

A publisher but not a producer

The implications of the Channel Four model for ABC television

It seems that the results of a review into the costs of ABC television production are due soon. This is primarily concerned with the costs of major television production staff and production facilities. It relates to pressure for the ABC to farm out major productions like drama and documentaries to "independent" production houses.

There has been a strong push from the 'independent' (that is, commercial) production sector to kill off internal ABC production. In the May 2007 budget the government gave the ABC an extra \$30 million over three years (\$10 million a year) for TV drama production. The catch is that all of this money must go to the commercial production sector.

Despite this extra funding the Australian reported in August 2007 that the ABC's world renowned National History Unit would be abolished, and production outsourced to the private sector. According to the same report the ABC has been moving to outsource major TV production by stealth, first with drama and now with documentary. Director of ABC TV, Kim Dalton, is quoted as saying that, in the long term "ABC TV will move out of internal factual and documentary production"

From a strictly financial point of view there may be a case for arguing that it is expensive for the ABC to maintain large production facilities that are only used for part of their capacity.

However from the point of view of the ABC's independence, and the need for creative program making, there are many negatives.

There are those who argue for the so-called Channel Four model, established by the Thatcher government in the U.K. Channel Four initially established a strong reputation for innovation. Unlike the BBC, Channel Four is a publisher, but not a producer. It buys-in all of its content. The argument has been that the establishment of Channel Four in the UK led to more diversity and innovation, and that this model should be pursued both in the BBC and the ABC.

For many years the ABC has been outsourcing, or co-producing, the majority of its TV drama, but now there appears to be moves to farm out virtually all major TV production, including documentaries.

Georgina Born, in her detailed anthropological study of the BBC, which included several years of fieldwork inside the organisation, says there is limited truth in the assertion that outsourcing leads to greater creativity and innovation.

In the early days, she writes, many of the 'independent' production houses were hives of creativity, more like artists collectives than commercial organisations. Over time however, as the sector grew and profits grew, there were takeovers and mergers. The external production houses became more like standard commercial operations, and they became increasingly risk averse.

A number of the most successful independents were bought up by larger, sometimes international cross-media groups. In return for financing, they no longer enjoyed the autonomy of dedicated creative organisations. They had become business subsidiaries. But the high profile and the extraordinary riches accruing to the successful independents sent a signal to the rest of the independent sector: these could also be yours! Think international not national. The sector was increasingly

dominated by business logics, the inexorable drive to compete, and the search for higher productivity and profitsThe example of Bazal Productions is instructive. Bazal was responsible for a number of the hit new leisure and hybrid leisure – gameshow formats, including Changing Rooms, Ground Force and Ready, Steady, Cook.....In 1990 Bazal was acquired by Broadcast Communications, which later became Endemol UK, a company focused on aggressive international expansion. In 2000 Endemol created the reality gameshow format Big Brother....In the same year Endemol was itself bought up by the Spanish-based Telkefonica group., an international telecommunications and media giant. Endemol UK is Britain’s largest ‘independent’ producer.

Born notes that just as the BBC was preaching downsizing and outsourcing, the commercial competition was discovering the benefits of vertical integration, mergers and acquisitions

Astute industry observers, however, were not slow to note the irony that just as the BBC was disaggregating and discovering the joys of 'flexible specialisation', its commercial competitors were reaggregating. By the mid nineties the ITV companies were engaging in mergers and buying steadily into production capacity. As the BBC struggled with the complex forces unleashed by the independent quota and the restructuring, the same commentators were stressing the manifold benefits of large, vertically integrated producer-broadcasters: lower transaction costs, reliability, regularity, trusting and cooperative relations between distributor and producers, economies of scale, the ownership of rights for exploitation across diversifying channels and the accumulation of a rights archive - increasingly central to the global media economy,

A similar point was made by the Canadian historian and former BBC documentary film maker, Michael Ignatieff. Now the Deputy Leader to the Canadian Liberal Party, Ignatieff wrote of the BBC in 1999:

Trying to do more with less inevitably means moving towards a Channel Four model, in which the BBC publishes rather than produces programs, thus reducing its fixed costs. But if it moves in this direction, it may lose whatever is left of the distinctively public service character of its output it is hard to see how it will continue to be the centre of Britain’s public culture, and the chief source of its view of the world.

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Georgina Born’s book is *Uncertain Vision: Birt, Dyke and the reinvention of the BBC.*(Vintage 2005)

Michael Ignatieff’s paper it titled *Media Power and Responsibility: the role of the fourth estate in the 21st century* and was delivered to a conference organized by the 21st Century Foundation at Oxford University in 1999.