Going Digital

THE TRANSFORMATION OF THE ABC

The behind-the-scenes story of how the ABC reinvented itself for the digital age

Margaret Simons

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Introduction

In the early stages of writing this book, I attended a writers' festival session on biography. I was, at that stage, thinking of my task as like writing a life story. Not the history of a person, but of an organisation – Australia's most important cultural institution. At this event, one of the panellists remarked that a good biography must have pain on every page, or at least something at stake for the central character as they peer into the fog of the future and steer their course.

I took a note.

At that point, this project had been in my life for eight years, but on the backburner for most of them. I was commissioned to write this book in late 2016, shortly after Mark Scott had left the job of ABC managing director after an extraordinary ten years, during which the organisation had been transformed. As a freelance journalist with a speciality in media, I had interviewed Scott many times. He suggested I write this book and promised cooperation. Many ABC people, past and present, also cooperated, and late in the day the ABC itself gave me access to some documents, as detailed in the Note on Sources and Acknowledgements. However, this is not an authorised account. The ABC has not exercised any control over what I have written.

The historian Ken Inglis wrote two volumes of ABC history, covering the organisation from its founding in 1932 to the last days of Russell Balding's term as managing director in 2006.[1] In his final pages, Inglis observed that modes of communication enabled by new technology might soon make public broadcasting unnecessary. By way of example, he talked about the strange new technology of "podcasting", and how audio files could be downloaded onto "storing and retrieving devices such as Apple's iPod" that were "now a common sight on young heads". The ABC website contained increasing amounts of "nutritious material", he observed.[2] But

when he was writing, the idea of ABC programs having webpages was still new, embraced by some within the organisation and resisted by others.

The ABC had one main television channel. A second, ABC2, had been launched in 2005 on a tiny budget but could be viewed only by those who had invested in a new digital receiver or set-top box. Government regulations designed to protect the business model of commercial television – and of Kerry Packer's Nine Network in particular – restricted the genres that digital television channels such as ABC2 could carry.

Inglis did not foresee the invention of the iPhone and its imitators, which happened the year after he completed his history. Nor did he anticipate the impact of social media. Twitter was created in March 2006 and became available to the public a few months after Inglis wrote his final pages. Facebook became available to the public a few months after that.

My job was to pick up where Inglis left off. The original aim was to write the story of the ten years of Scott's tenure. By the end of 2017, with many interviews completed and documents sourced, I was ready to write.

Then my publisher asked me to write two political biographies in short succession.[3] Five years passed while I did that, and the ABC in the meantime suffered one of the biggest crises in its history, with the sacking of Scott's successor as managing director, Michelle Guthrie, and the resignation of the chair of the board, Justin Milne, amid allegations Milne had allowed government interference in the ABC's journalism. It was clear that my project would have to be extended to cover this, at least.

By now the Albanese Labor government was in power, the managing director of the ABC was David Anderson, the chair was Ita Buttrose, and the ABC had settled back into business as usual: extraordinary achievement alongside controversies, angst, accusations, mistakes, attacks, defences and defensiveness. And content, of course. Always content. One of the most popular programs on ABC television was the children's animation *Bluey*, which hadn't been conceived when I had first agreed to take on this task.

By now I had concluded that the metaphor of the ABC as a person, and this book as a biography, did not work. Instead, in my mind, the ABC is more like one of those giant cruise ships – a floating city that is a community in itself, and also impacts every community it touches as well as the ocean through which it travels. Big ships have large turning circles.

They don’t change course easily or quickly. Many things are going on within them at once – many stories, many ways of looking at the whole. Flotillas gather around this ship: the smaller ships of Australian culture and politics; leisure vehicles. Pilot boats tug it this way and that. Sharks and fish feed off it. There are barnacles on its hull, seagulls diving for its scraps, albatross cruising in its wake.

What the ABC does is reflected in almost every area of Australian life. In regional Australia, stories the ABC doesn’t report are likely to go unreported altogether. In the arts, books and events the ABC doesn’t cover are much less likely to reach audiences. If it stops commissioning drama and documentary, our creatives and their audiences suffer. The existence of a well-funded public broadcaster, trusted by most, is one of the things that makes our politics different from that of the United States. It also, we can hope, makes our democracy more resilient. Scott liked to describe the ABC as a town square. Kim Williams, who succeeded Ita Buttrose as chair in March 2024, adopted a similar idea, describing the organisation as a national campfire around which we gather. Media is both private and public. It is in our homes and in our cars and in our earbuds, the background noise to our lives.

The ABC is many things to many people, and the challenge in writing its story is this complexity. At times I have felt like the Sorcerer’s Apprentice, faced with ever multiplying broomsticks. Every story suggests another story that needs to be written – everything is connected to something else. Many incidents are still the subject of hot dispute. Often, the interconnected disputes mean there are different perspectives on the same events. There are the politics, both internal and external, and endless small dramas within the larger narrative. This has required a certain amount of cantilevering in the structure – pushing forward with one narrative, then backtracking to bring the rest up to the same point. This book begins and ends more or less chronologically, but there are also thematic chapters, which necessarily means there are areas of overlap. And of course, there are some things I could have written about that simply did not make the cut.

There are some constants, and a couple are worth stating. First, the ABC’s internal politics are uniquely difficult. Sometimes they are positively toxic, despite near constant efforts by successive management teams to improve the internal culture. Both the ABC’s supporters and its critics tend

to misunderstand this. Those who love the public broadcaster and its personalities think of it as Aunty – cosy, well-meaning and good. They are shocked when the internal toxicity occasionally emerges into public view. On the other hand, the ABC's critics describe it as a sheltered workshop full of coddled lefties – the inmates are running the asylum, these critics say, protected from the rigors of the commercial market.

Both sides misunderstand the dynamics that make the ABC both a tough and an extraordinary place to work and manage. ABC employees tend to be passionately attached to the cause of public broadcasting. It is not only a job but also a vocation and a privilege. As a result, the ABC runs on unpaid overtime and stress. There is no more potent drug than creative work attached to a sense of public purpose. Like all true lovers, ABC people tend to be constantly disappointed. Add to this a culture of scarcity: there is never enough money. Within this, some people have golden careers. But achieving good things within the public broadcaster generally takes very hard work, considerable sensibility and great fortitude.

It can also be nasty. When I checked a fact with a former ABC executive in the final stages of preparing this manuscript, they commented: "I see the hatchets are out, as usual at the ABC." If I had published even a small sample of the uncharitable things ABC people said about each other to me, this book would have been buried in defamation writs. The ABC can break your heart and your spirit. I have met former executives who, in my amateur opinion, suffer from post-traumatic stress disorder. Steering a fair path through this is not easy and does not always inspire love of the ABC culture, despite the many impressive people who inhabit it and the great work they do.

It is a constant at the ABC that for something new to start, something old must come to an end. At a time of transformational change, *many* things must end. But every program, every activity, has its passionate defenders both within and outside the organisation. The ABC staff are loyal not to management – and certainly not to the board – but to the content they produce and to their notion of their audience. Change is associated with loss and is therefore often resisted. Cliques, internally loyal, gather around particular programs or genres and work as tight teams. But these cliques frequently see themselves as embattled against external critics and against other cliques, their managers and the organisation. Added to all these

pressures is the attitude of governments of both stripes. There has been active hostility, mostly from Coalition governments, as well as culpable carelessness and neglect from both sides of politics.

The second constant in the story of the ABC is the obsession of Rupert Murdoch's News Corporation (News Limited until July 2013), which watches the ABC with a jaundiced eye. In its reporting, every error is amplified; every misstep, either real or imagined, becomes a story. Some of the reporting is inaccurate. Much of it is fevered. As Scott has put it, not all the ABC's critics are fair-minded. Part of the motivation for this is commercial, and part of it is ideological. The ABC is News Corporation's main competitor as a national agenda-setter. So long as the ABC remains strong, the Murdoch organisation cannot claim to be the dominant organisation in Australian media and politics. As for ideology, many of News Corporation's opinion writers and executives think that public broadcasting should not exist at all, and that taxpayers should not have to shell out for things the market can provide. Others want public broadcasting but think it should be different – more right-wing, more like News Corporation.

Like most mainstream media organisations, News Corporation was losing influence during the period covered by this book. But the political culture has not yet caught up with the fact that News Corporation's outlets no longer determine elections. As a result, a lot of people – politicians and journalists – care a great deal about what is said on Sky News or written in *The Australian*, even if it reaches a small audience. These outlets still influence and inform public discourse, of course, but people inside the ABC arguably care too much about what News Corporation outlets do, reacting to attacks or anticipated attacks. It is understandable, given the accountability requirements that come with being taxpayer funded. The Murdoch organisation's criticism informs the cross-examination of ABC executives at Senate Estimates hearings. Those encounters are reported prominently and unflatteringly by News Corporation outlets – and on it goes.

The problem with always reacting to a perceived powerful foe is that you unwittingly become its reverse image – you are moulded by it even while attempting to oppose it. News Corporation and the ABC shadow each other like warring siblings. The stories of the two organisations share

characters and some plotlines. They love and hate each other, and News Corporation loves to hate the ABC.

But within this, there is a winner. The ABC is the more significant sibling. It has the most listened-to radio news and the third most watched television news. At the time of writing, in June 2026, ABC News is the country's top news website, with almost 12.6 million unique visitors compared to News.com.au, which had 12.4 million unique visitors.[4] The ABC and SBS are also, by a long way, the most trusted media organisations in the country. The Murdoch outlets are the least trusted.[5] For all its faults, the ABC does the better job of reaching and reflecting the nation at a time when the influence of all mainstream media is in decline.

But this position cannot, and must not, be taken for granted. It could easily have been lost. Had the ABC been prevented from making huge technological changes during the Scott years, had it been differently led, had elections turned out differently, things could have panned out very badly indeed for the ABC, as I think this book shows. In the period covered, there were several points at which the ABC could have been fatally weakened. Australia would be a different nation if that had happened.

The worst thing about all these battles is that debate about the ABC tends to be polarised – those who love it, those who hate it. This means that important issues, such as the role it should play in our culture and society – what we should expect of it, and what we are prepared to pay, through our taxes, to maintain it – are rarely sensibly discussed. I hope this book, and its successor, will go a small way towards informing better debates.

In an interview for this book, Mark Scott said that when he began his term, he did not know what the future held and he knew he would get some things wrong, but he knew the future lay "that way" – he waved his hand towards a window. Digital media. The internet. A fragmented audience. If the ABC could maintain forward momentum in the right general direction, it could course-correct as it went on. The problem was that at no stage did any government fully fund the cost of making the digital transition.

Yet the ABC could not afford to pause.

The prehistory

Most people who pick up this book will not have read Ken Inglis's two volumes. For them, here is a brief recap of the prehistory of this story.[6]

In the 1920s, a series of royal commissions wrestled with how Australia should cope with the extraordinary new world of broadcasting, with its potential to conquer distance and bind a nation. One option was to create a federal government broadcasting monopoly. That idea was rejected in favour of creating a non-commercial national broadcaster to work alongside commercial stations. Unlike the BBC, on which it was modelled, the ABC had from day one to compete with commercial outlets. It was established as a statutory authority, at arm's length from government yet dependent on it. Thus, the relationships were set that persist to this day – a tension between the broadcaster and the hand that feeds it. The public broadcaster was meant to be out of the reach of politicians, yet it was required to report to parliament and was dependent on government.

The ABC was part of what journalist Paul Kelly has called the Australian settlement – a consensus that government should be involved directly in providing services and security and in enriching the life of the community.[7] The Australian Broadcasting Commission, as it was then called, was of a piece with railway commissions, electricity commissions and all the other machinery of nation building. At first it was a radio broadcaster – but when black and white television came along, governments accepted their responsibility to fund the ABC's entry into the new world. The same happened when colour television replaced black and white. This set a pattern of commitment to publicly funded media across emerging technologies.

The ABC survived the market-based, user-pays reforms of the 1980s and '90s under the Fraser and Hawke–Keating governments. It was subjected to several reviews. At various times, there were suggestions it should be sold off, privatised or forced to return revenue to government through advertising. Those ideas were rejected, although in 1983 it changed its name. The "commission" became a "corporation" – reflecting the corporatist spirit of the times.

One of the early decisions of the Howard government was to appoint, in July 1996, businessman Bob Mansfield to conduct yet another review of the ABC, which was widely expected to result in recommendations to wind

back its activities. But Mansfield quickly found out how much the ABC was valued. He had been head of McDonald's Australia and of Optus, but he told the government he had never seen brand loyalty like that enjoyed by the ABC. Mansfield recommended changes – including more outsourcing of production – but he reinforced the importance of the institution.

Media provided by an arm of government thus proved more durable than government-owned airlines, banks, electricity, health insurance and telephone services. Nevertheless, the ABC suffered punishing funding cuts under the Hawke–Keating and Howard governments.

At the same time as it announced the Mansfield review, the Howard government broke an election promise to maintain the ABC's funding levels in real terms and announced that $65 million was to be cut over the following two years. There were many redundancies and cuts to budgets across the board. By 2000, the staff-elected director of the ABC, Quentin Dempster, warned that the ABC was in danger of destruction. More stormy weather was to come.

The Howard government's attitude to the ABC was reflected not only in cuts to funding but also in the culture wars, as left and right battled it out over national identity and understandings of our history. Both sides of politics had a history of stacking the ABC board with people friendly to the government of the day, but the Howard government, in some of its appointments, took this from a matter of broad political affiliation to ideological partisanship. Meanwhile the communications minister, Richard Alston, became the ABC's chief critic. Ken Inglis said that Alston, who was in charge of the ABC for seven years, "showed less respect for the form of the [organisation] than almost any minister during the 70 years of the ABC's life".[8]

In late 1999, the ABC board appointed Jonathan Shier, a little-known media executive who had been working overseas, as managing director. Almost immediately, Shier began a purge of the senior ranks of the broadcaster. Over the next eighteen months, he ousted nearly all the key executives – and then proceeded to fall out with many of their replacements. Nobody has anything good to say about the Shier period. People use words such as "megalomaniac", "wild" and "bully". Sue Howard, who was appointed by Shier to head up radio, says she survived by

listening to his “crazy ideas” and doing nothing with them. Usually, if she waited a few weeks, the idea would go away. Leading journalist Kerry O’Brien remembers that “a sense of hostility infused the organisation”.[9]

It is still widely believed within the ABC that Shier was a political appointment, and that he arrived with a government-influenced “hit list” of executives and journalists to be gotten rid of. It is an understandable perception. But Inglis, who interviewed all the members of the board that appointed Shier, concluded that he was a disastrous appointment but not a political one. “I’m not convinced that the choice was made on political grounds or that anybody in government intervened on his behalf,” he wrote.[10] He concluded that the chair of the ABC board at the time, Donald McDonald, had done what he could to protect the organisation. In December 2001, amid a revolt by the staff, McDonald and the board forced Shier to resign.

In the wake of Shier’s departure, various names were raised as possible successors. McDonald and the board opted, understandably, for safe hands. Russell Balding, the former director of finance and an accountant with a distinguished career in the public sector, was appointed to steady the ship. He was welcomed by the staff. The organisation breathed a collective sigh of relief. As Quentin Dempster put it to me in 2005, “For some time, he was loved because he was not Jonathan Shier . . . but now we are coming to terms with all the other things that Russell is not.”

Balding knew, at the dawn of the internet and digital broadcasting, that the ABC had to innovate, and he invested in that. He was a good manager, but not an intellectual or a natural advocate. As the government made successive cuts to the organisation’s funding, it was impossible to persuade Balding to agree to be interviewed about his vision for the ABC or its value. He had no editorial or content experience. When it came to content, the directors of the various divisions drove the organisation, and they, too often, were at war with each other. The executive became dysfunctional.

