

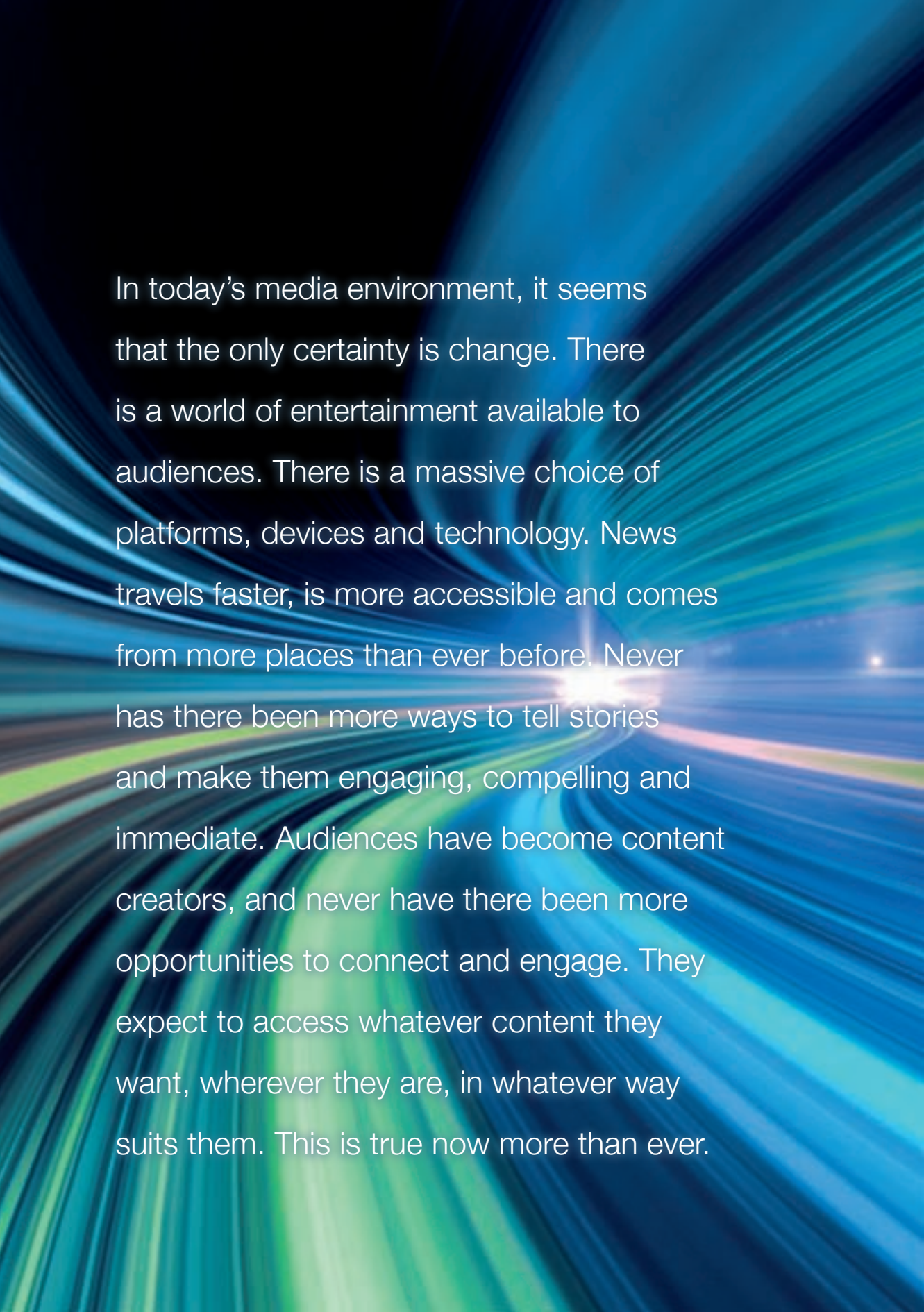


ABC  
Australian  
Broadcasting  
Corporation

Annual  
Report  
2012

# NOW MORE THAN EVER





In today's media environment, it seems that the only certainty is change. There is a world of entertainment available to audiences. There is a massive choice of platforms, devices and technology. News travels faster, is more accessible and comes from more places than ever before. Never has there been more ways to tell stories and make them engaging, compelling and immediate. Audiences have become content creators, and never have there been more opportunities to connect and engage. They expect to access whatever content they want, wherever they are, in whatever way suits them. This is true now more than ever.

NOW  
MORE  
THAN  
EVER



**Now more than ever, Australians want to ensure that Australian voices and Australian stories are being heard.**

The increased accessibility of content from around the world means that the global can easily overwhelm the local. The ABC delivers that strong local voice and clear Australian perspective.

**Now more than ever, Australians need a trusted and authoritative voice in the crowded news market.**

There is a seemingly limitless stream of global news and information, and news is available everywhere and is being collected by everyone. The ABC continues to be the leading source of independent, trusted and authoritative news and information.

**Now more than ever, young people are a significant part of the global media environment—both as creators and consumers of content.**

Audiences need entertaining and educational children’s content, and a safe environment which enables and encourages collaboration. The ABC continues to provide high-quality children’s content for all Australians, available all the time and on-demand.

**Now more than ever, audiences have the power to choose what they see and read, from where and when.**

The ABC is leading the way as an innovator, evolving into a multi-channel, multiplatform broadcaster that places the audience at the centre of all it does.



**James Spigelman** AC QC  
Chairman



**ABC**  
Australian  
Broadcasting  
Corporation

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5 October 2012

Senator the Hon Stephen Conroy  
Minister for Broadband, Communications  
and the Digital Economy  
Parliament House  
Canberra ACT 2600

Dear Minister,

The Board of the Australian Broadcasting Corporation is pleased to present the Annual Report for the year ended 30 June 2012.

The Report is prepared in accordance with the requirements of the *Commonwealth Authorities and Companies Act 1997* and the *Australian Broadcasting Corporation Act 1983*, and was approved by a resolution of the Board on 6 September 2012.

