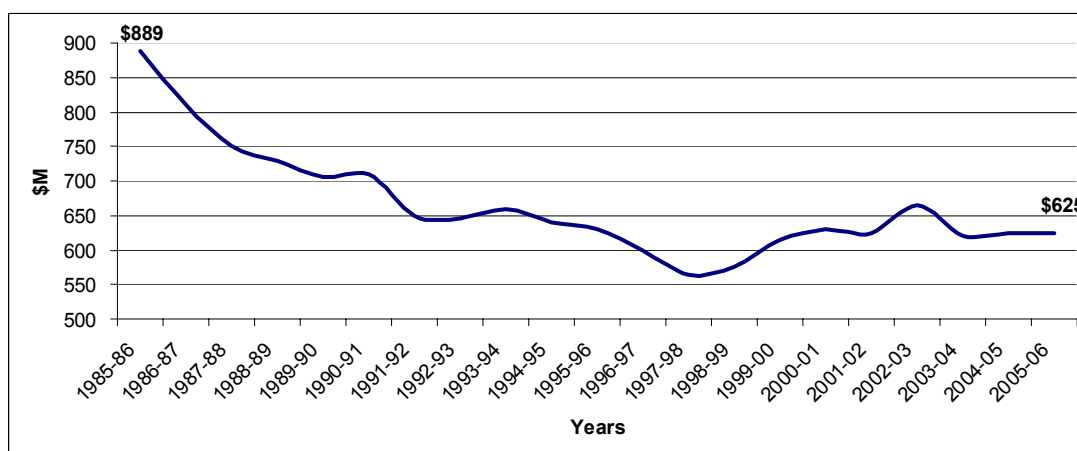


## Funding Benchmarks – beyond the ski slope



While ABC funding has declined drastically since 1985, leading the ABC Managing Director to describe the above graph as a ski slope, historical comparisons tell only part of the picture. For example, a graph showing funding movements between 1999 and 2005 would show a small increase in funding. The picture becomes clearer when we look at some other benchmarks.

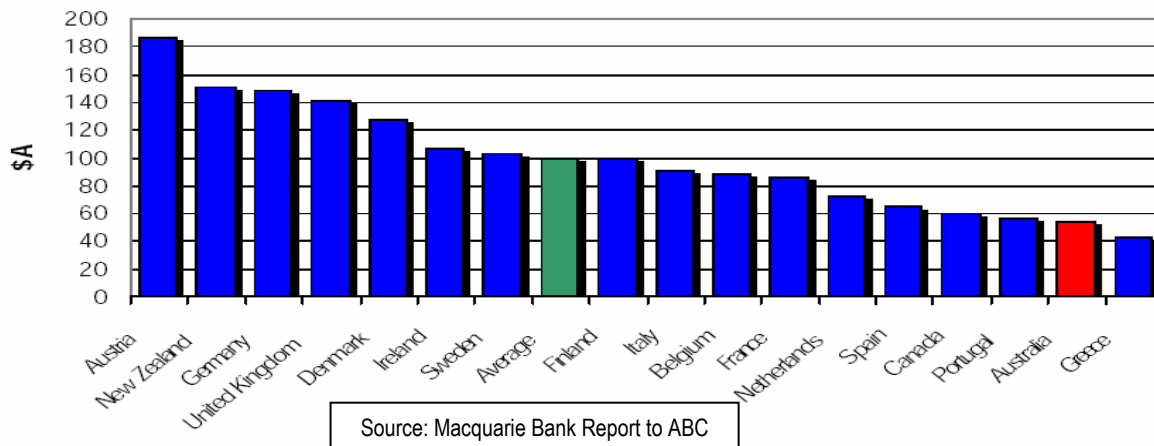
### Compared to other public service broadcasters.

There have been two recent studies of the funding levels of public broadcasters in the western world. A 1999 study by McKinsey and Company<sup>i</sup>, commissioned by the BBC, found that on a per capita basis the ABC ranked thirteenth out of nineteen countries surveyed, well behind the U.K., New Zealand, Sweden, Italy and France.