Meanwhile, the culture wars continued. In 2003, communications minister Alston tried to pressure the board into setting up a new external body to monitor issues of bias. There was acid correspondence with McDonald, who resisted the attempt. Then, Alston lodged sixty-eight complaints of bias against the ABC in relation to its coverage of the Iraq

War and pursued them vigorously and very publicly. Instead of advocating for this part of his portfolio, he had become one of the corporation's main critics and antagonists.

The ABC's relationship with the Howard government eased in early 2004, when Alston resigned from the Senate and was replaced as communications minister by Daryl Williams. Board members nicknamed Williams "rowdy" because he was so quiet. They interpreted his appointment as a move by Howard to calm things down after Alston's attacks. Williams had the job for only nine months and made no significant changes. He was replaced by Senator Helen Coonan, whose approach, recalls McDonald, was "nothing but businesslike".

Interviewed for this book, Coonan agreed that many of her colleagues were "highly suspicious of the ABC . . . I was always under some pressure to be looking after the ABC in a fairly proactive way." This pressure, she said, did not come from Howard. "Sometimes around the cabinet table there'd be discussion, and there were always people who'd stand up in the party room and say the ABC should be sold or they should be merged with SBS. There were always those kinds of things whizzing around in the background. But not from Howard." Coonan's approach would be different from Alston's – "I never found that the issues were such that I needed to be constantly riding the ABC" – but she did not end the practice of making politically provocative appointments to the board.

In mid-2005, in preparation for its next triennial funding bid, which was due in 2006, the ABC board asked the government to commission an independent review of the adequacy of its funding. It was an audacious and possibly dangerous move. McDonald acknowledged that the broadcaster could be putting its head on the chopping block but said "we mustn't be scared of the facts". The rationale, as Balding put it, was that the corporation was getting nowhere in its pleas for more funding and needed an external opinion. Coonan encouraged the board in this approach and said she would be on its side. The board was confident that the data could only lead to the conclusion that the ABC needed and deserved more.

By late 2005, consultants from KPMG were trawling through the ABC's Sydney headquarters, rushing to complete their report in time to inform the 2006 budget. Speculation about the results dominated headlines about the ABC. It was understood that KPMG would work closely with ABC

management. Cabinet ministers might not have understood just how close the relationship would become. Just before Christmas 2005, a draft of the KPMG report landed on the desk of ABC chief operating officer David Pendleton, one of the lowest profile but most consequential members of the ABC executive. Appointed by Balding, Pendleton had an iron grip over the organisation's finances. He had not been in favour of commissioning the review. His policy was never to initiate a review you don't know the answer to. But he understood that the board had acted out of frustration.

The draft report missed the mark, he thought. Over Christmas, it was substantially rewritten. One of Pendleton's immediate reports told me: "The KPMG report was written by David Pendleton." That may be an overstatement, but Pendleton's input was significant. A central part of the redraft was an analysis of the ABC's capital funding and how inadequate allowance for depreciation was effectively bleeding it of funds. This had been one of Pendleton's central preoccupations for a long time and would remain so.

The KPMG report was meant to go to cabinet as part of confidential budget considerations. Even the ABC board was given only an executive summary. But, early in the new year, that summary was leaked, arriving in a proverbial plain brown wrapper in the letterbox of the secretary of the Community and Public Sector Union, Graeme Thomson. He passed it on to the media, including me.[11]

McDonald and the board's bet had paid off – with Pendleton's finger on the wheel. The KPMG report concluded that the ABC needed an extra $125.8 million in core funding over the next three years just to maintain its present operations. In particular, capital funding was inadequate due to earlier accounting changes that were effectively sucking money out of the organisation as it adapted to digital technology. The review also drew attention to the "costs of being the ABC" – the compliance and accountability mechanisms that went with being a publicly funded broadcaster. "In terms of its funding adequacy, even with indexation . . . we do not believe the ABC could sustain its present range, quantity and mix of outputs at its present level of funding," the report said. The ABC's range of outputs was "unmatched by any other Australian media organisation". The leaked report put to bed, for the moment at least, the idea that the ABC was

bloated and inefficient. As Coonan tangled with her colleagues in discussions leading up to the 2006 budget, she found it “a good document to argue from. It helped a lot.”

This was the state of the ABC at the end of 2005 and beginning of 2006. It had inadequate funding but a minister prepared to argue for more. It was still recovering from the crisis under Shier and was still beset by a hostile government, a board that included fractious culture warriors and a warring executive. Its strong managing director had nevertheless failed to articulate a vision, and its chairman was in the final months of his term. The Howard government had been in power for a decade. Peter Costello was likely to be the next prime minister. Labor was led by Kim Beazley, who was embattled and being undermined from within the party. And everything in media was changing.

This is the moment from which I pick up this story. It is a story of digital transformation and the costs of that. In this book, we follow this transformation through to 2016. A second volume, currently in preparation, will take the narrative forward to at least 2026. It will cover one of the greatest crises in the organisation’s history, when the managing director was sacked by the board and the chair was forced to resign days later. During both decades, the journalists and the journalism were at centre stage, as the world grew more fractious and divided and the whole notion of truth was under challenge, as audiences grew ever more mobile, and more fickle.

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1

Culture Wars and Roses

In January 2006, managing director Russell Balding told the chairman of the ABC's board, Donald McDonald, that he was leaving to become CEO of the Sydney Airport Corporation. It was a sudden move, and Balding made it clear that he wanted to go quickly. The offer he had received was too good to refuse. There would be no long transition.

McDonald was dismayed. "My heart absolutely sank. I had thanked God that I was going to get out of this organisation without having to find another managing director. But anyway, we had to." McDonald himself was due to step down in July, after two exhausting five-year terms as chair, including the ignominy and public controversy of Shier's appointment and departure. Now the board was going to have to make the most important decision in its power – the hiring of a new managing director. It was in ragged shape to do so. It was down a member, internally divided and caught up in the energy-sapping culture wars. And, as it emerged, at least one of the members appointed by the Howard government was viciously leaking against McDonald to the media.

As well as McDonald, the people responsible for this crucial decision were the staff-elected board member, Ramona Koval (who was also nearing the end of her term); anthropologist Ron Brunton; lawyer and columnist for *The Australian* Janet Albrechtsen; Sydney barrister John Gallagher QC; and Steven Skala, a Melbourne-based lawyer, investment banker, company director and philanthropist and the most recent appointment to the board. All but Koval had been appointed by the Howard government.

When McDonald took up the role of chair in 1996, as the Howard government's first appointment to the board, he was thrilled. He had been sounded out by Howard himself, who was a close friend. "I actually said 'yes' within moments. The thought of being head of the most important

organisation in the country was too good. How could you refuse?" He knew he would be regarded with suspicion. The general perception among ABC staff, as well as within the Liberal Party, was that he had been appointed to tackle the culture at the ABC – which was seen by Liberals as a nest of left-wingers. His friendship with Howard tended to confirm this in the minds of many ABC supporters and staff. Then, he and the board had appointed the disastrous Shier as managing director.

But McDonald's position was complex. Howard had told him: "I will never talk to you about the ABC, and if you want to talk to me about an ABC matter, make an appointment with my office." On a handful of occasions they met, formally, to talk about matters related to the budget. Other than that, McDonald claims, he knew nothing about Howard's views on the ABC, other than that Howard liked the Sunday-night television line-up, which at the start of 2006 included *The Einstein Factor* quiz show, usually followed by a drama from the BBC.

The Howard government certainly included people who were hostile to the ABC, but the prime minister was not the locus of that hostility. Howard was a pragmatist about the media and engaged with it robustly. He never refused an interview with Kerry O'Brien on *7.30 Report*, for example. He never sued the media for defamation or threatened to, even when terrible things were said about him. But nor did Howard take great care of the ABC as a national asset. He allowed its board to become a battleground in the culture wars being fought over Australian history, the impact of colonialism and the duties that imposed on the present. At a time when Labor and the Liberal Party had similar neoliberal economic policies, the culture wars were a differentiating feature between the two parties. They helped to restore the Liberals' electoral fortunes and to bolster Howard's grip on power. Howard's treasurer, Peter Costello, and Costello's allies were understood to be the most focused on trying to challenge the ABC's culture – and Costello aspired to be prime minister.

The ABC board in 2006 was therefore caught up in three overlapping conflicts. First, there were the culture wars. Second, there were the leadership tensions between Howard and Costello. And third, there was climate change – whether it was happening, whether humans were causing it, and the appropriate response to it. This one would grow in importance as the years passed.

McDonald was nobody's factotum. He had come to the ABC chairmanship straight from being chief executive of the Australian Opera, after thirty years of being involved in arts organisations, including the Sydney Theatre Company and Musica Viva. In those roles he had been interventionist, "all over the organisation physically and emotionally", and he had loved working alongside creative people. His colleagues were his good friends. "We would just wander out to lunch together. At the ABC, as chairman you don't do that. It is hierarchical in that sense. You talk to a reporter and you are seen as interfering."[1] Nevertheless, he had been a constant presence at the ABC, with an office on the top floor of its Sydney headquarters in Ultimo. He had well-chosen paintings on the wall and a shelf of ABC Classic FM CDs, copies of which he liked to send to politicians as Christmas presents, to remind them that there was more to the ABC than its pesky journalism.

Former ABC board member Diana Gribble, an independent publisher who had been appointed by Labor, said that when McDonald arrived at the ABC, "Suddenly the chairman was a much more overtly powerful figure . . . He was cunning as a shit-house rat – a very nice one. Very urbane." She became convinced that he was his own man – not a proxy for Howard. Crucially, he had backed the ABC staff and executive in moving against Jonathan Shier.[2]

In that decision, McDonald's chief opponent on the board had been Michael Kroger, a former Victorian Liberal Party president and an ally of Costello and Communications Minister Alston. In the showdown between the board and Shier, both Alston and Costello had sent Shier supportive messages, probably at Kroger's urging. It was understood that Kroger acted as a "direct line" to Alston.[3]

Now it was a different board. The last Labor appointees had left in 1999 and 2000. Their replacements, while undoubtedly broadly sympathetic to the conservative side of politics, had at first included people with convincing qualifications and solid board experience. They included deputy chair Professor Judith Sloan, who had been part-time commissioner of the Productivity Commission and had served on the boards of multiple blue-chip companies, and whom McDonald found particularly helpful and positive about the ABC, though not uncritical. Another was Ross McLean,

an experienced company director. John Gallagher, who replaced Sloan, was a barrister whose practice included broadcasting law. But as the years passed, the Howard government's appointments increasingly favoured partisans in the culture wars. As a result, the board had become difficult to manage.

The means by which board members were appointed was opaque, including to McDonald. Alston rarely consulted him before making an appointment. There was no formal application process. The biggest challenge, McDonald says, was not dealing with the politics of these new board members. That was all part of the contest of ideas. Rather, it was working with "people who didn't have a clear idea of what a board was supposed to be and how it was supposed to work".

Ron Brunton replaced Kroger in 2003. Kroger had declined an offer of a second term, saying it was impossible to change the organisation so long as McDonald was chair.[4] An anthropologist, Brunton was sole director of his own research company but had no other corporate experience and no media experience, other than as a writer of opinion articles for the Murdoch press and for the right-wing magazine *Quadrant*. He was a central figure in the culture wars over Aboriginal history and one of the chief critics of the *Bringing Them Home* report by the Australian Human Rights Commission. Commissioned by Labor but received by the Howard government in 1997, that report contained heart-wrenching testimony about the impact of Aboriginal children being taken from their families.[5] Brunton described it as dishonest.[6] He had also written scathing criticisms of the High Court's 1992 *Mabo* decision and the 1991 report of the Royal Commission into Aboriginal Deaths in Custody.[7] He was one of the key "experts" who accused Ngarrindjeri women of lying about their "secret women's business" during the Hindmarsh Island Bridge affair in the 1990s – which in many ways marked the beginning of the culture wars.[8]

Since *Bringing Them Home* had been published, there had been a campaign for the government to apologise to the Stolen Generations. Howard was trenchant in refusing. He attacked the so-called "black armband" view of Australian history. He wanted Australians to be relaxed and comfortable in their national identity. The present generation should not be held responsible for the misdeeds of the past, he argued. Costello,

meanwhile, took a more conciliatory position. Bad things had been done in the past, he thought, even if he did not agree that all the children were strictly “stolen”. An apology might be merely symbolic, but “a lot of politics is symbolic”.[9]

But culture warriors did not make up the whole of the board, and nor were they the only or even the chief determinant of its character. For many years, the board had included a director elected by ABC staff. These board members, in Inglis’s estimation, had historically been the most important when it came to influencing the trajectory of the organisation.[10] In 2006, the position was occupied by Ramona Koval, a long-term ABC broadcaster who had been elected to the board in 2002, endorsed by the two unions covering ABC staff. She was well known to ABC Radio National listeners as the presenter of the *Books and Writing* program and, later, *The Book Show*. Koval displayed an intense curiosity about the human condition and about her interview subjects. She had a formidable talent for asking direct and penetrating questions, often eliciting frank and intimate revelations from authors. These powers of curiosity, charm and interrogation served her well on the board. Although she was often embattled and sometimes directly attacked, several of her board colleagues also at times confided in her – often with acid commentary on other board members. And Koval was keeping a diary. For four years, her fellow board members had watched her take out a succession of cheap black hardback notebooks during meetings and write copious notes. Now, as her term neared its end, they were worried about what she might do with those notes. They feared she might be planning to write a book.[11]

In 2004, board member Maurice Newman had resigned after accusing Koval of breaching board confidentiality – a controversy covered in detail in Ken Inglis’s second volume.[12] Koval had insisted on writing reports on the board’s activities for ABC staff. She had also released a letter she had written to McDonald – which she didn’t see as being a board paper. Newman and fellow board member John Gallagher had tried to get McDonald’s support to force her to either sign a confidentiality agreement or resign, but McDonald had not agreed with that approach. Unlike them, he saw no in-principle problem with the notion of a staff-elected director, and he had worked well with Koval’s predecessors. Interviewed for this

book, he recalled Koval as “a fabulous personality and a really interesting mind. Maurice [Newman] and I were not as one mind in respect of her. Maurice was very keen on governance in those days . . . I got to the point of thinking if I heard the word ‘governance’ again, I may produce a revolver.”

During the controversy over Koval’s actions, Janet Albrechtsen – not yet a board member – had written in *The Australian* that Koval should be sacked and that the whole idea of a staff-appointed director was “a remnant of the Soviet-style workers’ collective”.[13] Less than a year later, in February 2005, Helen Coonan took the extraordinary step of inviting Albrechtsen to join the board of the organisation she had so recently attacked. Interviewed for this book, Coonan claimed not to remember how she came to appoint Albrechtsen, or whether anyone else had suggested it. “I knew her slightly, and I thought she had the requisite skills.” Asked whether she took into account Albrechtsen’s attack on Koval and the “workers’ collective”, Coonan said: “You make so many appointments as a minister. I can’t remember this one in particular.”

By late 2005, Koval’s position was increasingly difficult. Her fellow directors, she recalls, “found me unusual. I wasn’t the kind of person that any of them had met before. They were all very well brought up. Most of them had gone to private schools.” She, on the other hand, was the daughter of stateless Holocaust survivors who had arrived in Australia in 1949. She had been to state schools. She was direct and interrogative and did not back down easily.

Despite their strained relationship, Brunton had confided in Koval his frustrations with McDonald, whom he saw, Koval recorded in her diary, as “duplicitous and two-faced”. Over coffee in the ABC staff cafeteria in November 2005, Brunton was warm towards her. He told her that at least their communication was direct, even if they disagreed, and that she probably talked about him to others in the same way as she spoke to his face. Koval cheerfully agreed that she was far from complimentary about him. Her diary does not record his response.