It provides a comprehensive review of the ABC's performance in relation to its legislative mandate and as a diversified media enterprise operating within a fast-evolving industry environment. This year's editorial theme of the report—*Now more than ever*—highlights the role of the ABC and its relationship with audiences in a converged media environment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Spigelman', written over a light grey rectangular background.

James Spigelman AC QC  
Chairman

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# Vision and Values

Providing content and services of the highest quality lies at the heart of the ABC's public purpose.

## The ABC's Vision

is to be a trusted and innovative media organisation, enriching the lives of all Australians and presenting Australian perspectives to the world.

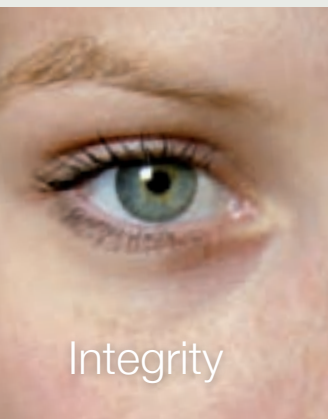
## Our Role

is to uphold the ABC's Charter by connecting with audiences through distinctive content that informs, educates and entertains.

## Our Values

The ABC is a truly independent media organisation for all Australians. Our values are the foundation of how we work.

# About



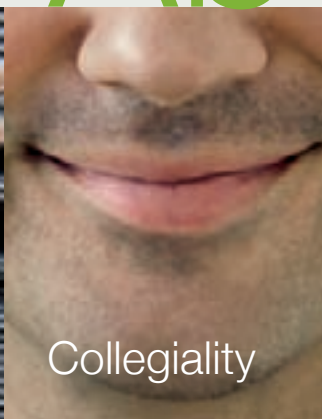
Integrity

We act with trustworthiness, honesty and fairness. We deliver on our commitments and are accountable.



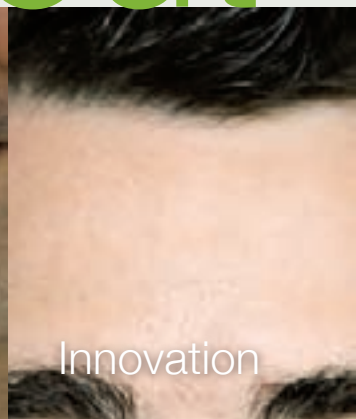
Respect

We treat our audiences and each other with consideration and dignity. We embrace diversity.



Collegiality

We work together willingly. We cooperate and share in the ABC's challenges and successes.



Innovation

We foster creativity and distinctiveness. We encourage new thinking and strive to achieve quality in all that we do.

As Australia's primary public broadcaster, the ABC strives to provide high-quality programming, independent news and information, and content that enriches Australian communities.

# the ABC

## **Corporate overview**

- ABC Vision and Values
- Snapshot of ABC services
- Roles and responsibilities of the Board
- ABC Board of Directors
- Board Directors' statement
- ABC Executive
- Outlook for the year ahead
- ABC strategic objectives

# Snapshot of ABC services

The ABC delivers a wide range of services across multiple platforms.

## ABC Radio

- Four national radio networks, comprising ABC Radio National, ABC Classic FM, triple j and ABC NewsRadio (on the Parliamentary and News Network)
- ABC Local Radio, comprising nine metropolitan radio stations, in capital cities and Newcastle, New South Wales, and 51 regional radio stations throughout Australia
- 11 digital radio channels in each mainland capital city, including simulcasts of the four national networks and metropolitan Local Radio services, as well as digital-only services ABC Dig Music, ABC Jazz, ABC Country, ABC Grandstand, triple j Unearthed and ABC Extra, a special events channel
- All digital radio services are streamed online. ABC Dig Music and ABC Jazz are also available on free-to-air digital and subscription television services. The four national networks and some Local Radio services are available via digital satellite subscription services.

## ABC Online and other platforms

- abc.net.au, providing content available via streaming, podcasting, vodcasting, video-on-demand and content uniquely designed for broadband delivery
- ABC services are also available via SMS, 3G and other wireless devices including a range of smartphones and tablets.





## ABC Television

- ABC1, the ABC's primary television channel, available in analog format from 268 transmitters, and digital format from 354 transmitters
- ABC2, content for a younger adult demographic between 7pm and 2am running on the ABC's second free-to-air digital television channel
- ABC4Kids, content for pre-schoolers between 6am and 7pm, also running on the ABC's second free-to-air digital television channel
- ABC3, a dedicated digital children's channel
- ABC News 24
- iview, an internet-only catch-up television service
- Local television in each State and Territory.



## ABC International

- Radio Australia, an international radio and online service broadcasting in eight languages by shortwave, satellite and terrestrial rebroadcast arrangements to Asia and the Pacific
- Australia Network, an international television and online service, broadcasting via satellite and rebroadcast arrangements to 46 nations in Asia and the Pacific
- ABC International Projects, assisting media organisations internationally with strategic advice, training, mentoring and technical support.



## ABC Commercial

- ABC Retail, owning and managing 54 ABC Shops and licensing 106 ABC Centres throughout Australia. It provides a Customer Delivery Service that processes orders via phone, fax, mail and online through ABC Shop Online ([www.abcshop.com.au](http://www.abcshop.com.au))
- ABC Publishing, managing magazines and books. It manages a stable of lifestyle and children's magazines as well as a list of adults' and children's books
- ABC Sales and Distribution, responsible for DVD, Content Sales (including international and digital sales), Licensing, Events, Library and Non-Theatrics Sales
- ABC Music and Music Publishing, releasing children's, country, classical and contemporary music from Australian artists including recordings by the Australian symphony orchestras. The group also represents a number of Australian composers and promotes Australian music compositions and performances.
- ABC Digital, developing online and mobile applications.