<u>Rank</u>	<u>Country</u>	<u>Income UK pounds</u>	<u>Rank</u>	<u>Country</u>	<u>Income UK pounds</u>
1	Denmark	83.1	11	France	22.1
2	Germany	58.1	12	Canada	21.1
3	Norway	53.8	<b>13</b>	<b>Australia</b>	<b>16.8</b>
4	Netherlands	36.4	14	Portugal	12.6
5	New Zealand	35.7	15	Spain	11.9
6	Sweden	35	16	South Africa	7.9
7	Belgium	34.5	17	Czech Republic	7.8
8	United Kingdom	33.8	18	Poland	7.4
9	Italy	29.4	19	Turkey	1.6
10	Japan	27.7			

A 2002 study by the Macquarie Bank<sup>ii</sup>, commissioned by the ABC, ranked the ABC 16<sup>th</sup> out of 17 public broadcasters in developed countries. While the two studies were carried out at different times, and used different methodologies, both judged the ABC to be among the more poorly funded of public service broadcasters in developed countries.

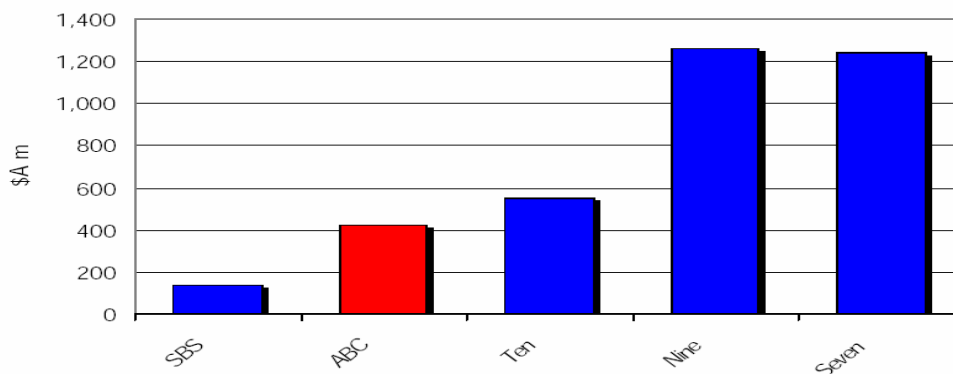
### Total Revenues Per Capita of Public Broadcasting Sectors



### Compared to commercial broadcasters.

In 2000 Professor Glenn Withers of the ANU calculated that ABC cost per radio broadcasting hour is 40 per cent that of the commercial radio sector, and that ABC cost per television hour is 36 per cent that of commercial sector.<sup>iii</sup> The 2002 Macquarie Bank study showed similar results, with ABC TV costing approximately one third of the cost of Channel 9 and Channel 7, and some \$130 million a year less than Channel 10.

### Expenditure on Television



Source: ABA financial Reports, ABC data, SBS Parliamentary Appropriations

### Compared to public opinion.

A survey commissioned by *The Australian* and conducted by Newspoll over the weekend of 9-11 February 2001, found that 60% of respondents believed the ABC should receive more.<sup>iv</sup> A Newspoll survey, commissioned by the ABC, and conducted in June 2005 reported that 70% of respondents thought that the ABC was efficient and well managed.<sup>v</sup>

Professor Glenn Withers of the Australian National University, in an analysis of data collected by the Economic Planning Advisory Commission and the National Social Science Survey has found that the public are willing to pay substantially more for the ABC through their taxes.

While they were not prepared to pay extra tax for some other areas of government expenditure, such as social security, Professor Withers found that they were prepared to pay up to 30% more for the ABC.<sup>vi</sup>

<sup>i</sup> McKinsey and Co, Public Service Broadcasters Around the World, London, 1999 (mimeo)

<sup>ii</sup> [http://www.aph.gov.au/Senate/committee/ecita\\_ctte/estimates/add\\_0304/cita/abc\\_q009att1.pdf](http://www.aph.gov.au/Senate/committee/ecita_ctte/estimates/add_0304/cita/abc_q009att1.pdf)

<sup>iii</sup> Australian Financial Review, 22 March 2000

<sup>iv</sup> The Australian, 16 February 2001

<sup>v</sup> <http://www.abc.net.au/corp/pubs/media/s1449978.htm>

<sup>vi</sup> Australian Financial Review, 22 March 2000