Interviewed for this book, John Gallagher described Brunton as “intelligent” and “independent” but said it was clear he was not taken seriously by the rest of the board, including McDonald. “Every time Ron would speak up – and he had strong views – there’d be stony silence around

the board table. Just silence. It could be quite embarrassing." Gallagher said he sympathised with the culture warriors on the board – Brunton and Albrechtsen – but thought they were largely ineffective. He regarded Albrechtsen as a "stand-out" intellect but not much of a politician. "She would speak out on issues at the meetings but without having done the necessary background work to foster support . . . I said to her, 'Listen, Janet. If you want to get something through the board, get the votes. Don't just talk. Do a bit of a dry run with individual directors.' But Janet wouldn't listen; she'd just come out and fire the guns. And after a while the dog barks too much."

Steven Skala, the most recent appointment to the board, was no lefty, but nor was he easy to categorise, politically speaking. Appointed by the Howard government in October 2005, he would go on to be reappointed by Labor and serve two five-year terms. Over time he was to prove a far more effective board member than the culture warriors, demonstrating an ability to engage across a breadth of issues, rather than only perceived flaws in the ABC's journalism – although he could also be vocal on that. Within weeks of his appointment, Skala sought out Koval and invited her for coffee. She wrote in her diary that he was a "smart, well-educated, well-rounded, well-read character, enthusiastic, a bit bored with his role at Deutsche Bank as a serial muncher and schmoozer . . . On all sorts of boards."

This, then, was the group of people who now had to select Balding's replacement as managing director.

Shortly after Balding announced his departure, the board met to discuss the recruitment process. They agreed to appoint an international executive recruitment company, Egon Zehnder, to run the search and compile a shortlist. Then they turned their attention to the position description and selection criteria. A seven-page draft stated that the ABC's values were to be "distinctively Australian, open to all, have no hidden agendas, and be creative, courageous, supportive and accountable". The priorities of the position were to "position the ABC as the premier national public broadcaster" and "take advantage of new technologies and techniques to expand and enhance services and improve production and broadcasting costs". "The ideal candidate" would have experience managing a large workplace, a commitment to public broadcasting and "strong representation, negotiation and advocacy skills". The salary was to be "in

the order of" $400,000, with a bonus of up to 20 per cent depending on performance.[14]

The position was advertised in early February 2006. At a Senate Estimates hearing, shadow communications minister Stephen Conroy queried whether Coonan would be involved in selecting the new managing director. It was a matter for the ABC board, Coonan replied, but she expected to be kept informed. She would not "seek to exercise a veto". Conroy said he had heard a "hot tip" that Kim Williams, then the chief executive of Foxtel, would be a candidate. Neither Balding nor the minister responded.[15] Conroy was ahead of history. Williams was indeed to be a candidate, but not this time around.

Meanwhile, elections for Koval's replacement as staff-elected director were underway. Quentin Dempster, a prominent investigative reporter and presenter, had announced that he would run for the position, and he was expected to win. But on the day nominations closed, Coonan announced that she planned to change the legislation and abolish the staff-elected position. She referred to claims that it "creates uncertainty about accountability" and said: "This change is in line with modern principles of corporate governance."[16] She had apparently been listening to the concerns expressed by Albrechtsen and Newman. It was too late to stop the election, but Coonan's legislation was introduced and referred to a Senate committee inquiry.

On 22 February, the board gathered for a meeting of the editorial policies committee, followed by a dinner to farewell Balding. At the dinner, Koval was seated next to Brunton and asked him if he had anyone in mind for the managing director's job. According to her diary, he replied that he thought they should get "someone to change the culture and go for more diversity". He stressed that he did not mean more Indigenous people or more women. Apparently, he meant diversity in attitudes or experience. He didn't understand why ABC staff stayed in the same jobs for years, he said; he thought "time servers" should move on. Koval recorded that she told him that she had been working at the ABC since 1988 and made a case for the value of "loyalty, love [and] seniority in an area of expertise".

A month later, Koval took a call from McDonald. He was ostensibly ringing about some books she had suggested he review, but the main topic

of the call turned out to be an article in that week's *Bulletin* magazine by Paul Daley. It was a full-frontal attack on McDonald, sourced to anonymous Liberal Party members. The article described McDonald as an "unlikely Liberal traitor" and a "silver-tongued prime ministerial confidant with a chameleon's deftness at gliding among the lefty luvvies of the arts community". He had been appointed to tackle "ingrained left-wing culture" at the ABC, the article claimed, but had turned out to be "a pathetically inept spear thrower for the right. Nowadays he even supports more ABC funding – unthinkable ten years ago." He was described as "a figure of contempt and ridicule among some senior Liberals; a poacher turned gamekeeper who . . . became captive to the very culture he was expected to destroy".

But the bit that most infuriated McDonald was a quote attributed to an unnamed ABC board member, who reportedly said: "The board is so ineffective under his leadership that it's ceasing to function." After all the pressure Koval had been under over allegations of breaching board confidentiality, this was a brazen leak.[17] He told Koval that at the next board meeting, he intended to go around the table and ask each member if they had spoken to *The Bulletin*. "Even if the person lies to me, at least I will have had the satisfaction of making them lie," he said. According to Koval's account in her diary, McDonald saw the *Bulletin* article as coming from Costello's friends and Howard's critics – including Kroger. They hoped to discredit Howard by attacking McDonald. Koval recorded that McDonald asked her to imagine what it would be like "in a few years' time" when Costello would likely be prime minister.

By the next board meeting, McDonald had apparently thought better of confronting his fellow directors. He said nothing about the article, and nobody else mentioned it, but the atmosphere was thick. In her diary, Koval described board members grimacing and raising eyebrows behind each other's backs.

At this meeting, they discussed the shortlist for the managing director's position. The frontrunner was Richard Freudenstein, the chief operating officer of Rupert Murdoch's British broadcasting company BSkyB. A long-term Murdoch man, he wanted to return home to Australia, and the ABC job was an opportunity to do so. He was interviewed by the board in Sydney in

early April, and Koval found him “sparky and quick”, with good answers to her questions about his lack of editorial experience. Gallagher, too, was impressed. “I thought he was an extremely competent man, and we all know that Murdoch picks good people.”

The second contender was Mark Scott, the group editorial director of Fairfax Newspapers. He had approached McDonald as soon as the managing director’s job was advertised. McDonald had never met him, but they belonged to the same elite Sydney circles; McDonald had been at university with Scott’s uncle and to parties held by Scott’s grandparents, Sir Walter and Lady Scott. They met for coffee, and Scott wanted to know whether the job was already sewn up. If there was an agreed contender, he wouldn’t bother to apply. McDonald assured him it was a genuine selection process and encouraged him to contact the recruitment agency. McDonald was left with the impression that Scott very badly wanted the job. “I knew he came from a family with a really strong sense of public service. And I was encouraged by my knowledge of his background. Beyond that, I didn’t have a strong opinion at that stage.”

Scott performed well in his interview. Koval thought him “very confident and strong on editorial issues”. He had done his research and showed a clear understanding of the board, its history and tensions, and the political positions of its members. He talked about managing change and about industrial relations, the digital revolution and his experience, at Fairfax, of watching the business model of traditional newspapers dwindle. He observed, Koval recorded, that “any newspaper will ‘veer to the left’ if you take your hands off the wheels”.

When I asked Scott about this in an interview for this book, he said: “I could possibly have said that, because I think that’s probably right. I’m not sure I’d say ‘left’ is the right word, but I think journalists are activists, even though organisationally and institutionally, they can be conservative. They’re conservative when it comes to their own workplace . . . I would have indicated that the culture at the ABC was very similar to the culture at Fairfax.” He told the board that he knew how to manage issues of bias and ethics, because he had handled the same issues at Fairfax. “So there’s no doubt part of my pitch was [that] if they have editorial issues, I have an editorial background. I have a news background. I’ve dealt with these issues. I can engage with these issues.” A political player who badly wanted

the job, Scott allowed the ABC board to read him as a conservative who shared their concerns about ABC bias. This was not a lie. But nor, as the next ten years were to show, was it the whole truth.

The board picked Freudenstein.

Memories differ as to whether he was offered the job or whether he withdrew before that could be done, but it is clear he was the first choice. But it quickly became apparent that the Murdoch organisation wanted to keep him and had made a handsome counteroffer. Freudenstein went on to be appointed CEO of News Digital Media and *The Australian* newspaper. In that position, he oversaw the decision, momentous at the time, to start charging for online news content. He became a key figure in mainstream media's pivot to understanding online content as the main game rather than an add-on. He later became CEO of the Foxtel group, replacing Kim Williams. Thus, in the internecine world of Australian media, the ABC and News Corporation circled and shadowed each other – dealing with some of the same issues, attracting some of the same people.

With Freudenstein out of the picture, the board turned to Scott, who had by now assumed he had missed out on the job and was trying to be philosophical about it. Suddenly, the board wanted to interview him again.[18] That second interview, in April 2006, was followed by individual meetings with some of the board members. Then he was offered the job. The board was disappointed in the field, and only Scott and Freudenstein were regarded as strong candidates. But Scott was, in the view of John Gallagher, "totally acceptable". Or, in the view of McDonald, "more than acceptable".

Negotiations with Scott were still underway when Ramona Koval went to Canberra to attend a Senate committee inquiry into the bill to abolish the staff-elected director position. With her were Quentin Dempster and two former staff directors, Ian Henschke and Kirsten Garrett. Ken Inglis was in the audience. He was, recorded Koval in her diary, "desperately trying to finish his second history of the ABC. Every time he thinks he is finished, something else happens and he has to continue. He leans over and asks me, 'Ramona, I know you probably can't tell me this, but since my deadline is 20 May, is there any chance I can include the name of the new MD in this draft?'" Koval replied, "with compassion", that she didn't know.

Twelve days later, Koval was back in Sydney for a board meeting at which Scott was to be interviewed again. Another issue before that meeting was a suggestion that a new website be established with downloadable episodes of the popular music program *Countdown*, "surrounded by advertising". This would be a commercial venture, outside the ABC's normal operations. Wrote Koval: "Before I even read the board paper the story was on *Crikey*. So someone clearly gave it to Margaret Simons." Once again, she was suspected of leaking. But, as her diary suggests, she was not my source. There was never any lack of leaks at the ABC. The *Countdown* proposal went ahead. It was wrongly assumed by some to be one of Mark Scott's first decisions. In fact, he had nothing to do with it.

On 8 May 2006, Dempster was announced the winner of the election for staff-elected director by a big margin. Three days later, the Senate voted to abolish the position. For the next five years, Dempster described himself as staff-elected director in absentia and was a vocal commentator on the board and on ABC management – more vocal than he could have been had he actually joined the board, where, as Koval had been, he would have been constrained by obligations of confidentiality.

Scott's appointment as director of the ABC was announced on 22 May. In a media release, McDonald said that Scott "has the experience and drive necessary to take the ABC into the digital media future". John Howard emphasised that he had played no role in the decision but wished Scott well.[19] Ken Inglis managed to squeeze one paragraph on the appointment into his book before sending it off to his publisher.[20]

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The week before Scott's appointment was announced, Peter Costello had handed down the 2006 budget. Whatever the treasurer's personal views on the ABC, Helen Coonan's advocacy, aided by the KPMG report, had led to a good result. After years of cuts, the ABC's core funding was to be maintained in real terms, and there would be $88.2 million over three years in new funding for regional and local programming, the purchase of new equipment and the commissioning of "high quality drama and documentary". It was less than the ABC had asked for and less than the

KPMG report had recommended, but it was the best result in twenty years and the breaking of a long drought. It meant that the new managing director would have a little more money to work with.

Ramona Koval's last meeting as an ABC board member was three days after Scott's appointment was announced. The day before, she had attended an editorial policies committee meeting, which, according to her diary, consisted of "Ron [Brunton] and Janet [Albrechtsen] raising various objections to stories most others around the table couldn't see any objection to . . . beyond the usual ones of the time constraints of getting a news report together in time for a deadline". Then there was an afternoon tea to farewell her from the board. It was not a warm occasion. In the middle of it, McDonald leaned over the table and whispered her a warning that "they" – she understood him to mean Albrechtsen, Brunton and Gallagher – were going to "ambush" her about her notes and diaries and the possibility she might write a book. Overnight, Koval got legal advice that her diaries and notes were her own and the board had no right to them.

The next day, after he had closed the formal board meeting, McDonald asked Albrechtsen if there was something she wished to raise. Albrechtsen said she had seen Koval write notes in meetings, using initials to identify directors' names. Albrechtsen demanded to know if Koval was planning to write a book. With characteristic chutzpah, Koval responded that Albrechtsen didn't interest her enough to be in a book, but that she was thinking of a film script, with Telly Savalas of *Kojak* fame playing Ron Brunton. Gallagher weighed in, reviving his umbrage over Koval's refusal to sign a confidentiality agreement back in 2004.

Koval held out. She had dealt with confidentiality "ad infinitum" during her time on the board, she said, and she wasn't going to revisit it now. She expressed surprise at being ambushed and said that Gallagher, as a lawyer, should know that he had no right to question her about her notes. Koval left without anyone saying farewell. She shook McDonald's hand on the way out.

It had been a bruising encounter. Waiting for the lift on her way out, she felt "pretty gloomy". She was glad her time on the board was at an end. Despite her defiance, it had taken a toll. But the next morning, two dozen red roses were delivered to her hotel room, with a card signed by Donald McDonald. "Special thoughts," it said. The card remains pasted to the

relevant page of her diaries today. Koval never did write a book. She had had enough of the ABC board. But she has kept her comprehensive diaries, rich in anecdotes, insights, observations and uncensored confidences from her colleagues, for posterity.

Koval was out, as was the position of staff-elected director. But McDonald had a distance yet to run. He had reluctantly agreed to extend his term by six months to help with the transition to a new managing director. He would step down in December 2006 – and the choice of his replacement would be significant.

*

When I interviewed Donald McDonald for this book in 2017, I told him I had drawn the conclusion that several board members during his tenure had been opposed to the existence of the organisation they were governing. Or, if they were not of that view while they were directors, they had arrived at it shortly afterwards. Gallagher had told me that his nine years on the board had proved to him the "heresy" that the ABC should be sold. "It's too inefficient to justify. And it's not an unbiased, objective form of media. And if it fails those two tests, why do you protect it?" Newman had told me that he now thought the ABC should be privatised. As for Brunton and Albrechtsen, they were trenchant critics of the ABC both before and after their terms. Later, after Scott's appointment was announced but before McDonald stood down, historian Keith Windschuttle, a preeminent culture warrior, joined them on the board.

McDonald said he thought my conclusion was "extraordinary". Nobody should accept appointment to a board of an organisation they could not support and wholeheartedly seek to advance, he said. The government would surely not have appointed such people if it thought those were their views. But he did not disagree with my conclusion.

Did it matter? The most significant issue with the more partisan political appointments to the board in the later years of the Howard government was surely that of qualifications. As the appointments got more provocative or pointed, a significant minority of board members lacked the background to properly oversee the organisation. Only the staff-elected director

understood how broadcasting and program-making worked. Some board members during this period, such as Skala and Gallagher, made important contributions and brought valuable skills. But the culture warriors – Brunton, Windschuttle and Albrechtsen – were mostly ineffective.

One board member described how it worked. There would be important issues on the agenda – new building projects, a restructuring of the digital division, a review of production resources. Throughout the discussion, the culture warriors would be mostly silent. Then, at the end of every meeting, there would be a report on complaints, and the culture warriors would start participating. What had been done about this journalist? Why hadn't they been disciplined, or even sacked?

In early 2006, with a change of government on the horizon, the board was politically skewed, fractious and at war with itself – and it had just appointed a managing director who was to be one of the most consequential in the ABC's history.

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Who Was Mark Scott?