- ABC international bureaux and news correspondents
- ABC office

**Transmission information**

- **Radio**  
ABC Radio (Appendix 17)  
Radio Australia (Appendix 18)
- **Television**  
ABC Television (Appendix 16)  
Australia Network (Appendix 18)
- ▼ **Online**



The ABC operates from 60 locations around Australia and 12 overseas bureaux.





# NOW MORE THAN EVER

The ABC continues to provide content which informs, educates and entertains, and which is universally and freely available. The ABC's goal of being available to everyone, everywhere, everyday is important now more than ever.

ABC services reached an estimated 71% of all Australians each week via Television, Radio and Online.

# Snapshot of the ABC in 2011–12

- Radio** **8 784 radio hours** were broadcast on each ABC Radio network and station.  
**ABC Radio had a five-city weekly metropolitan reach of 4.4 million** (see page 35).
- Television** **Total ABC Television (ABC1, ABC2, ABC4Kids, ABC3 and ABC News 24) had a five-city weekly metropolitan reach of 9.4 million or 61% and weekly regional reach of 4.4 million or 63.6%** (see page 43).  
**ABC1 had a five-city weekly metropolitan reach of 7.2 million or 46.2% and weekly regional reach of 3.4 million or 48%** (see page 45).  
**ABC1 broadcast 930 hours of first-release Australian television content during prime-time** (see page 45).  
**The ABC's digital television services were available to 97.97% of Australia's population from 354 transmitter locations** (see page 87).  
**Weeknight 7pm News on ABC1 averaged an audience of 903 000 people in metropolitan areas** (see page 58).
- Online** **ABC Online had a monthly reach of 3.7 million internet users** (see page 65).  
**69 million podcasts were downloaded** (see page 65).  
**ABC news and current affairs websites reached an average of 1.7 million internet users each month** (see page 60).
- International** **Radio Australia programming available through local rebroadcasts in Asia and the Pacific, shortwave broadcasts, satellite services and 20 24-hour FM relays** (see page 68).  
**Australia Network television available in 46 countries, reaching an estimated 31.2 million homes** (see page 66).
- Commercial** **The ABC operated 54 ABC Shops and 106 ABC Centres throughout Australia** (see page 74).  
**ABC Commercial generated \$5.5 million net profit in 2011–12 which was returned to programming** (see page 73).
- Community satisfaction** **86% of Australians continued to believe the ABC provides a valuable service to the community** (see page 33).  
**66% of Australians believed the ABC is efficient and well-managed** (see page 33).
- Financial** **The ABC had total revenues of \$1 170 million from ordinary activities, with \$1 242 million in total assets** (see page 156).


# ABC Board of Directors

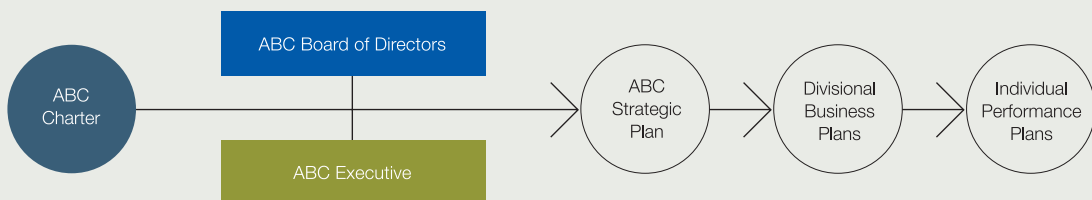
## Role and responsibilities of the Board

THE ROLE AND RESPONSIBILITIES of the ABC Board derive from the *Australian Broadcasting Corporation Act 1983* ("ABC Act"). Section 8 of the ABC Act requires the Board to ensure the functions of the Corporation are performed efficiently and with the maximum benefit to the people of Australia, while maintaining the ABC's independence and integrity. It is required to ensure that the gathering and presentation of news and information is accurate and impartial according to the recognised standards of objective journalism; to develop codes of practice relating to programming matters; ensure compliance with the ABC Act and other relevant legislation; and to consider matters of Government policy relevant to the functions of the Corporation when requested to do so by the Minister. The ABC Act also requires the Board to prepare corporate plans for the ABC and to notify the Minister of any matters likely to cause significant deviation from those plans.

In addition, individual Directors are required to meet objective standards of care and good faith, as set out in the *Commonwealth Authorities and Companies Act 1997*.

Directors are required to observe the ABC Board Protocol, first adopted in September 2004, which sets out their responsibilities and rights. They are required to provide a declaration of interests upon their appointment, which is updated as necessary. At each meeting, Directors are asked if they wish to declare a material personal interest in any items on the agenda. Induction processes are in place for new Board members and online training is available through provision of the Directors' Manual and Corporate Governance in Australia modules from CCH Australia Limited. Other professional development for Directors is provided as required.

The ABC Charter and Duties of the Board are set out in Appendix 1 (see page 206). 





### James Spigelman AC QC

Appointed Chairman for a five-year term from 1 April 2012.

James Spigelman was the Chief Justice and Lieutenant-Governor of New South Wales from 1998 to 2011. Between 1980 and 1998 he practised as a barrister in Sydney and was appointed QC in 1986. Between 1972 and 1976 he served as Senior Adviser and Principal Private Secretary to the Prime Minister of Australia and as Permanent Secretary of the Commonwealth Government's Department of the Media. From 1976 to 1979 he was a member of Australian Law Reform Commission.

Mr Spigelman has served on the Boards and as Chair of a number of cultural and educational institutions including: Chair of the National Library of Australia between 2010 and 2012, Member of the Board of the Australian Film Finance Corporation between 1988 and 1992 (Chairman between 1990 and 1992), Member of the Board of the Art Gallery of New South Wales between 1980 and 1988 (Deputy Chairman between 1983 and 1988), and as President of the Museum of Applied Arts and Sciences between 1995 and 1998. He was awarded the Companion of the Order of Australia (AC) for services to law and to the community in bringing about changes in attitudes to the administration of justice for a more fair and equitable society, and to the support of visual arts.