Mark Scott's name had not been mentioned in any of the media speculation surrounding the appointment of a new ABC managing director, and his appointment was greeted with surprise and scepticism. Despite his seniority at Fairfax, he had little public profile. Writers in *The Australian* were predictably catty. Columnist P.P. McGuinness said that Scott had "risen without a trace". In *The Daily Telegraph*, Michael Bodey wrote that the ABC board had been "underwhelmed" by the quality of candidates – which was true, although the members were content with their final choice.[1]

Writing for *Crikey*, I quoted former colleagues at Fairfax who described Scott as "vanilla" – a man of no discernible passions. Someone told me that the Fairfax human resources department had been deeply dysfunctional when he was running it. But another Fairfax insider described him as the best boss they had ever had, decent and fair. I wrote:

> Nobody is describing him as a charismatic leader. Nobody is describing him as a fighter. He is somebody known for always seeking a middle course. Despite his meteoric rise at Fairfax there is not a great deal to show for his presence, and some of the appointments during his tenure have been questionable indeed.

That was all true, but it was certainly not the whole story. I also wrote that ABC insiders should not expect big changes. That bit I got dead wrong.[2]

Nobody realised that Scott had a vision. Or that, more than any other ABC leader, he would be able to articulate the case for the organisation's existence while also understanding the need for change – the need for the ABC to become more than a broadcaster. Nobody saw that he was politically smart, and something of an orator. It was understandable that people so misunderstood him. As he admits, it was only at the ABC that he

came into his own. Hardly anybody had a handle on who Mark Scott was, or why he wanted the ABC job so badly.

Why was he so keen to get the job? “I thought I would be a good fit,” he told me during his first months in the role. But there was more to it. Scott, by his own admission, had spent much of his career in the shadow of others – a manager but also a spectator, not a determining voice. Now in his mid-forties, he had learned a lot, but he was frustrated. Fairfax was becoming increasingly uncomfortable for him. He wanted to step into himself, to make his mark.

Scott was the product of a particular kind of small-l liberal Sydney establishment – “a member of the Sydney high Brahmin caste”, as one person, not a fan, put it. He was born in 1962 in Los Angeles, where his father, Brian, was working as a university professor, having completed his doctorate in business administration at Harvard. As a child in Sydney, Scott remembers being woken up to see his grandfather, Walter Scott, on television, heading up a public information campaign on the introduction of decimal currency. Walter Scott was an adviser to ten different government commissions and boards of review, serving governments of all stripes and heading the Australian Decimal Currency Board. Knighted for his efforts, Sir Walter founded the Australian Institute of Management and Australia’s first management consultancy. Mark Scott’s father, Brian, took over the firm. This is the Scott family legacy and ethos: public service, and management as an instrument enabling change.

The Scotts were a family of strong Protestant commitment, and that brought with it both a world view and a network at the heart of the establishment. Scott’s faith worried some ABC insiders when he was appointed, but he saw it as a private matter. He has rarely spoken publicly about his faith, but in 2016, shortly after leaving the ABC, he talked of how “being a follower of Christ” had shaped his approach to his work. There had been fears, he said, that he would try to move the public broadcaster towards a “Christian world view . . . The sanctimonious barbarian was inside the gates.” But: “Being Christian doesn’t shape so much what I do, but rather who I am or who I want to be . . . At work, am I quick to listen, slow to speak and slow to become angry? Do [colleagues] see some fruit of the spirit in my life?”[3]

Scott was educated at Knox Grammar School and the University of Sydney, where he gained a Bachelor of Arts, a Diploma of Education and a Master of Arts in political science and government. His first job was as a teacher at St Andrew's Cathedral School in Sydney, but he left after only a year to work as a researcher for the state Liberal Party and then for Terry Metherell, the Liberal Party's shadow minister for education. When the Greiner government was elected in 1988, ending twelve years of Labor rule, Metherell became one of the most controversial education ministers in the state's history. Education reform had been one of the key policies Greiner had taken to the election, and the Liberals' emphatic victory gave Metherell the confidence to move boldly. The changes he proposed were sweeping. One of the reports that guided the reforms, a management review of all aspects of the education portfolio, was written by Mark Scott's father and known as the Scott Report.[4]

The proposed reforms – to curriculum development, staffing, budgets and much more – were so wide-ranging that by the end of 1988 the government had, in Scott's words, "alienated everyone". A massive day of action against the reform agenda was the largest demonstration in Sydney since the protest marches against the Vietnam War. Eighty thousand people – teachers, parents and students – surrounded Parliament House on Macquarie Street.[5] Scott, then in his mid-twenties, was inside with the minister. The police told Metherell to stay away from the windows because they couldn't guarantee his safety. Scott, peering out at the enormous, furious crowd, was shaken. "I remember thinking, 'What have we done?'"

In later years, he answered the question for himself. What Metherell had failed to do, he concluded, was to "understand political capital. He'd not understood sequencing and prioritisation and timing, to bring about substantive change over time . . . Ministers who try and crash through, bring the revolution, they can make a lot of noise in a short period of time, but basically the whole system rises up to repel everything and then it backtracks. And so, some years later, what did all that noise achieve? Very little." The lesson Scott drew was that to introduce change, you needed to "build political capital, build confidence that you knew what you were doing and where you were going. And then spend that capital on things that mattered, not fritter it away on things that don't." Metherell had a vision, in

Scott's view. Many would say he wanted to do things that were right and timely. "But you need to plan to execute as much as you need the ideas to drive reform."

By 1992, Scott had set off for Harvard, where he enrolled in a Master of Public Administration. That qualification solidified the realisations he had had about how to manage complex change. When he returned to Australia, he briefly considered a political career. At the time, there was no doubt that it would have been with the Liberal Party. He was sounded out to work as chief of staff to the NSW premier, John Fahey, but he decided he did not want to work in politics again, and he had doubts about the direction of the party.

Under Howard as leader from 1995, the federal Liberal Party was moving to the right, and Howard had expressed strong views against Asian immigration. Scott identified more with the party as it had been under Malcolm Fraser – anti-racist, concerned with human rights and economically conservative. He thought that being a minister in the federal government would be "interesting", but he had no stomach for what it would take to get to such a position, particularly in a party increasingly focused on the culture wars.

Instead, he turned to journalism. Through personal connections, he got a job as education editor at *The Sydney Morning Herald* and rose swiftly. Fred Hilmer, who had been appointed as Fairfax CEO in October 1998, found that Scott was one of the few people on the editorial floor who understood management. Scott was seen as a protégé of Hilmer, who was disliked by the journalists. Eighteen months after joining the *Herald*, Scott became news editor, then editor of the Saturday edition. There was speculation he would be made editor, but instead Hilmer wanted him to join the executive and run human resources for the whole of Fairfax. Scott was disappointed. He would have preferred to rise in the journalistic ranks. But "in hindsight", he says, "I learned so much about bringing about change".

He was installed on the executive floor of the Fairfax offices at Darling Harbour, sitting behind a big desk in front of a bookshelf crammed with volumes on management theory. The bookshelf did not endear him to journalists. Like many creatives, they tended to be resistant to the idea of being managed at all – let alone according to the dictates of theory. They were smarting from Hilmer's characterisation of them as "content creators"

for an advertising platform. As Scott rose under Hilmer's wing, it was easy to write him off as Hilmer-lite – a management man with no vision or passion for journalism. But that would have been wrong. Scott appreciated the opportunities Hilmer had given him, but he did not regard himself as particularly close to his boss. And he was at his happiest on the newsroom floor.

Scott eventually became editor-in-chief of metropolitan, regional and community newspapers, then group editorial director, which was the role he was in when he applied for the ABC job. If working for Metherell had been a lesson in how not to introduce rapid change, Fairfax was a lesson in the costs of resisting change. The venerable old newspaper company, like most mainstream media, was struggling to adjust to the impacts of digital technology and the internet.

Eric Beecher, a former editor of *The Sydney Morning Herald* and by now an independent publisher and the owner of *Crikey*, was invited in 2004 to address the Fairfax board on the future of broadsheet newspapers. He told them that the company faced the collapse of its business model and the loss of classified advertising to online platforms. One board member, Roger Corbett (later chairman of the board), reacted furiously, saying: "I don't ever want anyone coming into this boardroom again and telling us that people will buy houses or cars, or look for jobs, without *this*." With that, Beecher recalled, "Corbett . . . dropped the lump of newsprint onto the boardroom table with a thud."[6]

That year, Hilmer announced his resignation as CEO of Fairfax; he departed the following year. His most visible legacy was investing heavily in a new printing plant for *The Age* near Melbourne Airport in Tullamarine. In his parting statement, he claimed he had given the company stability.[7] He could not have been more wrong. The most tumultuous years in media were directly ahead. Ten years later, the Tullamarine printing plant was closed and sold off. Beecher had been right. The classifieds had disappeared and print circulation was diving. Online publication was becoming the main game. Yet Fairfax did not introduce a paywall for its websites until 2013. By then, virtually all the classified advertisements had disappeared, successive waves of redundancies had gutted newsrooms, and readers had become used to the idea that online content was free.

Through most of his time as a Fairfax executive, Scott had been a spectator to these changes, without the power to alter the direction of the company. There were internal battles over whether digital should be a separate business unit or part of the main game. Scott is remembered as having been on the side of digital innovation – but he did not have the authority to carry the day. In his words, "I could influence. I could advise. I could not make the big decisions." As editor-in-chief, he was powerful in theory, but in fact each newspaper had a strong editor, and they did not invite nor welcome his intervention.

He made one decision that is still considered a black mark against him among Melbourne journalists. When Michael Gawenda stepped down as editor of *The Age* in 2004, Scott appointed the British editor Andrew Jaspan in his place. Jaspan quickly lost the support of his senior editorial staff. He had been notoriously divisive at the British newspapers he had edited. There were plenty of warning signs. So why did Scott appoint him? In interviews for this book, Scott said he had wanted a big personality to compete with Murdoch's *Herald Sun*. The decision revealed a fundamental misunderstanding of Jaspan and, arguably, of Melbourne. Scott's critics at the time said that he was more careless with a Melbourne paper than he would have been with a Sydney one. Some see this as a precursor to his period at the ABC. Scott, they say, understands Sydney in his bones. The rest of the country – not so much.

By the time Scott applied for the ABC job – impressing Donald McDonald with his hunger for the position – he was frustrated. David Kirk was now the CEO of Fairfax, and the head of Australian operations was Brian Evans, who had a sales background and little interest in journalism. He and Scott did not have a meeting of minds. By his own assessment, Scott had been travelling in the shadow of other men: of his father, of Metherell and of Hilmer. "I think it was only when I stepped up at the ABC that finally I was responsible for all elements and all the parts of a job," he told me. "And it was a big step up."

Scott agrees that the fact he had worked for a Liberal minister probably helped him to get the ABC job. It meant the board found him "acceptable". But, he points out, Metherell had hardly been a conservative. As for his personal politics at that stage, Scott says: "I was not particularly

ideological. I was a pragmatic centralist . . . I was economically more conservative, but with a heart for social justice."

Scott began work at the ABC in July 2006. In his first weeks in the job, he made a point of meeting all the federal cabinet ministers. In this he was aided by Gary Dawson, who ran communications and public affairs at the broadcaster. Dawson had worked for Howard and had excellent government contacts. In this first week, Scott met the minister for communications, Helen Coonan, for the first time. Scott recalls: "It was nothing much more than 'I wish you well and good luck'. No riding instructions . . . she wanted it to be fair and [she wanted] me to manage it well, but there was no sense of a brief beyond that." Most of the ministers gave Scott broad feedback. There were some complaints about particular stories, but few systemic observations. Most of them mentioned only the journalism and had nothing to say about the broader suite of ABC offerings – the drama, the music, the children's content – and no strategic insights.

Tony Abbott, then minister for health, was an exception. Scott recalls: "He loved the British content, and he said to me that more British content would be good. I remember walking out and thinking, 'Well, that was a first.' The complaints were normally the other way: 'Why are you filling the schedule with BBC stuff? You should be more Australian.'" Abbott was a fan of the BBC series *Hornblower*, set during the Napoleonic Wars and depicting the fictional Horatio Hornblower's journey from simple crewman to admiral of the British fleet. Scott made a point, after his meeting with Abbott, of checking whether the BBC would be making any more episodes. Sadly, he had to report back that it was not.

Scott's meeting with Peter Costello was more challenging. Scott reported to the board that the treasurer had been "firm and opinionated in his views about the ABC and our programs". Costello thought the ABC was now more than adequately funded, and that it needed to justify the recent increase by increasing its audience. Scott told the board this was a "clear message . . . that any future Costello government could well be more interested in testing the relevance and take-up of ABC services".[8] This was to be a persistent theme for the next eighteen months, leading up to the federal election of November 2007. If the Liberal Party won, Costello was

likely to succeed Howard as prime minister, and that was likely to be very tough for the ABC.

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In June 2006, a couple of weeks before Scott's first day of work, Helen Coonan made two new appointments to the board. The first was Peter Hurley, a South Australian businessman and senior vice-president of the Australian Hotels Association. Nobody knew much about him or could work out why he had been appointed, given he had no media experience. In the years ahead, he became known on the board as "the silent man from Adelaide". He rarely spoke, and when he did, he revealed how little he listened to or watched the ABC. In the assessment of his board colleagues, he had negligible impact.

The other appointment was Keith Windschuttle, then one of the most controversial people in the country. Windschuttle had in 2002 written a history of Tasmania contesting the idea that there had been massacres of Indigenous people and accusing some historians of falsifying the degree of violence in the past.[9] The resulting debate was still raging, alongside the ongoing campaign for a government apology to the Stolen Generations. Inglis described Windschuttle's appointment as the "most provocative ever made". Just the previous year, Inglis pointed out, Windschuttle had said in a lecture that the ABC should be commercialised in order to break its "Marxist culture". Inglis observed that the Howard government's appointments to the board might make such a change possible, perhaps starting with allowing advertising.[10] Stephen Conroy, as shadow communications minister, said Windschuttle's appointment marked "a new low in the Howard government's disgraceful campaign to undermine the ABC's independence".[11]

So what was going on – particularly since, just weeks later, Helen Coonan had no "riding instructions" for Scott and was nothing but professional and friendly? Interviewed for this book, Coonan denied that the board appointments were meant to be provocative. Hurley was "someone I had met". She thought he had "an interesting mix of business skills" and, being from South Australia, maintained the desired

geographical spread of board members. As for Windschuttle, Coonan said she knew his wife, Elizabeth, very well. And "there was a view" – presumably in the party room and in cabinet – that "his ability to run the counterfactual would be very useful to the board. So rather than having groupthink, there was a view that it might be quite useful to have somebody who was capable of taking challenging positions . . . I think it was really intended to round out the board." Other Liberal Party sources say that John Howard took a particular hand in this appointment. He admired Windschuttle's "courage" in the culture wars and wanted to reward it.

Inglis's fears about advertising on the ABC were not groundless. In some of Scott's early interviews after the appointment was announced, he did not rule it out. Coonan had flagged, earlier in the year, that perhaps the board might want to consider it before the 2009 triennial funding round.[12] The decision to allow a commercial *Countdown* site added to the concerns and fuelled the controversy as Scott got his feet under the desk.

In fact, although the issue of advertising on the ABC was revived at various times over the next ten years, it was never a likely prospect. It would have required a change to the ABC's charter and legislation, and it would have been controversial. By mid-2006, the Howard government was fully engaged in defending its contentious WorkChoices legislation, which had come into effect in March that year and altered the balance of power between employers and employees. It was not looking for another controversy.

As well, and more powerfully, any suggestion that the ABC should carry advertisements would have been opposed by the big commercial media companies. With their business models collapsing, the last thing the commercial television and radio networks wanted was a large, government-subsidised competitor. They were already grumpy that the other public broadcaster, SBS, which had been airing limited advertising between programs since 1992, was now planning to increase advertising to run in "natural breaks" within programs.[13]

Two days into his job, Scott was interviewed by *The Sydney Morning Herald* and said that neither he nor the federal government had plans to introduce advertising.[14] Regarding the *Countdown* site, he made the point that popular ABC magazines such as *Gardening Australia* already carried

advertisements. These were commercial activities, designed to raise money to support program-making. But there would be no ads on broadcasts, or on the ABC's core websites.