### Mark Scott AO

Appointed Managing Director for a five-year term from 5 July 2006; re-appointed for a further five-year term from 5 July 2011.

Prior to his appointment as ABC Managing Director, Mark Scott held a variety of editorial and executive positions with John Fairfax Publications. From 2003 to 2005 he was Editor-in-Chief, Metropolitan newspapers, and during 2005 became Editor-in-Chief of Metropolitan, Regional and Community newspapers. From November 2005 he was Editorial Director, with responsibility for the management and editorial direction of the newspaper divisions and websites along with the editorial and commercial performance of the Fairfax newspaper magazine division.

Mark Scott holds a Bachelor of Arts, Diploma in Education and a Master of Arts in Government from the University of Sydney. During 1992–93, he completed a Masters in Public Administration at Harvard University. In 2011, he was appointed an Officer of the Order of Australia in the Queen's Birthday Honours for distinguished service to media and communications, and to the community through advisory and governance roles with a range of social justice and educational bodies.

Implementation  
of the Plans

ABC  
Annual  
Report



### **Steven Skala AO**

Appointed a Director for a five-year term from 6 October 2005; re-appointed for a further five-year term from 24 November 2010.

Steven Skala is Vice Chairman, Australia and New Zealand, of Deutsche Bank AG. He is Chairman of Wilson HTM Investment Group Limited, and Hexima Limited. Mr Skala is Vice President of the Board of the Walter & Eliza Hall Institute of Medical Research, Deputy Chairman of the General Sir John Monash Foundation and a Director of the Centre for Independent Studies.

Mr Skala serves as a Member of the International Council of the Museum of Modern Art (MoMA) in New York, the Advisory Council of the Australian Innovation Research Centre and the Grievance Tribunal of Cricket Australia. He is a past Chairman of Film Australia Limited and the Australian Centre for Contemporary Art, a former director of Max Capital Group Limited, the Channel Ten Group, The King Island Company Limited and The Australian Ballet, and a former Trustee of the Sir Zelman Cowen Foundation for Medical Research. He holds degrees in Arts, Laws (Hons) and Civil Laws. Between 1985 and 2004 he was a Partner and Head of the Corporate and Commercial Practice of Arnold Bloch Leibler, Solicitors. In 2010 he was appointed an Officer of the Order of Australia for service to the arts, education, business and commerce.



### **Professor Julianne Schultz AM FAHA**

Appointed a Director for a five-year term from 27 March 2009.

Julianne Schultz AM chairs the Queensland Design Council and the reference group for the National Cultural Policy and is a member of the board of the Grattan Institute. Her Doctorate from the University of Sydney explored the changing relationship between the media and politics and the role of journalists. She is the author of more than 20 books including *Reviving the Fourth Estate* (Cambridge Uni Press), *Steel City Blues* (Penguin), and *Not Just Another Business* (Pluto). She is the founding editor of *Griffith REVIEW*, the literary and current affairs quarterly published by Griffith University.

Professor Schultz began her career as a reporter with the ABC and *The Australian Financial Review*. She has held senior roles at the *Courier Mail* and the ABC, worked as media columnist and journalism educator. She was the founding Director of the Australian Centre for Independent Journalism at the University of Technology, Sydney.

In 2009, she was appointed a Member of the Order of Australia for service to the community as a journalist, writer, editor and academic, to fostering debate on issues affecting society, and to professional ethics and accountability.



### **Cheryl Bart AO**

Appointed a Director for a five-year term from 3 June 2010.

Cheryl Bart is a lawyer and company director. She is Chairman of ANZ Trustees Ltd, the South Australian Film Corporation, the Adelaide Film Festival, Foundation for Alcohol Research & Education and the Environment Protection Authority of South Australia.

Her other current directorship positions include Spark Infrastructure Ltd, ETSA Utilities, Audio Pixel Holdings Ltd and the Local Organising Committee Asian Cup 2015 Ltd. Previously, Ms Bart was a Director of the Economic Development Board (SA), Sydney Ports Corporation, the Australian Sports Foundation, Soccer Australia, Basketball Australia, William Buckland Foundation and the Defence Industries Advisory Board.

In 2009, Ms Bart was awarded the Order of Australia in the Australia Day Honours. She was awarded the Australian Geographic “Spirit of Adventure” award in 2008 as the first mother/daughter team to have successfully climbed the “Seven Summits”.



## Jane Bennett

Appointed a Director for a five-year term from 30 June 2011.

Jane Bennett is the former Managing Director of Ashgrove Cheese, a family owned and run business in Tasmania.

In 1996, she became President of the Tasmanian Rural Industry Training Board, and was later appointed to the Executive Committee of the Tasmanian Farmers and Graziers Association. Ms Bennett currently chairs the Food Industry Advisory Council in Tasmania and is a Board Member of the Brand Tasmania Council.

Her other directorships include the Australian Farm Institute, Tasmanian Ports Corporation and two of Tasmania's Regional Water and Sewerage Corporations, Ben Lomond Water and Onstream.

Ms Bennett was the 1994 Tasmanian Rural Achiever of the Year, the 1997 ABC Radio Australian Rural Woman of the Year and the 1998 Young Australian of the Year (Regional Development category). In 2010, she was named Tasmanian Telstra Business Woman of the Year.

## Dr Fiona Stanley AC FAAS FASSA

Appointed a Director for a five-year term from 30 June 2011.

Fiona Stanley was a Professor in the School of Paediatrics and Child Health and the University of Western Australia. She is the founding Director of the Telethon Institute for Child Health Research and Chair of the Australian Research Alliance for Children and Youth.

In 2003, Dr Stanley was named Australian of the Year. In 2004, she was honoured as a "National Living Treasure" by the National Trust. She is the UNICEF Australia Ambassador for Early Childhood Development and a member of the Prime Minister's Science, Engineering and Innovation Council. She has more than 300 published papers in scientific journals.