Scott brought to the job a strong understanding of the urgent need for change in media, acquired during his time at Fairfax. He also, from his time with Metherell, had an equally strong awareness of the need to bring people with him – to build and carefully use political capital. He saw himself as a consensus leader, by personality and by choice. In the years ahead, there would be very few times when he was prepared to move without the support of his executive. He worked hard to persuade them and was also persuaded by them. This empowered the many layers of management, even when they could not agree – which was often. Perhaps consensus leadership is the only way to succeed in an organisation of creative, outspoken, driven people who see their jobs as vocations. Not for nothing did Scott go on to be a university vice-chancellor.

Nevertheless, one of the main criticisms of his leadership was his reluctance to allow confrontation. When conflict emerged at executive meetings – as it often did – he would take it "offline", having separate meetings and endless discussions to try to arrive at a resolution. There were times when he sent members of his senior executive to counselling, to encourage them to work better together. His critics say there were too many times when he would go so far to avoid conflict that the organisation stalled for lack of a decision. Sometimes the members of his executive longed for him to simply knock their heads together and force an outcome, even one they didn't like, rather than condemning them to hours of enervating meetings in which they would wrangle among themselves to the point, literally, of tears.

But despite his conciliatory attitude, Scott did achieve enormous change and managed the changes that were thrust upon him. He would prove to be probably the best advocate the ABC had ever had. He was a powerful speaker, a skilled strategist and politically adept. He also managed his relationship with a sometimes-difficult board – controlling information flow, defusing tensions when he could and holding his ground when necessary.

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The Howard government's internal leadership tensions were at their height as Scott accustomed himself to his new office. Early in July, Costello had called for a "smooth leadership transition" in the interests of the party.[15] Normally, that could be expected to lead to a challenge. But on 31 July, Costello issued a media release declaring that Howard had informed him the previous night that he intended to fight the next election as prime minister and that he, Costello, accepted that.[16] But leadership tensions continued, right up to the eve of the election.

A few weeks before McDonald stepped down as ABC chair at the end of December, Kevin Rudd replaced Kim Beazley as leader of the Australian Labor Party. After years of making itself unelectable through internal factional fighting and the appointment of an unelectable leader in Mark Latham, Labor was competitive and on a roll.

Of more immediate significance for the ABC was McDonald's replacement. Various names had been floated in the media. Corporate lawyer and businessman David Gonski was suggested, as was Sam Chisholm, formerly an executive at Kerry Packer's Nine Network. Instead, the job was given to Maurice Newman – the director who had resigned from the board in 2004 over his conflict with Ramona Koval.

Newman recalled that when he was first approached by Coonan, he declined. "I didn't think that I was well suited for the role, particularly given the fact that Donald McDonald was much more in tune with the arts community and all of that, and that I'd had an unhappy experience before." But Coonan came back to him, telling him that Howard very much wanted him to accept. Interviewed for this book, Coonan said that while other names had been in the mix, Newman was the one she wanted and had advocated for. She regretted that he had left the board over the staff-elected director issue, "and we'd fixed that". She remembers the appointment process a little differently to Newman. She says she only approached Howard after Newman had agreed to accept the role, not that Howard urged the appointment.

Newman admitted he was flattered. The ABC, after all, was "a prestigious board, and I have and had a respect for the organisation". He

added: “I suppose when the prime minister calls, you tend to pitch up.” He never spoke to Howard personally about the appointment. Nor was he given a brief by either Coonan or Howard. There was no handover from McDonald. The two men were not friends, after McDonald had failed to back Newman in his dispute with Koval.

Newman returned to the board with a strong view that the ABC “needed to be more diverse in its views and in the way in which it presented the news and current affairs”. He moved into an office on the top floor of the Ultimo headquarters and made his presence felt. He was a respecter of governance and understood the difference between the role of management and that of the board. He never contacted staff directly with complaints, but he was constantly in Mark Scott’s ear, frequently going into Scott’s office to talk about editorial matters. In the view of one fellow board member, “Maurice became a management problem”.

By the time I interviewed Newman for this book in 2017, he was a trenchant critic of the ABC. He told me he had doubts about the worth of the broadcaster at the time of his appointment as chair but had put them aside. “If you are part of any organisation, you want it to succeed, and you do everything you can to help it succeed.” And he did. Over the next five years he was an effective advocate for the ABC with federal governments of both stripes. An autodidact, he was enormously charming and was well connected. He had been known for decades for going out of his way to cultivate up-and-coming politicians on both sides. In 1975, he had brought the monetarist economist Milton Friedman to Australia, on a trip that helped to kickstart a bipartisan commitment to economic deregulation and rationalism under the Hawke, Keating and Howard governments. He was on the founding board of the Centre for Independent Studies, a conservative political think tank, but claims to have voted for both major parties at different times. He sees himself as not party-political – a libertarian rather than a Liberal, and a small-government man.

When I asked him why a man so committed to the free market had spent so much effort and time on a public broadcaster, he agreed it was “a very legitimate question”. “Maybe it’s a reforming thing,” he said. “Maybe I thought I could bring some change to bear . . . But you’re perfectly right . . . it is inconsistent. You can’t be a libertarian and at the same time be a supporter of a publicly funded organisation [doing something] which can be

done in the free marketplace." What did he enjoy watching on the ABC? "Not much," he told me. "But to be fair to the ABC, I don't watch much TV anyway." Nor did he listen to the radio. "I spend most of my time on the web, doing my own research, and writing."

This – a chairman who liked to do his own research – was to become one of the challenges confronting Mark Scott over the course of the next five years.

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3

Cancer and Seagulls

Towards the end of Mark Scott's first week in the job, he was told that a staff member in the ABC's Brisbane offices in the inner suburb of Toowong had been diagnosed with breast cancer. He responded, conventionally, that he was sorry to hear that. He recalls: "The expressions on the faces around me told me that I didn't understand. They said there had been a lot of women diagnosed with breast cancer in Brisbane. And I go, 'Well, what do you mean?' And I was told that they had looked into it, and it was fine. It was just one of those things, a coincidence. But I dug into it a bit, and I found the staff were upset, and they were contacting me."

This new case was the twelfth among the 590 women who had been employed at Toowong in the previous ten years. Concern among staff had been growing steadily and was now close to terror. The growing cancer cluster was particularly frightening because several of the women falling ill had sat close to each other in the newsroom. Some had sat around the same table.

In 2005, with eleven cases diagnosed and in response to staff and union requests, the ABC had asked the Queensland Department of Health to investigate. It conducted a one-day environmental assessment of the site, which concluded there was no evidence of carcinogens sufficient to justify further environmental testing. The women had wanted a thorough investigation of the workplace, including electromagnetic fields associated with broadcasting and the potential presence of heavy metals, asbestos and so forth. Instead, they were interviewed and confronted with personal questions about their periods, whether they had breastfed and whether they were on oral contraceptives. Some refused to participate.[1]

In February 2006, Russell Balding and the ABC's chief operating officer, David Pendleton, had been questioned about the cluster in Senate

Estimates, following reporting in Brisbane's *Courier-Mail*. Pendleton told the senators there was no evidence of a link between the workplace and the cancer diagnoses. "We have turned over as many stones as we can . . . We cannot find any relationship between the environment at site and the incidence of cancer," he said. Counselling services were being provided to staff.[2]

And then came the twelfth case, the one Mark Scott was told about. The next week, staff walked out for twenty-four hours. They were demanding they be relocated and were considering a strike. Management had so far responded that the costs of moving were prohibitive and that there was no justification for doing so.

Scott went to Brisbane, hoping to avert industrial action. The weekend before he had discussed the issue with his wife, who had asked him whether he would be happy for one of their daughters to work at the site. That had pulled him up. When he addressed the Brisbane staff, he recalled: "There was a woman there, in her early twenties I guess, and she was very upset and in tears. And it was only then that it really came home to me. These women believe that by coming to work, they are going to get cancer. That they are going to die. And I was asked a question that was exactly the same question my wife had asked me the weekend before. I replied that when your child is sick, you get the very best advice, and you follow that advice. And I told them that is what we would do." He also made a commitment: if any evidence of cancer-causing elements at Toowong was found, the staff would be relocated.

Scott reported to the board on this meeting in August 2006, under the heading "issues requiring my immediate attention". The staff were genuinely concerned, he wrote. "We need to be taking these concerns seriously, be seen to be acting quickly and dealing with staff fairly, frankly and consistently."[3] This was a change of direction for the ABC.

So where was the best advice to be found? Scott asked Donald McDonald's wife, who was involved in cancer charities, and she recommended Bruce Armstrong, one of the country's leading cancer epidemiologists. Scott called him, and Armstrong agreed to head up a panel, including himself and two other specialists, to investigate. To increase staff confidence, Scott asked Norman Swan to join the panel. Swan was a

physician, an investigative journalist and a broadcaster, and had been the general manager of ABC Radio National. He had hosted the science program *Quantum*, contributed occasional episodes of *Four Corners* and had won four Walkley Awards, including the Gold Walkley for revealing scientific fraud by gynaecologist William McBride. His name had wide public recognition and significant internal respect.

The panel investigated both the health records of the women and the environment at Toowong. Water was tested, electromagnetic fields were measured, cameras were put down drains, soil samples were taken, radiation readings were done in multiple locations, and the history of the site, as well as tobacco use and the possible impact of passive smoking, were examined. Largely because they could see that this work was being done, the women cooperated with interviews about their personal histories. The investigation concentrated on ten women who had the same aggressive form of breast cancer. The panel could find nothing in their backgrounds or behaviour to distinguish them from any other group of Queensland women of the same age, yet the number of breast cancers diagnosed among these women was more than six times what would be expected in the general population.

The panel reported just before Christmas. It had found nothing to explain the higher incidence of cancers, but the statistics confirmed this was a true cluster. The chances of a statistical blip or coincidence were calculated at a million to one. The finding that made it untenable for ABC staff to continue working in the building was a correlation between the length of time the women had worked at the site and the incidence of cancer. Their risk went up by 12 per cent for each year of service.[4]

On 21 December, Scott went to Brisbane to release the report. He told the 350 staff that they would be leaving the building, starting that very day. They were given cardboard boxes and told to pack their things. By the end of January, the Toowong site was deserted.

The cause of the cancer cluster has never been discovered. Other studies were done on ABC staff nationwide, to see if they too had higher rates of cancer. Nothing was found.[5] Meanwhile, more cases were diagnosed in Brisbane over subsequent years, featuring with depressing frequency in Scott’s reports to the board. The ABC made payments to the women on a

“without prejudice” basis and independently of their workers’ compensation cases. In 2014, Scott reported to the board that he had attended the funeral of one of the women, Teena Girdis. The fact that working at the ABC had made women ill, some of them fatally, for reasons nobody could determine, was a rumble that ran beneath Scott’s decade as managing director, continuing in his consciousness long after the issue had faded from the headlines.[6] By December 2007, sixteen women who had worked at the site had developed breast cancer. The eventual size of the cluster is usually said to be at least seventeen women, but some say there are more.

Meanwhile, the ABC began work on a new headquarters, on the banks of the Brisbane River in the heart of South Bank, next to the Queensland Art Gallery and on a campus shared with the Queensland Symphony Orchestra and the Queensland Performing Arts Centre. The Toowong site was sold to help pay for the new headquarters. For six years, Brisbane staff would work across eight separate locations while the new office was built. Today, the site of the cancer cluster is covered in high-rise luxury apartments. No increase in cancer cases has been reported among the residents.

Scott recalls the opening of the new Queensland headquarters on a sparkling day in April 2012 as the single happiest day of his time at the ABC. At that point, he was more than halfway through his ten years as managing director. It was a good position from which to reflect on the strengths of the organisation. The women had stood their ground and had been supported by their colleagues, by their management and by the board – which, despite its internal disputes, had never questioned the decision to relocate or the cost of doing so.

Scott’s handling of the cancer cluster helped to define him in the eyes of the staff. He had sided with them despite the immense financial and organisational cost of doing so. The trust he gained through this would not entirely mitigate the stresses and strains of the following years, but it helped. At this point, the perception that he was a mere Liberal Party stooge intent on wrecking the organisation and likely hostile to its culture dropped away. He was accepted as a genuine man of goodwill, even by those who didn’t like his direction.

Another aspect of the Toowong saga was less visible to staff and to outsiders. This was the crucial role of the ABC's chief operating officer, David Pendleton. When the decision was made to evacuate Toowong, Pendleton made it possible. He spoke to commercial broadcasters in Brisbane, to several universities and to the Queensland government as he searched for a new building. When no single site could be found, he identified the eight separate locations. It was an immense logistical challenge, executed flawlessly and with no break in broadcasting. This was characteristic of Pendleton. He had a reputation, as Scott puts it, "as a safe pair of hands, a man to whom you could give a project and know that it would be seen through reliably and safely". Pendleton would also oversee the building of the new Brisbane headquarters, which came in on time and within budget.

Pendleton tends not to feature in public awareness of the ABC during Scott's time, but he enabled Scott to be an advocate and a visionary. Scott had little feeling for budgets and figures. He was, by his own admission, not an "operations" kind of leader. "I was the strategy and communications kind of CEO, but with a feel for the content . . . My real thing was the strategic direction and then building that coalition of support internally and externally to allow us to move in that direction. That's what I focused on." Pendleton was the money man, the person who knew where every dollar was to be found. And he was good at it. Pendleton gave the board confidence. In all the time he was there, there was never a negative auditor-general's report about financial management at the ABC, nor were the figures ever torn apart at Senate Estimates. Scott says: "We were, I think, powerfully complementary."

Not everyone had such a sunny view.

The ABC was not a happy place in 2006. The executive was, in Scott's view, "pretty dysfunctional", and this was reflected in much of the rest of the organisation. An unspoken "deal" had developed under Balding's leadership, Scott believed. Balding was an accountant, not a creative nor a content expert. The deal was that he would manage the board and the bottom line while leaving the content divisions – news and current affairs, television and radio – to their respective directors. He did not intervene, either on big content decisions or on the management of staff and results. Scott planned to take a different path.

Bullying was also an issue. Koval had raised allegations several times at board level. Performance management reviews had been introduced throughout the organisation in the last two years of Balding's time, and these were the focus of the conflicts. The ABC section secretary of the Community and Public Sector Union, Graeme Thomson, asserted that it was "a semi-legal bullying, in which performance management systems are used to manage people out of the organisation, to penalise them, rather than to support and reward them". In the view of management, the union's complaints were simply a matter of the staff resisting management's right to manage.

The 2004 ABC annual report indicated the faultlines. The ABC's workers' compensation premiums had risen by 63 per cent, due particularly to the increased incidence of psychological injuries.[7] Cancer clusters aside, Aunty had turned toxic for at least some of its employees. The problems were, if not starting at the top, at least reflected in the executive and how they behaved towards each other.

Scott made it clear in his early days that he was the editor-in-chief, someone with an understanding of content, and he expected to be involved. One of his first messages to the executive was that he cared about the results they achieved, but also about how they achieved them. He recalls: "I think I sent a message to those content directors that I wanted to be more involved in their key decisions and thinking through their strategy . . . I wasn't a micromanager. But if they were making big programming decisions, timeslot decisions, working on what was going to go on the air, programs that were going to be cut, and certainly thinking through the strategy about funding bids – they were all things I wanted to be involved in and discuss."

The executive included Pendleton as chief operating officer, general counsel Stephen Collins, Gary Dawson as director of corporate strategy and communications, and Robyn Watts as the director of the commercial arm of the ABC, ABC Enterprises. But the angst tended to surround the remaining members – the "big personalities" who led the content divisions. Kim Dalton was director of television, Sue Howard of radio and John Cameron of news and current affairs – or "newscaff", to adopt the internal ABC

shorthand. On top of this, there was Lynley Marshall – a Shier recruit – who headed new media and digital services.

There were conflicts on the executive across several faultlines. First, there was Pendleton's tight grip on resources, organisation-wide perspective and iron dedication to his idea of how the ABC needed to run, together with his strong preference for being left alone to do his job without interference. The directors of the content divisions were in control of the people who commissioned or made programs, including journalists in the case of newscaff, but the resources needed to make programs and put them to air – the camera operators, technicians, hardware and studios – were locked up in the production resources division which was led by the director of resources, David Cruttenden, who answered to Pendleton. The content directors complained about a lack of transparency in how resources were allocated, and about performance issues.

Pendleton had been recruited to the ABC by Russell Balding in 1996, after a career including senior positions in the NSW public service. He became director of finance and support services in 2002 and was promoted to chief operating officer in 2004. He was big, bluff, white-haired, rosy-cheeked, phlegmatic and very tough. He never spoke in public, except when he was appearing at Senate Estimates; he had no public profile and nor did he want one. He did not wish to be quoted in this book. He was eclipsed, in the public eye, by the big personalities of the content heads and their star performers. Yet after the managing director, he was arguably the most powerful figure in the corporation.

Pendleton might have seemed unsentimental, but he guarded the ABC with a passion. When he joined the organisation, he had no particular affinity with it. He thought of his post as one more public sector job. He would stay for a while and move on to the next opportunity. He listened to ABC Radio, but he had never thought at a theoretical level about the importance of public broadcasting or its place in the life of the nation. That changed. Within a year of joining the ABC, he had fallen in love.

He was to stay for twenty-one years. As he rose in the organisation, he developed strong views on what the ABC was and what it should and could be. In particular, he valued its independence. He was a stickler for governance, the legacy of his public service background. In his view, the board and the managing director – briefed by him – should run the ABC,

not the government. He pushed back against any suggestion that funding from the government should come with strings attached. His grip on the finances, in his view, was about guarding against political interference. But he also guarded against the content directors. The conflicts over money between the divisions were perpetual, like fights between siblings. The content directors pressed for more transparency about how money was allocated and controlled – and simply for more. Pendleton, meanwhile, didn't trust them to share responsibility when money was tight and hard decisions had to be made. Transparency, in his view, did not necessarily lead to better outcomes.

John Cameron, as director of news and current affairs, regarded Pendleton as a "fierce adversary" at first. There was a history to this. The newscaff division had been a notorious overspender – in Cameron's words, a "financial pariah" – in the early 2000s, and in 2006 was still repaying $1.5 million of accumulated overspend. Cameron oversaw cuts to make these payments. Once that was done, he found that bridges with Pendleton were mended and their relationship "was on a far more friendly and professional footing". But the production resources division, in Cameron's view, which was part of Pendleton's empire, was "just this giant mass of people of variable standards. Cameramen who couldn't shoot, audio catchers who couldn't hear . . . there were just endless anecdotes of idiocy . . . It could be the cameraman who couldn't shoot to save himself, you know, who would get assigned to the biggest story of the day. You'd say no, and they'd say, 'You get what you're given.'"

Another source of tension on the executive was that newscaff did not control the platforms through which its content reached the public. The scheduling of news bulletins and current affairs programs had to be agreed with the directors of radio and television. Until very recently, there had been only one television station; now, although there was a second channel, ABC2, it was digital only and not accessible to most of the population. Disputes over timeslots were perpetual and fierce.

There had been times when Cameron and the former director of television, Sandra Levy, were barely talking to each other. According to Cameron, even the biggest news stories would not be considered worth "breaking into the sanctity of *Play School* or whatever". *Lateline*, the key

late-night current affairs program, was denied a secure timeslot, constantly shuffled around depending on the rest of the evening's schedule.

The tensions continue to this day. Levy asserts that the only time the television division refused to interrupt *Play School* was when the World Trade Center in New York was attacked. "Television did not want small children to see such awful and frightening images without warning." She says there were no other times when television refused to change the schedule in response to a newscaff request. "This is an old and inaccurate grievance from Newscaff."

At least there were multiple radio stations, but even then there were tensions. According to Cameron, Sue Howard, as director of radio, had a set against some of the presenters and commentators employed by newscaff. Howard remembers these tensions as being about quality. The radio division had spent years trying – successfully – to lift the standard of presentation, particularly in local radio, and she was lobbied by radio managers about one current affairs presenter in particular who was seen as below standard. On the other hand, the interviewers and presenters employed by the radio division, such as Jon Faine on local radio in Melbourne, often broke news stories during their programs and were frustrated that newscaff could be slow or even resistant to following up these stories. One local news presenter described the ABC newsroom as "the place where the phone never rings".

Sandra Levy had left the ABC in 2005 and was replaced in early 2006 by Kim Dalton. Levy had commissioned important programs including *Enough Rope*, *Media Watch*, *The Book Show* and *At the Movies*. In an effort to maximise the Australian content on-screen and to change the Sydney–Melbourne domination of the schedule, she had commissioned magazine programs produced in-house in the other state capitals. These were relatively cheap to produce. But thanks to successive budget cuts, original Australian drama and long-form documentary had dwindled. Kim Dalton, a passionate terrier of a man, was a dedicated and uncompromising enabler of Australian stories – prepared to do whatever it took to get more content to air, particularly high-end and long-form Australian drama, documentary and children's content. He was also strategic. He realised in his earliest days that he needed allies and sought out and cultivated Cameron in particular.

The tensions did not disappear, but compromises were reached, and some areas of common purpose developed.

When Dalton took over television, Australian drama content was in terrible shape. The golden years, when just about every household tuned in to *SeaChange*, or when programs such as *Brides of Christ* helped to redefine understandings of history and faith, were over. The commissioning budget was so thin, having taken the brunt of the Howard government's cuts, that Levy had lamented that it would soon be close to impossible to commission Australian drama. Dalton, helped by the 2006 funding increase and then by later increases, was to turn that around – in a way that would change the nature of the ABC.

Dalton came to the ABC with a strong career in the independent production sector behind him. He had worked with the ABC as an independent producer. This, in his words, gave him an insight into "both the institutional strengths [of the ABC] and the unbelievable bureaucratic bullshit". He had worked briefly for the Australian Children's Television Foundation, where he fell out with its founder, Patricia Edgar, and then at the international production and distribution company Beyond International and as CEO of the Australian Film Commission, where he established a partnership with the ABC and a development strategy in Indigenous content that eventually led to productions such as *Redfern Now*. All this time, Dalton had been, as he put it, "beating down doors trying to convince the ABC to work more with the independent sector".

Dalton, on his entry to the ABC, came with a weight of broad concerns and strong opinions about Australian culture and Australian content. He believed passionately in the importance of the public broadcaster in this ecosystem but was less respectful of ABC traditions, cultures and processes that, in his view, got in the way of the imperative – commissioning Australian content, and safeguarding and growing Australian cultural product.

Dalton applied for the ABC job because, after six years, he felt it was time to move on from the Australian Film Commission, and he didn't want to go back into the production sector. He had solid experience in production of content, but he saw his strengths as public policy and management, in the context of media and content creation. The ABC job looked like a perfect fit, but for the fact that he had no broadcasting experience. He assumed that

would rule him out, but he was shortlisted and then interviewed by a panel including Balding, McDonald and Cameron.

Dalton's conviction, which he was to pursue with zeal, was that the ABC should do very little, if any, internal production other than news and current affairs. He didn't hide this opinion in his job interview, but he softened it. He recalls: "I said that there were opportunities for the ABC that it was passing over because it was far too focused on its own internal production processes . . . I wasn't dishonest in any way. I didn't say, 'I'm coming in to dismantle the TV division', or anything like that, but I did say I thought there were opportunities."

Twenty-four hours before Balding announced his resignation, he rang Dalton to tell him that he had the job and to warn him that there would be a new managing director. Nobody knew who that would be or what changes they might bring. It didn't deter Dalton. He accepted the job.

Dalton had never worked for an institution as large as the ABC. At the Film Commission he had a staff of about seventy people. Now there were close to 400 in his division, across administration, marketing, programming and program production, including the production units in Brisbane, Adelaide, Perth and Hobart – the BAPH states, in ABC parlance. But an even greater number worked in production resources – camera operators, studio staff, editors, sound recordists and production management staff. These were under not his control, but Pendleton's. By Dalton's estimate, many of the funds available for making programs were being spent on the wages of people from the production resources division. In his view, programming choices were often based not on the best ideas or the needs of the audience, but on the perceived need to keep people employed and busy.

On top of that, ABC2 – an entire new television channel – was not in his division at all, but under the control of Lynley Marshall in the new media and digital services division. So were the websites of all the television programs. Marshall had been hired by Jonathan Shier at a time when the ABC's digital efforts were fragmented and uncoordinated. Some television and radio programs had embraced the internet's potential. *Four Corners* was a pioneer. Producer Bruce Belsham saw the opportunity to extend the program's life online, posting extra content and detail. He became an advocate for web publication. Other programs resisted. Marshall had

brought these fragmented efforts together and nursed a credible digital presence to life, all with minimal funding.

As managing director, Balding had backed new media but was reluctant to put significant money behind it. The audiences had not yet moved from the traditional platforms in sufficient numbers to justify spending much on online content, in his view. But by the time Scott was recruited, it was becoming clear to everyone that the future was digital. The content directors – Dalton, Cameron and Howard – wanted to take control of their websites and digital assets. Scott, too, wanted the web to become core business, not an add-on in a silo of its own. Marshall resisted, on occasion vehemently. She agreed that digital should not be a silo – but she feared the consequences of the content divisions absorbing digital into their own respective silos, rather than embracing the opportunity to, as she puts it, "produce once and distribute across multiple platforms and channels".

This battle for control of the ABC's digital presence was one of the most bitter fights on the executive when Scott arrived. By the end of 2006 he had decided to dissolve new media and digital services and give its resources – and most of the digital assets – to the content divisions. A new, smaller innovation department would be created, under the leadership of Ian Carroll. The innovation division would be encouraged to experiment, to make sure that the ABC was never taken by surprise by new technology, as Fairfax had been.

Marshall was to head a new division, ABC Commercial, which would absorb ABC Enterprises and the ABC Shops. Her main job would be to commercialise ABC content through the sale of DVDs, CDs and downloads. Marshall acknowledges that it was "painful" to lose new media and digital services. The websites and digital assets were, to her, "like babies that once nobody had loved . . . and so naturally there was a sense of loss, or difficulty in letting go". But Scott's decision to dissolve her division was, in retrospect, she says, "absolutely the right move". Scott, she says, was intent on breaking down the territorialism of the ABC. In her view, he was successful. "He led us in building a more collaborative, collegiate, ABC-first culture."

That is an optimistic view. The disbanding of new media and digital services was an ugly process. Typically, Scott did not unilaterally announce how its resources would be allocated. Instead, he established a consultation

committee with representation from all the divisions. It was a shit fight. There were big group meetings as the content divisions fought over staff and budget. Recalls one attendee: “It was a bit like the seagulls, after you had left your fish and chips on the beach, and everyone going in for the scraps.” Some felt that Scott should have intervened to adjudicate, but that was not Scott’s style. He wanted his people to take responsibility for working out the solutions.

Most of this conflict was hidden from the board. In March 2007, Scott reported that he was pleased with “the progress being made and the positive way in which staff . . . have embraced these developments”.[8] In the end, about eighty new media and digital services staff moved to the content divisions. Sixty moved to the new innovation division.

Another faultline on the executive was existential, concerning the very nature of a public broadcaster. Around the time that Scott took over as managing director, there was an exchange between Pendleton and Dalton about the value chain of television. It began as a conversation, but in the memories of those who witnessed it, it quickly became heated, audible to those outside the room. The argument was about whether the ABC should focus on commissioning and broadcasting content, or retain its ability to create content and control the rights.

Dalton argued that the ABC should commission all or almost all of its content from the independent sector. The public broadcaster should use rights to content, not necessarily own them. In-house production should be wound up or very much reduced, and the resulting savings redirected to the commissioning budget. Dalton argued that this would allow the ABC to maximise the impact of its funding. Independent producers could access money from state and federal government subsidies, particularly the Film Finance Corporation, and would be eligible for the producer offset – a tax break. They could also increase the available budget by pre-selling rights to overseas broadcasters and distributors. Under this model, the ABC would pay a licence fee for a certain number of runs over a limited number of years. The impact of each ABC dollar would be multiplied in terms of content put to air – but the ABC would not control the rights. Dalton wanted the best content on ABC television, but high-quality content was expensive. A drama might cost a million dollars an hour to produce. If the ABC wanted

to pay those kinds of costs, or even most of them, in order to retain all the rights, it would not be screening many shows, or not very good ones.

Dalton's argument was not only economic – although he thought the figures were compelling, particularly for long-form drama and documentary. It was also about tapping the best creative talent and ideas, which he believed lay outside the bureaucracy of the ABC. Even when the ABC produced its own programs, many of the creatives were freelancers brought in from outside. Many of the programs people loved the most and thought of as defining the ABC in previous years – such as *SeaChange*, *Brides of Christ* and *Kath and Kim* – were from the independent production sector, or were co-productions with the creative component coming from outsiders.

Pendleton, on the other hand, argued that a public broadcaster should always have the capacity to make its own content in-house, and even more importantly to control the rights to content. That was a bulwark against changing times and a guarantee of strength and independence. It meant, necessarily, investing in infrastructure, production staff and resources. Without that capacity, the independent sector could in time hold the ABC to ransom, charging what it liked. And what would happen to the ABC should the independent production sector ever dwindle or fail? Pendleton was defending his own empire, to be sure, but he was also defending an idea of what it meant to be a truly independent public broadcaster. It should, he believed, be more than just a commissioning fund. It would be too much to suggest that Pendleton foresaw the arrival of streaming services such as Netflix, but he understood that in the digital era, rights to content would become much more important. If you were only running a television station, he argued, then all you needed were the rights to broadcast content. But the ABC was much more than that. It was an institution, a cultural bulwark, a public asset and a public service.

This conflict became one of the defining battles within the ABC between 2006 and 2012, when Dalton left. Even today, both men argue their case strongly, with little charity for the point of view of the other. Dalton dismisses the idea that Pendleton, together with the ABC unions, was defending anything other than the ABC's industrial base. "He had no interest in or understanding of the creative process." Pendleton largely

refuses to engage in retrospect, but he has little good to say about Dalton's approach and legacy.

This debate found a focus around plans for the refurbishment and expansion of the ABC headquarters in Melbourne's Southbank. For years, the ABC had produced television from its studios in the Melbourne suburb of Ripponlea. The expanded Southbank headquarters were to replace that building, bringing all the ABC staff in Melbourne to one location in a new five-storey building. Dalton thought there should be no television studio in the new premises. The ABC should be making minimal content in-house, and if it needed a studio, it could rent one. At meetings to discuss the plans for the new building, Dalton would reach across the desk with a pen and angrily cross out the studio. At the next meeting, Pendleton would have put it back in.

Within the ABC and the independent production sector, you can still get a fierce argument about whether the ABC should have spent taxpayer money on the Southbank studio. Another studio, similar in size, was already being built in Melbourne's Docklands and was to be made available for hire. Dalton argued to Scott and the board that there was no sensible business case for a dedicated Melbourne studio. Drama series were not usually studio-based, and if they were they generally rented their own space. Entertainment shows, such as *Spicks and Specks*, which needed a studio with audience space, would be shot at a rate of several episodes a day. For much of the rest of the time, the studio would be vacant or leased to outsiders. Dalton recalls: "I was fighting for more long-form, high-end Australian content, which could only be made externally, and they were spending scarce resources on a potential white elephant."