In 1996, Dr Stanley was appointed a companion of the Order of Australia in the Queen's Birthday Honours for service to maternal and child health research, and for her contributions to improving Aboriginal and community health.

## Retiring Directors



### Maurice Newman AC

Appointed Chairman for a five-year term which ended on 31 December 2011.



### Michael Lynch CBE AM

Appointed a Director for a five-year term from 27 March 2009. Mr Lynch resigned from the Board effective 30 September 2011.

# Board Directors' statement



THE 30<sup>th</sup> OF JUNE 2012 marks the culmination of 80 years of broadcasting by the ABC. Throughout that period, as today, the ABC has enriched the lives of all Australians. It was established on a bipartisan basis at the height of the Great Depression. The proposal to create the ABC was first put forward by a Labor government, and after it fell, the proposal was carried into effect by the succeeding Coalition government in 1932. Similarly, the proposal by a Coalition government to modernise the ABC's legislative foundation and create the Corporation that exists today, was carried into affect by the succeeding Labor government in 1983.

## A 20-year transformation

The last two decades are particularly striking. Over the period between 1990–91 and 2010–11, the ABC significantly expanded the services it provided to the Australian community, and did so with fewer staff and less funding. In 1990–91, the inflation-adjusted funding available to the ABC, excluding the separately-funded transmission costs, was \$856.4 million with a full-time equivalent staffing level in excess of 6 000. By 2010–11, the ABC's real funding had been reduced to \$762.5 million and the full-time equivalent staff to 4 600.

Expansion of broadcasting services over this period was dramatic, from one analog television channel at the commencement of the period to the end with that channel, ABC1, on both analog and digital together with three additional digital channels, ABC2/ABC4Kids, ABC3 and ABC News 24. Similarly in Radio at the commencement of the period there were local radio stations in 55 locations with Radio National and ABC FM serving 90% of the population, and triple j accessible in nine cities only. By the end of the period, local radio was available in 60 locations, and Radio National, ABC Classic FM and triple j were available nationwide, as was the new service ABC NewsRadio. Furthermore, the stations were available on digital radio in Adelaide, Brisbane, Melbourne, Perth and Sydney, as well as five digital-only services including ABC Dig Music, ABC Jazz, ABC Country and triple j Unearthed.

However, the transformation was not only quantitative, but qualitative. The speed and radical change in the technology of broadcasting and communications has transformed audience expectations and capacities. The ABC has been at the forefront of meeting those expectations and liberating those capacities. In radio service delivery, podcasting became widely available. In television, it pioneered vodcasting services and subsequently the online catch-up service, iView.

Early in the two-decade transformation, the ABC began offering services on websites. By the end of the period there were hundreds of websites providing text, audio and visual services both nationwide on ABC Online and in local regional radio service areas through ABC Open. Furthermore, many ABC radio and television services were available on mobile smart phone and tablet devices, including both iOS and Android systems. Finally, ABC radio and television programs extended their capacity for interaction with their audiences by the use of social media.

All of this was achieved with fewer resources and fewer staff. Much of it was funded by internal efficiencies and reallocation of resources. No additional funding was provided for the content costs of ABC2, the delivery costs of online services, the content of digital radio and, perhaps most dramatically, the creation of ABC News 24. Over recent years, some \$20 million in savings were identified by an internal Production Review, and applied to these new services. To give only one example of the efficiencies that have been made, television news studios that only a few years ago required 14 people, now require only four. The search for further backroom efficiencies continued throughout the 2011–12 year.

## The digital dimension

Digital technology has transformed the way Australian citizens use media. The ABC is determined to adapt its practices and services to ensure that its television, radio and associated text content is accessible to all Australians in the format and on the platforms which they demand. The validity and quality of the ABC's online and mobile content is manifest in the usage statistics found elsewhere in this Report. Furthermore, the transformation of the expectations of Australians—from passive recipients of programs into active interlocutors with content creators—continues to expand. To give only one example, in 2011–12 triple j exceeded the landmark of having 500 000 Facebook friends. This is an extraordinary figure in a market the size of Australia.

These achievements were recognised on 28 June 2012 when the Senate of the Parliament of the Commonwealth of Australia adopted the following resolution:

“That the Senate—

(a) notes:

- (i) the online presence of the Australian Broadcasting Corporation (ABC) provides important competition in news and current affairs content, and
- (ii) the ABC is accountable to its Charter, its board and the Parliament;

(b) rejects any suggestion that the ABC should not be competing in the online environment; and

(c) supports unequivocally the right of the ABC to provide a strong online presence.”

Prior to the adoption of this resolution, the Government received the Report of the Convergence Review, the response to which is still awaited at the date of this Report. The Review recommended an amendment of the ABC Charter to reflect current digital services. The Review acknowledged that online content provides Australians with opportunities for greater interaction with content and provides forums to exchange views.

The ABC supports the amendment of its Charter to recognise its provision of digital media services. However, the dynamic nature of the digital world and of the audience expectations it creates, would not permit, as the Convergence Review appears to envisage, digital services to be frozen at a particular point in time.

### The independence of public broadcasting

One of the key recommendations of the Convergence Review was the establishment of a new industry-led regulator to oversee journalistic standards on all platforms. This would replace the Press Council and the powers of the Australian Communications and Media Authority in relation to broadcast news standards. The Review recommended that the ABC and SBS would not be subject to this new regulator.

This recommendation rejected the proposal of the prior Report of the Independent Inquiry into the Media and Media Regulation by the Honourable R. Finkelstein QC. It was disappointing that this prior inquiry, upon which the Convergence Review was asked to report, had recommended that the ABC should be subject to the media standards regulator which that inquiry had proposed. This is particularly so because, when the earlier inquiry had sought the assistance of the Corporation, it expressly affirmed that it was not investigating the standards or behaviour of the ABC. Accordingly, the Corporation had no opportunity of making any submission to the inquiry on this issue. It was pleasing that the Convergence Review accepted the distinctive position of the two public broadcasters.