The argument from the other side was about the benefits of ownership and operational control, and about the ABC's identity, culture and history. The Southbank facility was to replace outdated legacy studios at Ripponlea. Having its own studio safeguarded the ABC's independence from commercial studio providers and reduced logistics and set-up costs. Did it really want to give up these capacities in the country's second largest city?

A lot of the crossing out and putting back in on the plans was performative rather than substantive. A decision had already been made at senior levels that the Melbourne studio must be built, for political and cultural reasons both internal and external. Concentrating all production in

Sydney might have been efficient, but it was not acceptable for the ABC. The Southbank building was part of Melbourne's cultural precinct. Scott thought it untenable that it should not have a studio, and the board agreed. Dalton's advice on this issue, at least, fell on deaf ears. But the battle between Pendleton and Dalton came, in the minds of others, to represent something fundamental about the future of the ABC and the kind of organisation it should be.

As it turns out, according to David Anderson, who was the managing director of the ABC from 2018 after the Southbank facility opened, Dalton's prediction was wrong. The Melbourne studio was very busy and became the home of prime-time, high-rating programs such as *Hard Quiz*, *The Weekly* and Shaun Micallef's *Mad as Hell*. These and other shows were all co-produced with the independent production sector, with the ABC contributing the studio and production crew. Such shows might not exist if the full cost of hiring a studio was part of their production cost, Anderson says. It was hard to fit the shows into the studio's schedule, because it was so busy. Melbourne, after all, was the home of much of the nation's comedic talent. The problem in Melbourne was that the studio had inadequate storage space. Sometimes trucks had to be used to store sets. Instead, it was the studios in Ultimo – used to film *Playschool*, *Q&A*, *The Gruen Transfer*, *Media Watch* and not much else – that were often dark. But Dalton had a point when it came to some of the ABC's infrastructure. Studios in Perth, built at considerable cost and with state government support for production, had been opened in September 2005 by Prime Minister Howard, just before Dalton joined the ABC. They were hardly used and became a white elephant.

Pendleton had immense institutional power: many staff, the authority to audit the accounts, control of resources, and the confidence of the managing director and the board. Dalton, meanwhile, was a fighter, not easily intimidated and, as we shall see, prepared to take matters into his own hands.

Out of all these conflicts came one uneasy point of consensus. Scott, Pendleton and the content heads agreed that there should be a review of how television production resources were allocated and managed. It was tacitly understood, at least by Dalton, that any savings achieved would be redirected to his division and his commissioning budget. Pendleton, on the

other hand, hoped it would lead to more understanding from the content heads of the challenges of managing the budget and the impacts of years of underfunding.

In April 2007, Scott took to the board a proposal to hire independent consultants to conduct a production resources review. The Boston Consulting Group spent three months trawling the organisation before delivering a report, in August 2007, with twenty-two recommendations and an implementation timeline of three years. A project management office was established to take responsibility for the implementation. Its work was to dominate many of the internal workings of the ABC over the next few years. It was a "true transformation", Scott reported to the board, which would "deliver a significant improvement in the ABC's efficiency and effectiveness". It also opened up a new battlefield.[9]

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These, then, were some of the fractures within the ABC and on its executive. The fights could be fierce. After he left the job, Scott said he had run a ten-year program to try to get the executive to work together rather than fighting only for their own divisions. He believed he had been only partly successful.

Scott's efforts to improve the corporate culture began in the second half of 2006 with a series of conversations, meetings and away-days with the executive team, some including the board, aimed at developing a strategic plan for the entire organisation. Scott brought a professional and theory-informed management style that was new to the ABC. As one member of the executive recalls, "nobody had ever tackled us like that before". Others, to be fair, remember the butcher's paper and whiteboards and all the panoply of group strategy sessions with less affection.

The first meeting was in August, only weeks after Scott had arrived. He told the executive that this was an opportunity for them to "practise the discipline of thinking together", with the aim of creating a five-year strategy to "keep the ABC relevant in the digital era". Challenges identified included the dynamic between the board and the executive, lack of trust

from government and an ageing audience. Television was critical to the ABC's success, but ratings were declining.

The way the executive team worked together was described as "defensive cooperation – a midway point on a spectrum between downright antagonism and unqualified collaboration". Scott shared the extent of his ambition with the team. He said he wanted to create more digital channels, including a twenty-four-hour news service. One of the executive commented that the government wouldn't like it and probably wouldn't fund it. "They think it will be Kerry O'Brien all the time."[10]

In September 2006, during a three-day session at the Powerhouse Museum, not far from the Ultimo headquarters, Scott used the term "town hall" to describe what the ABC could be – a place where Australians came together to discuss their common concerns. It was to be a key concept of his time in the job.[11]

Another challenge identified during these conversations was financial. In November 2006, at a strategy retreat on the outskirts of Melbourne, Pendleton gave a presentation showing how ABC funding had been declining in real terms. He calculated a 26.6 per cent reduction since 1986. The ABC would find it increasingly challenging just to maintain existing outputs. Historically, the ABC had not invested in infrastructure, nor had it been given its accumulated depreciation funding to allow it to do so. This was the context, Pendleton said, for the proposed review of production resources.[12]

At the same meeting, which was attended by the board as well as the executive, Scott emphasised the need to improve the organisation's culture. A "culture of scarcity" within the ABC meant people identified with their business unit, not with the organisation as a whole. There was an attitude among staff that they represented "the real ABC", and that the "transient obsessions" of the board and executive "should be resisted where necessary".

Scott also began to outline his strategy for getting more money from government. The next triennial funding decisions would be made in the 2009 budget – nearly three years away. But work, he said, should start now. His strategy was to avoid simply asking for more money while asserting total independence from broader government objectives. There were too

many demands on the public purse for that to be effective. Rather, he wanted to present the ABC's case in terms of what the government wanted to do and the problems it faced.

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Since the latter days of the twentieth century, the usable parts of the broadcasting spectrum had become increasingly crowded, making it more valuable. Broadcasting had been governed in an atmosphere of spectrum scarcity. Now, new technology meant signals could be sent digitally and greatly compressed without loss of clarity. Many channels could be broadcast on the same amount of spectrum previously taken up by just one analogue television channel. Spectrum could be freed up and licensed to mobile phone companies and others, creating huge revenue for government.

The problem was that the great majority of television and radio sets in Australia were unable to receive and decode digital signals. People needed to buy new technology, and quickly, but there was little incentive for them to do so. Clearly, it was politically impossible for the government to simply impose change and switch off analogue broadcasting, depriving Australians of television.

The dilemma was largely of the government's own making – the product of years in which media policy had been craven and corrupted by the influence of media moguls. In 2000, the Productivity Commission had recommended that the spectrum should be opened up as fast and as completely as possible, and that the government should get on with this rather than do any more favours for media mates.[13]

The commission's recommendations were comprehensively ignored. Instead, the minister for communications, Richard Alston, moved in the opposite direction, ruling out new commercial television licences and heavily restricting digital television broadcasting. Instead of many competing channels of new content, networks would only be allowed to broadcast "enhanced services" on digital channels. Most genres of programs would be prohibited. Under these rules, the ABC's digital channel, ABC2, was launched in March 2005. To quote one ABC insider, it was like "a cake made without flour and water".

By the time Helen Coonan became minister for communications in 2004, the impact of these restrictions had become clear. The government's planned cut-off date for analogue television – 2008 – was fast approaching, and the viewing public was far from ready. There was no incentive for them to buy the new technology because there was nothing on digital television worth watching. The date for the analogue shutdown was postponed while Coonan worked on incentives to encourage viewers to make the transition. She lifted the genre restrictions on SBS and the ABC's multichannels. By 2007, the commercial networks were allowed to start offering high-definition digital content. Seven, Nine and Ten all launched digital channels that included exclusive programming, and the ABC now had a new problem: stretching its budget to find interesting content for ABC2.

Still, the uptake of digital televisions and set-top boxes was slow. This was a problem Mark Scott thought the ABC could help to fix, he told the executive and board at the November meeting. Given more money, the ABC could create more digital channels of rich content. At this meeting, Scott endorsed much of Dalton's argument about the need for a new production model for television, with a focus on commissioning rather than in-house content creation. The ABC should become a "commissioning catalyst" rather than a creator of content, he said. He also raised an issue he was to continue to pursue throughout his time as managing director, mostly without success. It was, as he put it, "the SBS issue". The other public broadcaster, he said, had become a competitor for funding and for content. Meanwhile it was moving away from its charter of multicultural broadcasting. Scott suggested that SBS and the ABC should merge.

The meeting ended with an agreed list of organisational priorities. They included an integrated digital strategy for radio and television, a new production model and a twenty-four-hour "news capacity" for online, radio and television. Added to this were the two new buildings in Brisbane and Melbourne and a feasibility study on a merger with SBS.[14]

Now the challenge was to spread the message throughout the organisation – to communicate the vision. In March 2007, Scott hosted a leadership conference at the Ultimo headquarters, bringing together more than 180 managers from across the organisation. It was a mixed success. Each member of the executive presented on the next two to three years of

their division. Dalton outlined a compelling though controversial vision, with a showreel and what is remembered as a “riveting” take on how the ABC could revive its place at the centre of Australian content. John Cameron, director of newscaff, spoke from pencilled notes “like an old-fashioned journalist”, remembers one attendee, and was judged to be “a little bit all over the place”. Sue Howard, director of radio, is the one whose presentation is most clearly remembered by people who were there. Nobody remembers what she said about her vision for radio. Rather, in the conversation afterwards, with the executive onstage and the injunctions from Scott about working together ringing in the air, she griped about the production resources sector. In the words of one observer: “Sue said something like, ‘You people working in support, next time we ask you for something, try saying yes instead of saying no.’ And it went down like a lead balloon.”

Recalling this conference, Scott says it was a depressing moment for him. His whole message was that the team should work together. Now, with his executive onstage, “they all started bickering. It was terrible.” A survey was distributed among the attendees afterwards. The feedback was that people liked what Scott had to say about the organisation working together, but, as Scott recalls it, “they weren’t convinced that the people I had on my leadership team could do that or would do that”. Howard’s remarks had an aftermath. In the words of one radio executive, “Sue’s approach was so markedly at odds with Scott’s approach that there was this kind of gossipy frenzy going on.”

Naturally enough, that “gossipy frenzy” reached the media. On 27 March 2007, *The Sydney Morning Herald* published an item suggesting that Howard was about to be sacked by Scott and replaced by the head of national radio networks, Kate Dundas. “Few tears are flowing among ABC radio staff over reports their boss Sue Howard is on managing director Mark Scott’s hit list,” the article read. “[Howard] is often criticised behind the scenes by managers and staff for her non-inclusive, micro-management style.”[15]

The report was a disaster for Scott’s hopes of building a relationship with his team. Dundas, too, was mortified. She had refused to talk to the *Herald* and straightaway rang Howard to warn her. Howard, she recalls,

blamed the news division, believing they had briefed against her. Interviewed for this book, Howard said she believed at the time that she was being actively undermined. “There was certainly a lot of angsty stuff happening in the executive.” But so far as she knew, she was getting on well with Scott.

Meanwhile, Scott took extraordinary action to close down the rumours. At the time, I was the media reporter for *Crikey.* The day the article was published, I was walking my dog in the early morning when my phone rang. It was Scott. I wasn’t to quote him, he said, but I could write a “very authoritative, well-informed piece” saying that Sue Howard was going nowhere, and that he had a good working relationship with her.

The rumour of her departure wasn’t true. Or not yet.

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A few months later, in July 2007, the ABC turned seventy-five years old. There was an open day. Roads around the corporation’s Sydney headquarters were closed to create an ABC precinct. Local radio broadcast live from the festivities. There were concerts, open studios, exhibitions and nostalgia. All the big ABC names were on hand.

Scott was also marking his first anniversary in the job. He felt he had a grip on the organisation’s strengths and weaknesses, as well as on the aftermath of the “existential threat” it had faced under Jonathan Shier. The ABC was strong in radio and, increasingly, online. Television was also strong, but for drama, which was at its lowest ebb. He had been warned that the organisation was broken by the decades of attacks on it. Instead, he thought it strong and resilient, largely because of the many small production teams who had affection for their audiences and control over their work. They kept on doing their jobs regardless of the internal and external political climate.

Surveying the field, he saw strengths and weaknesses. Local radio was strong, and the youth-oriented music station Triple J was “emerging strongly”, but the other national radio networks, in his view, were neglected. As for news and current affairs, he thought the flagship franchises of *Four Corners* and *7.30 Report* in good shape. Kerry O’Brien,

who anchored *7.30 Report*, was “a dominating figure in the political landscape . . . always fair, tough and good”. The 7 p.m. news bulletins he thought were weaker – undermined by fragmentation within the division. “There was not a great sense of them being one team.”

Meanwhile, the pace of change was accelerating. Controversy was constant, and an election was approaching. The long years of the Coalition government were coming to an end, but that was not obvious as Scott celebrated his first year in the job. It seemed at least possible, and perhaps likely, that the next prime minister would be Peter Costello.

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4

Advocacy and Editorial Policies

Mark Scott was adept at public conversations, and at politics. He was smooth and confident in navigating the corridors of power in Canberra. When he was meeting cabinet ministers in his first few weeks in the job, he also sought out the ABC's chief antagonists.

He met Senator Concetta Fierravanti-Wells, who was a persistent critic of the ABC at Senate Estimates, and wrote to her after she lodged a series of complaints. He was respectful but firm, emphasising that "there are likely to be occasions where . . . the ABC's perspective on a particular matter differs from yours and no compromise or concession is possible. The documentation which accompanied your letter suggests many such occasions."[1] He also met Senator Steven Fielding, of the Family First Party, to discuss "concerns he had put to me regarding the coverage of Family First".[2]

Scott accepted many invitations to speak and used these opportunities to signal to politicians, the public and – sometimes most importantly – ABC staff the direction in which he wanted them to move. He tried to change the climate from embattlement to optimism.

Murray Green, a longstanding ABC executive who had acted as managing director in the interregnum between Scott and Balding, noticed an early change in how the ABC presented itself to politicians and the public when Scott took over. Balding had sometimes appeared reluctant to go to Canberra and did few media interviews. Scott was different: "very sure-footed without being cocky or overconfident", in Green's words. He seemed to enjoy the politics of the job, whereas Balding had been, as Green put it, an "accomplished infrastructure man". Green had drafted many of Balding's public statements and speeches. Scott mostly drafted his own, or

at least gave clear directions as to what he wanted to say and how he wanted to say it.

This shift was on display the first time Scott appeared in the bearpit of Senate Estimates, the regular and much feared livestreamed encounter in which senators could question, critique and excoriate. The results often made headlines, providing fodder for the latest attacks from News Limited. Balding used to attend Senate Estimates accompanied by a team of his executives. The night before would be spent in exhaustive preparation, workshopping answers to all possible questions. The team would arrive at Parliament House with a brace of files, marked and numbered. It was like preparing for an exam, and they handled it as an ensemble.

Scott introduced a different approach. He would attend on his own, or with only a couple of others, usually including Pendleton. He carried only a notepad. There was no exam-style cramming. Sometimes, he would have a chat with the ABC's director of communications, Gary Dawson, or later his replacement, Mick Millett. But once onstage, so to speak, Scott would answer most of the questions himself, except for those on detailed financial matters, which he would take on notice or refer to Pendleton. At his first Senate Estimates, in October 2006, Scott had just Green and Pendleton with him, compared to the eight ABC executives who had attended the previous Senate Estimates in May.