That position, a clear manifestation of the significance of the independence of public broadcasting, had also earlier been accepted by the Australian Law Reform Commission in its report on a new National Classification Scheme. That Commission expressly relied on the special governance and accountability arrangements of the ABC and SBS.

There are fundamental differences in the accountability systems applicable to the ABC (and SBS) and other media organisations:

- other media are not subject to the duties and obligations imposed on the ABC by statute including by its statutory Charter
- other media are not subject to an independent, public and transparent process for the appointment of members of their Board of Directors
- other media are not required to disclose their internal communications by reason of the *Freedom of Information Act 1982*
- other media are not subject to Parliamentary scrutiny, for example by the Senate Estimates Committee process
- other media have not adopted, and are not subject to, detailed editorial policies of the kind developed and continually refined by the ABC
- other media have not adopted a complaints handling process of the detail and systematic character adopted by the ABC
- other media corporations are free to choose their own auditors, whereas the ABC is required to be audited by the independent Australian National Audit Office. The ABC is also subject to the Finance Minister's Orders which impose more stringent requirements on the Corporation's financial statements in a number of respects, for example an obligation to report land, and plant and equipment at fair value in the balance sheet and greater disclosure of commitments and contingencies.

The cumulative effect of these governance and accountability arrangements is such that any appeal to a so-called 'level playing field' with respect to media regulation by subjecting the ABC to regulation applicable to other media organisations is fundamentally misconceived.

## Board Directors

For the first half of the year the subject of this Report, the Chair of the Board of Directors was Maurice Newman AC. For the third quarter, director Steven Skala AO served as Acting Chairman while for the last quarter, The Honourable James Spigelman AC QC occupied the office.

Having first served as a Director for several years between December 2000 and June 2004, Maurice Newman was appointed Chairman for a term of five years on 1 January 2007, expiring on 31 December 2011. His significant contribution to the activities of the ABC were formally acknowledged by Board Resolution.

Michael Lynch CBE AM was appointed for five years on 27 March 2009. He resigned on 30 September 2011 in order to take up a prestigious full-time position overseas. His contribution to the ABC was also acknowledged by the Board.

The Board has throughout the year maintained an active oversight role across ABC operations and accountabilities, to ensure the ABC performs efficiently and with maximum benefit to the people of Australia as required under Section 8 of the ABC Act. ■

James Spigelman AC QC

Mark Scott AO

Steven Skala AO

Professor Julianne Schultz AM FAHA

Cheryl Bart AO

Jane Bennett

Dr Fiona Stanley AC FAAS FASSA

## Maurice Newman AC

Maurice Newman AC retired as Chairman of the ABC on 31 December 2011 after serving a five-year term which commenced in 2007.

The Board would like to record its appreciation for Mr Newman's considerable contribution to the ABC. As Chairman, he led the argument for the Corporation, persuading Parliament to enlarge the public dividend provided by the ABC through new Australian drama and children's television and the regional Australia initiative, ABC Open. As a result, the ABC received the most substantial injection of new funds since its incorporation in 1983 in the 2009–12 triennial funding agreement.

Mr Newman presided over a period of significant innovation as the ABC responded to increasing digitisation, convergence and fragmentation of the media landscape.

Innovative services such as ABC News 24, ABC3, ABC iview and ABC digital radio significantly enriched the means through which the ABC fulfilled its Charter during Mr Newman's term as Chairman.

# ABC Executive



## **Kate Dundas**

### **Director of Radio**

Kate Dundas was appointed Director of Radio in March 2009. Previously Kate held numerous senior roles in ABC Radio, including Head of National Networks. She was also the ABC's Director of People and Learning for 18 months prior to being appointed to lead ABC Radio. In addition to her ABC career, Kate has worked in public and communications policy areas in both State and Federal governments and held two senior management roles in the New South Wales Premier's Department.

Kate has a Bachelor of Arts in Communications (focused on radio and television) from Charles Sturt University.



## **Kim Dalton OAM**

### **Director of Television**

Kim Dalton has been the ABC's Director of Television since March 2006. He was previously Chief Executive of the Australian Film Commission. Other roles have included Manager of Acquisitions and Development for Beyond International Limited, General Manager of the Australian Children's Television Foundation, Investment Manager for the Australian Film Finance Corporation and principal of his own production company, Warner Dalton Pty Ltd.

Kim graduated from the Flinders University Drama School and has a postgraduate Diploma in Arts Administration.

In June 2007, Kim was awarded a Medal of the Order of Australia for service to the film and television industry.



## **Kate Torney**

### **Director of News**

Kate Torney was appointed Director of News in April 2009. Before that, Kate was Head of Asia Pacific News. Kate has worked as a radio and television news and current affairs reporter and producer, a bureau chief, an executive producer and news editor. In 2001, she teamed with Barrie Cassidy to launch *Insiders*, the ABC's flagship weekly national affairs program. She was also involved in establishing *Offsiders*, *Inside Business*, *Newshour* (for Australia Network) and *ABC News Breakfast*. Under Kate's leadership ABC News launched ABC News 24, the nation's first free-to-air 24-hour television news channel.

Kate has a Bachelor of Arts (Media Studies) from the Royal Melbourne Institute of Technology.



## Angela Clark

### Director of Innovation

Angela Clark joined the ABC as Director of Innovation in March 2012. She is an experienced media executive, serving as CEO of Macquarie Radio Network between 2004 and 2009. Angela was the founder and Director of Streetcorner.com.au and Everymap.com.au.

She holds a Bachelor of Arts (Honours) in Politics, Philosophy and Economics from the University of Oxford.



## Lynley Marshall

### Director of ABC Commercial

Lynley Marshall was appointed Director of ABC Commercial in February 2007 to develop the ABC's commercial business and pursue new business opportunities in the digital media environment. She joined the ABC in 2000 as Director of New Media and Digital Services where she was responsible for the integrated delivery of the ABC's digital content and multi-channel services.

Before joining the ABC, Lynley held a number of executive positions in new media, radio and television in New Zealand. She has an Executive MBA from the University of Auckland.

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## Michael McCluskey

### Acting Director of ABC International (April and June 2012)

Mike McCluskey was appointed Chief Executive, Radio Australia in May 2010. He has held a range of executive roles at the ABC, including New South Wales State Director and Manager Local Radio Newcastle.

Mike holds a Bachelor of Science (Wool and Pastoral) from the University of NSW, and a PhD (Media Communications) from the University of Newcastle.

## Bruce Dover

### Acting Director of ABC International (May 2012)

Bruce Dover has been the Chief Executive Officer of Australia Network since August 2007 and has extensive experience as a journalist, editor and business executive, including senior appointments in print, television and digital media. Bruce has also held executive positions with News Corporation and CNN and in 1986 he received the Graham Perkin Award as Australian Journalist of the Year (jointly awarded).



## David Pendleton

### Chief Operating Officer

David Pendleton is the ABC's Chief Operating Officer (COO). He is a Director and was the inaugural Chairman of MediaHub Australia.

He joined the ABC as General Manager of Group Audit in 1996, becoming General Manager of Financial Operations and Accounting, and later Head of Finance. In 2002, he was appointed Director of Finance and Support Services, which was re-named Director of Business Services in 2003. He was appointed COO in 2004.

Before joining the ABC, David held senior management positions in the New South Wales public sector in the Roads and Traffic Authority and State Super Investment and Management Corporation.

David holds a Bachelor of Business (Accounting) from the University of Technology Sydney, is a Fellow of the Financial Services Institute of Australia and a Fellow of CPA Australia.



## Ursula Groves

### Director of People and Learning

Ursula Groves joined the ABC in July 2008 as Head of People Development and was appointed Director of People and Learning in May 2009. Ursula has extensive experience in senior human resources and organisational development roles in the manufacturing and public education sectors.

Ursula has a Bachelor of Science and a Bachelor of Arts from Monash University, a Diploma of Education from the University of Melbourne and a Graduate Diploma of Organisation Behaviour from Swinburne University.



## Michael Millett

### Director of Corporate Affairs

Michael Millett joined the ABC as Director of Communications in February 2009. His Division, now called Corporate Affairs, is responsible for public affairs, governance, corporate strategy, internal and external communications, the State and Territory Directors and management of the Managing Director's Office and Board Secretariat.

Michael's shift to the national broadcaster came after a long career in print journalism. For the previous two years he was deputy editor of the Sydney Morning Herald. In a 20-year stint with the Herald, Michael served as a political correspondent, Canberra bureau chief, North Asia correspondent based in Tokyo, senior writer and news editor.



## Paul Chadwick

### Director of Editorial Policies

Paul Chadwick joined the ABC as the inaugural Director of Editorial Policies in January 2007. A journalist and lawyer, he was the first Privacy Commissioner of Victoria (2001–06). He ran the Victorian operations of the non-profit Communications Law Centre for eight years and was a member of the Brennan Committee that revised the Australian Journalists' Association Code of Ethics in the 1990s. In 1997, he received the Walkley Award for Most Outstanding Contribution to Journalism.

Paul holds a Bachelor of Law (Honours) from the University of Melbourne and is admitted as a barrister and solicitor of the Victorian Supreme Court and federal courts.

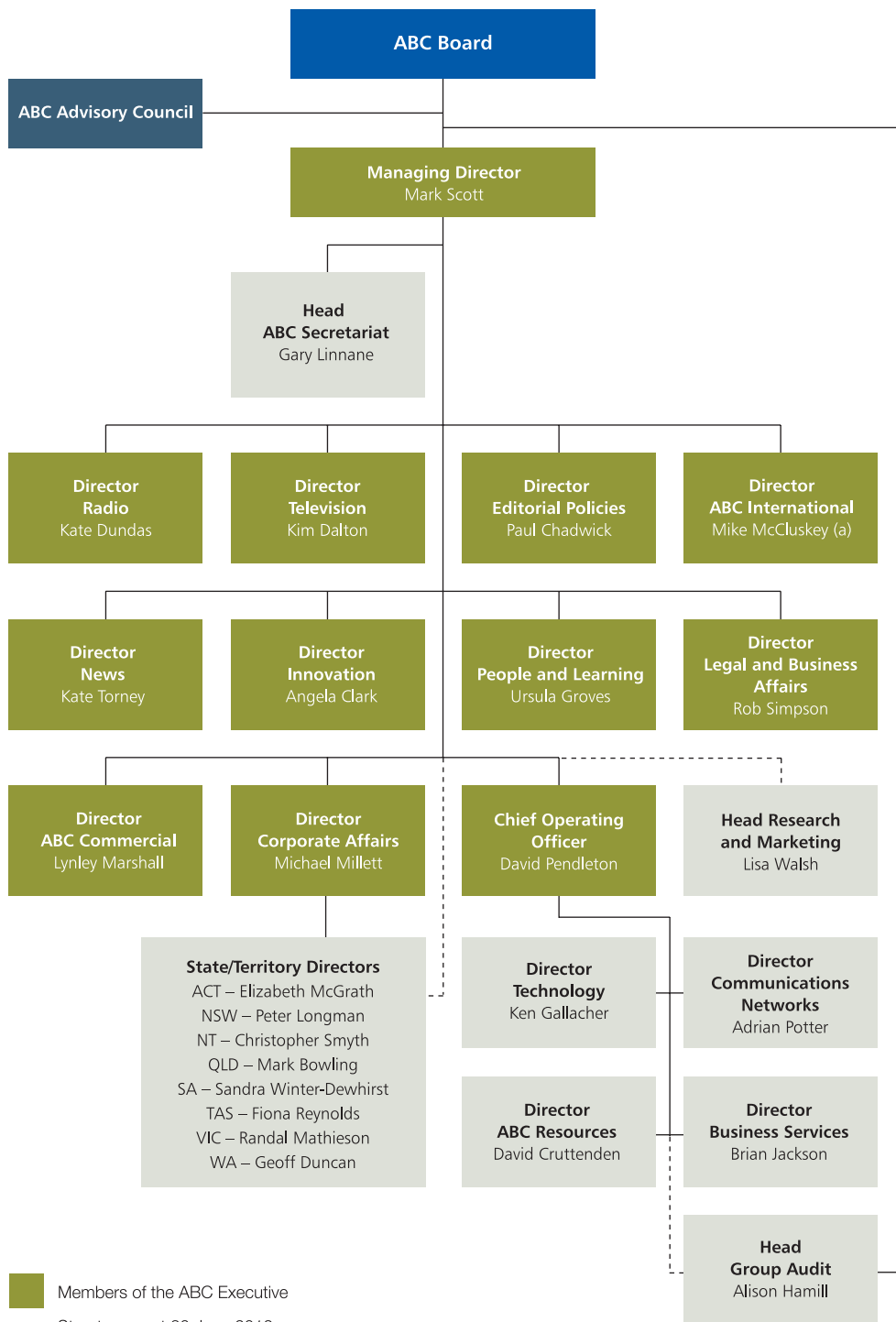
## Rob Simpson

### Director of Legal and Business Affairs

Rob Simpson joined the ABC as Director of Legal in August 2007. Prior to that he was a partner at law firms Gilbert + Tobin and Baker & McKenzie. He has also had extensive experience as a corporate lawyer and member of management teams, including as the first General Counsel of Optus.

Rob holds degrees in Arts and Law (Honours) from the University of Sydney.

# ABC divisional structure



# The year ahead

AS THE CORPORATION ENTERS its eighty-first year, long-predicted challenges to traditional media business models are making their most formidable impact. To cut costs in the face of declining revenue from advertising and subscriptions, commercial news media are reducing the size of their newsrooms. Similar challenges to traditional broadcasting models are expected to emerge as the decade progresses.

In this evolving and fragmenting environment, the ABC must continue to adapt its output and guarantee that all Australians have access to diverse, high-quality and independent services on the platforms of greatest relevance to them.

## **Cross-divisional and multiplatform strategies**

The Corporation will achieve this in a number of ways. Having formed a new Audience Strategy Group in early 2012 to ensure better cross-divisional coordination of its content, the ABC will develop a Corporation-wide audience strategy, including non-ratings audience engagement and content assessment metrics to improve the quality, impact and distinctiveness of its content.

It will also seek to unify its currently disparate divisional approaches to online and mobile services into a single Corporation-wide strategy.

Consistent with these approaches, the ABC will continue to develop multiplatform content initiatives that affirm its industry leadership and innovation, including increasing integration of social media into the television experience and tailoring services for mobile platforms. It will appropriately resource technological infrastructure that supports the development of such multiplatform services.

## **A converged international media service**

The Corporation will also take up the opportunity, created by the Government's announcement in December 2011 that the ABC would be given permanent responsibility for the operation of Australia's international television service, Australia Network, to establish a converged media service that better meets the needs of current and emerging audiences in Asia and the Pacific.

In 2012–13, the Corporation will begin combining Australia Network's television operation with Radio Australia and the ABC's extensive news operations and online and digital expertise.

The converged service will initially be based on television and radio broadcasts, supported by online and mobile services. Over time, however, it is likely that changes in the media usage in the region will require greater focus on digital platforms, as traditional satellite television and radio broadcasting become less effective means of reaching target audiences.

## **Reconciliation**

The ABC will also pursue new strategies to attract and retain Aboriginal and Torres Strait Islander staff, in line with the employment targets set out in the Corporation's *Reconciliation Action Plan 2009–2012* (RAP). As the current RAP will expire at the end of October 2012, the ABC will develop and commit to a new, three-year Plan that builds on the achievements and seeks to rectify the failures of the initial RAP.

## **Efficiency and effectiveness**

Throughout the coming year, the ABC will continue to review its business models to ensure efficiency and effectiveness. Savings identified through these processes will be directed towards content priorities.

## **Triennial funding**

The ABC triennial funding agreement 2009–12 came to an end on 30 June 2012. In the May 2012 Federal Budget, the Government did not announce a new triennial agreement. Consideration of the ABC's funding requirements was deferred by one year to allow the process to take account of the outcomes of the Convergence Review. Accordingly, the ABC will make a submission to Government in late 2012 in relation to its funding over the three years from 1 July 2013 to 30 June 2016. The submission will seek the funding necessary to ensure the ABC's sustainability and adaptability so that it can continue to provide Australians with access to independent news, cultural production and quality local content on the platforms of their choice. ■

# Strategic objectives

The ABC's strategic direction in 2011–12 was guided by the *ABC Strategic Plan 2010–13*.

The Plan is framed around the following six strategic goals:

## Being **audience focused**

To provide a range of media experiences to meet the needs and expectations of diverse audiences.

## Being **high quality**

To consistently deliver content which reflects the ABC's commitment to quality, independence and high editorial standards.

## Being **innovative**

To pursue new ideas, opportunities and partnerships, and grow our capabilities for the future.

## Being **values based**


To demonstrate ABC Values in every aspect of our work.

## Being **efficient**

To maximise the efficient and effective use of resources.

## Being **responsible**

To be visible and active in the community, setting high standards of social, environmental and regulatory responsibility.

The ABC's performance against these goals is reported at page 107. 



## Reporting the ABC's performance

The ABC strives to maintain the highest standards in every aspect of its operations. The Board and the Executive set those standards in the ABC's Values, its Strategic Plan and in its divisional business planning; Government sets them when funding is granted; and most significantly, audiences set them every time they turn to the ABC to be informed, engaged and entertained. The remainder of this report demonstrates the ABC's performance on all of those levels.