The shadow minister for communications, Stephen Conroy, remarked on the difference and asked for the reason. Conroy was suspicious of Scott. Scott's background as a Liberal staffer, the opacity of the process by which he had been appointed, and the government's abolishment of the staff-elected director position all meant that Labor suspected he was a government plant, there to open the door to political interference. Scott knew that this suspicion was shared by many within the ABC. He had entered an organisation with its hatches battened down against constant attacks from the government. There was an atmosphere of hypervigilance. He was buying some credit with his intervention on the cancer cluster – but that was still in its very early stages. Many in the ABC suspected he was the next Jonathan Shier, an influence to be resisted.

That was the context in which Scott responded to Conroy with a clear announcement of his intention to lead. Said Scott: "If there are questions about ABC content, I am happy to attempt to answer those questions in my

role as editor-in-chief. I am also happy to answer any questions and to speak on the output of the ABC operation across radio, television, news and current affairs and our new media and online division."

Conroy queried the term "editor-in-chief". Balding hadn't used it. Was it new? Scott told him it was in the legislation, even if his predecessors had not emphasised it. "My background is as a journalist. I am comfortable in and around news, and I am comfortable discussing news matters."[3]

Much of that first session at Senate Estimates was taken up with quizzing Scott on one of his earliest speeches, delivered the fortnight before, on the issue of editorial standards and bias. Provocatively, he had chosen as his venue the Sydney Institute – the conservative think tank founded and run by Gerard Henderson, a columnist for *The Australian* and a fierce and almost obsessive ABC critic. The venue was Scott's personal decision. In the midst of constant heat and allegations of bias from the government, he wanted to signal that he was not reluctant to engage.

The focus for the speech was the release of new editorial policies for the ABC that had been under development since before Scott took up the managing director's job. They were the work of a board subcommittee chaired by John Gallagher. Scott had briefed the ABC staff on these policies just hours before he made his way across town to the Sydney Institute. The policies were not in themselves controversial. Nor were they a departure from the tradition of editorial standards written at length and rarely consulted. The main changes of note were a requirement that impartiality be demonstrated by each platform and by a wider category of programs, not only news and current affairs. Lifestyle and science programs would have to meet impartiality standards just as much as *Four Corners* would. A new category of content, "opinion", was recognised in the policies for the first time. Such content was to be signposted, and the impartiality requirement meant that "a range of views must be presented over time".[4]

In his Sydney Institute speech, Scott declared: "I understand policies like these can be seen as a massive rod for our own backs, a weapon our critics can beat us with. More grounds for more questions at Senate Estimates." But, he said, the ABC "takes its reputation for fairness, accuracy, balance and objectivity seriously". In his view, the ABC was

neither “nearly as bad as its critics would make out” nor “as pristine as its advocates like to claim”.[5]

It was a departure from defensiveness. In the eyes of his suspicious staff, and of many ABC-watchers, Scott was inviting the ABC’s enemies to make further attacks. I wrote at the time, in a column for *Crikey*, that his speech smacked of “self-righteous masochism” and that he was handing out weapons for use by the organisation’s enemies. “Under attack, the ABC not only jumps willingly through the many, many accountability hoops already there, but adds a few new ones just to show what a good dog it can be, even if it does occasionally bite the hand that feeds it.”[6] Perhaps significantly, it was after I wrote that column that Scott made a point of organising a meeting with me, after which I was less confident in my opinions.

At Senate Estimates a fortnight after the Sydney Institute speech, Conroy was clearly of similar mind. What problem was Scott trying to fix? he asked. Was he conceding that the ABC was biased?

Not at all, Scott replied. He was saying that the ABC had to face up to its critics. “I am encouraging journalists to create great journalism, to be bold and to, as I said, shine the light in the dark places. I appreciate that great journalism will upset people. So not for a moment in creating and developing these policies are we trying to make the ABC benign or innocuous or pull its punches. What we want to do is to make sure we have the high standards of good journalism – that fairness, impartiality and balance – that you really need in order to create journalism of the highest standards.”

The reception of Scott’s speech among ABC supporters and staff was not helped by the fact that Gerard Henderson mightily approved of it and continued to refer to it in his columns – generally while attacking the ABC for not living up to these standards – for years afterwards.

But in the long term, the most significant announcement Scott made that night at the Sydney Institute was the creation of a new position, a director of editorial policies. This idea, too, had originated with the board before Scott was recruited. The original intention had been that the new position should answer directly to the board, giving its members a direct line of sight to staff and how they were doing their jobs, potentially bypassing the managing director. One of Scott’s first battles had been to insist that the

position should report to him. Perhaps because he was new, or perhaps because the case was inarguable on the generally accepted rules of board governance, he won. He recalls: “It wasn’t a huge battle, but I was pretty insistent.”

Conroy was immediately suspicious about the new position, describing it as the “chief censor of the ABC”. Scott retorted that this was “a very unfair depiction . . . Why create policies and attempt to aspire to reach those policies if you are not going to check to see that those policies are being adhered to?”[7] The new position, he said, would not be a public complaints mechanism. That was already in place. Rather, the director of editorial policies would be “an in-house asset”. They would be appointed not by the board but by a selection panel that Scott would chair. Nevertheless, in media reporting in the weeks that followed, and in the fevered chatter within the ABC, Conroy’s “chief censor” label stuck. It would take some living down.

Scott now turned his mind to likely appointees to the role. Steven Skala had suggested Paul Chadwick, then the Victorian privacy commissioner, who was nearing the end of his five-year term. Skala knew Chadwick well. They had worked together at the Melbourne law firm Arnold Bloch Leibler – a centre of influence in Melbourne and nationally. Scott rang Chadwick towards the end of 2006, just after the position of editorial director was advertised. Chadwick was initially cautious. He had heard the description “chief censor”. But, in a number of conversations over the next few weeks, Scott gained his trust. Chadwick recalls: “He got journalism and what its function is in a society like ours, and he got the idea that the independence of the ABC needed to be preserved. He talked about the sort of things that I’m interested in doing that kind of work for. It’s not just about accountability; it’s about quality improvement.”

Had Conroy and the ABC staff known whom Scott had in mind, it might have quieted the “chief censor” fears. Chadwick was one of the fiercest campaigners for media diversity and independence in the country. He had started his career as a journalist at the Melbourne tabloid *The Sun* before moving to *The Age*, where one of his formative first assignments had been reporting on the 1981 Norris Inquiry into the ownership of the media. Norris recommended a press amalgamation authority be established to

scrutinise newspaper acquisitions, but his recommendations were never implemented, and an opportunity to check concentration of Australian media was lost. Chadwick then moved on to a role at *The Age* exploring new freedom of information laws that had recently been passed by the federal and state governments. He wrote one of the first guidebooks to using these laws, aimed at the general public.[8] Chadwick had moved back to *The Sun* in early 1986, the year the Hawke Labor government announced changes to media ownership legislation that triggered a massive upheaval. The new laws allowed greater concentration, so long as media owners were, in the words of Treasurer Paul Keating, either "princes of print or queens of the screen". Owners, including Rupert Murdoch, could vastly increase how many outlets they controlled, providing they stuck to one platform – print or television, but not both. As a direct result, in December, Murdoch launched a takeover bid for the Herald and Weekly Times publishing company and won the group the following year, acquiring control of about 65 per cent of the country's newspapers.

Chadwick was one of the main and most passionate campaigners against the laws and the resulting Murdoch takeover. He was one of the founders of a lobby group, Free the Media, to oppose them nationally.[9] When Murdoch succeeded in the takeover, Chadwick's position at *The Sun* was clearly untenable. He resigned and wrote a book of investigative journalism, *Media Mates*, that was a searing criticism of how the Labor government had favoured Murdoch and other media proprietors. Chadwick wrote that government regulation of media ownership was permissible to preserve diversity, but that government should have no power over media content. "Allowing politicians power over media content tempts them to use it to threaten, bribe or hinder the voters' watchdog, and in itself weakens democracy," he argued.[10]

Chadwick went on to acquire a law degree and found the Victorian office of the not-for-profit Communications Law Centre, before becoming Victoria's privacy commissioner. His career had taught him that when journalists have problems, their first response is often denial. In the ABC job, he saw an opportunity to change that culture and create "systems that might endure".

He also had another agenda. During the Hawke government, there had been a bitter dispute – as ferocious as any in the history of the ABC – over reporting of the First Gulf War. In the wake of that, the Hawke government had not only slashed ABC funding but also announced that the organisation should be more "publicly accountable" and brought it under the same system of statutory accountability as commercial broadcasters. The Australian Broadcasting Authority would now be the court of last appeal for members of the public who were not satisfied with how the ABC had handled their complaints. This system was later weaponised by communications minister Alston in his fierce pursuit of complaints about how the ABC had reported the Second Gulf War.

Chadwick had opposed these changes at the time. He thought it wrong in principle for a government authority to be given oversight of the ABC's journalism. Now, his ambition as the director of editorial policies would be to develop a self-regulation framework of demonstrable rigour and quality. He hoped that it might then be possible to make the case for removing the ABC from the system of external statutory regulation. "I knew it was unlikely to happen in my time, but I hoped in the future we would be able to mount the case." He articulated this idea to Scott, who did not endorse it but also did not demur.

Unlike many ABC supporters, Chadwick had found nothing to criticise and much to like in Scott's Sydney Institute speech. He regarded the admission that the ABC was neither as bad as some argued nor as "pristine" as its advocates insisted as a "breath of fresh air".

Chadwick was, according to Scott, the standout applicant for the job. "The breadth, the intellectual discipline, the way he'd thought through the issues, his background." He got the job despite being not quite the candidate some members of the board had had in mind. Indeed, if the intention of the board had been to use the position to intervene in the independence of the ABC's journalism, they could hardly have found a worse person. Chadwick would, however, be punctilious in his approach, which earned him few friends.

During the selection process, Chadwick had argued successfully that the ABC's editorial policies should once again be rewritten, despite the recent review. He wanted to rewrite them as a briefer, simpler, living document that was of practical use to program-makers. He also wanted to bring them

into the era of media convergence, so that one set of standards applied across all platforms. As it was, there were different standards for radio, television, news and online.

In the resulting document, which came into effect in 2011, the editorial policies were now a slim volume, written in platform-neutral language and in plain English. The standards were accompanied by guidance notes on how they would apply in particular circumstances. It was made clear that this advice would be constantly under review, with new guidance added as issues came up.[11]

The transformation of the editorial policies was a foundation for the ABC in the years ahead. The fact that they were clearly written and accessible, pitched as guiding principles rather than rules, meant that they became the accepted touchstone for conversations about how the broadcaster did its job, even as almost everything about the way content was delivered changed. Public debates about the ABC were usually about particular pieces of content, even particular phrases within an interview or a current affairs program. The new policies allowed the organisation to respond – whether with a defence or with an admission of shortcoming – based on clearly articulated principles. They were indeed a stick for the ABC's critics to wield, but they were also an instrument of defence. They were revised over time. New guidance notes were written. But for the most part, they proved robust.

Of particular importance was the policy on impartiality. Chadwick rejected the idea that impartiality was the same as balance. There had been a "fixation", in his words, with measuring "share of voice" – literally measuring how many minutes of broadcast time were given to each side of an argument. The new policy said that the hallmarks of impartiality at the ABC were "a balance that follows the weight of evidence; fair treatment; open-mindedness; and opportunities over time for principal relevant perspectives on matters of contention to be expressed".[12] Those words articulated a key principle and a conceptual advance. The ABC did not have to give equal weight or time to all views. It was allowed to make judgements about where the evidence lay.

In the second half of the 2000s, the main battlefield for arguments about balance was reporting on climate change. In July 2007 – when Chadwick

was new in the job and long before the editorial policies had been shepherded through the internal consultation process and towards board approval – the ABC had screened a documentary, *The Great Global Warming Swindle*, directed by Martin Durkin, a British television producer and polemicist. Its core contention was that the climate had changed before, that the cause of changes in our own time was solar activity, not anything humans had done, and that efforts to reduce carbon dioxide emissions were a conspiracy and a scam.[13] The program had been screened in March on Channel Four in the United Kingdom, where it had provoked a storm of media coverage, controversy and rebuttal by scientists. The British media regulator, Ofcom, was later to find that it breached parts of the broadcasting code regarding impartiality.[14]

In early 2007, the program was offered to the ABC. The decision on whether to screen it fell to Dalton as director of television, rather than to news and current affairs. Dalton knew that the journalists would be against the documentary. “The news department would never put it to air because it was a polemic,” he recalls. He had different standards. Was it good television? Was it a legitimate debate? Would it gain an audience?

Dalton thought a lot of the claims in *The Great Global Warming Swindle* were highly questionable but nevertheless decided to put the program to air. He knew that the new chair of the ABC board, Maurice Newman, was a climate change denier, and that other board members, such as Keith Windschuttle and Janet Albrechtsen, were critical of what they saw as orthodoxy and hysteria on the issue. Newman expressed his views frequently at board meetings and to Scott. He became increasingly strident about it, questioning why the ABC appeared to be taking a stance that, in his mind, was insufficiently questioning of the science. Dalton suspected that these board members, at least, would welcome his decision to screen *The Great Global Warming Swindle*. But, he emphasises, neither Newman nor any other member of the board spoke to him directly about the program.

In May, Dalton recalls, he ran into Jonathan Holmes, host of *Media Watch*, and Robyn Williams, the presenter of *The Science Show*, at a dinner. Dalton says they challenged him, asking why he was planning to put “rubbish” to air. Dalton thought he was speaking to them casually and confidentially when he told them that he was “damned if I do, damned if I

don’t” and mentioned the possibility that the board would attack a decision not to screen the program. “They thought I was being responsive to this right-wing agenda. To a certain extent I was, I suppose. But I was just saying to them, ‘Guys, I operate in a political environment. You know . . . It’s all very well to stand by your independence, but you can’t ignore the politics of it.’” He was dismayed when, two days later, *The Sydney Morning Herald* and *The Age* published a story in which Williams was quoted as saying that the ABC board had exerted pressure on Dalton. Windschuttle was also quoted, saying he hadn’t seen the program and hadn’t discussed it with Scott, Dalton or anyone else – which was true.[15]

Holmes and Williams have no memory of the conversation with Dalton, but they were both appalled by the decision to air the documentary and say they would likely have made that clear to him. Williams agrees he may well have spoken to the media about his belief that Newman was intervening. Later that year, Williams was further dismayed when Dalton shut down the well-regarded ABC natural history unit in Melbourne. Dalton instead wanted the ABC to work productively with what he describes as “the small group of very good and in some cases internationally reputable and connected independent Australian natural history filmmakers”, whom he believed were “locked out of the ABC”. This was one of Dalton’s early outsourcing moves. Key ABC staff from the unit moved on to jobs in the independent sector. There is no reliable count of the number of natural history documentaries on the ABC before and after the closure of the natural history unit, although some claim it plunged, but documentaries at the ABC were generally strong under Dalton. Natural history persisted in a fragmented form – embedded in science programs, supplemented by imported landmark documentaries such as the beloved David Attenborough series, and with some groundbreaking local efforts – but not the constant pipeline of content the in-house unit had provided.[16]

Meanwhile, the screening of *The Great Global Warming Swindle* was an example of how Newman’s frequently voiced views on climate change were well known and understood throughout the organisation, from the earliest days of his tenure. In research for this book, I did not find any examples of him directly contacting journalists, content directors or producers to question or pressure them on the issue – but they all knew

what he thought, and some, at least, were responsive to that. Albrechtsen's views, meanwhile, were on display in her frequent columns in *The Australian*.

The allegation in *The Sydney Morning Herald* article that the board had pressured Dalton kicked off more controversy, both internally and outside the ABC. The solution Dalton hit on was to follow the *Swindle* program with a discussion, screened live and chaired by Tony Jones, who was then the presenter of *Lateline*. This would allow the key contentions in the program to be challenged. Thanks to the public controversy, both the program and the discussion attracted a huge audience. The discussion was compelling television, with Jones dealing ably with the fast-moving live debate. The whole program demonstrated that live debate could make great viewing and that Jones was a great chair. Those insights fed into the creation of the program *Q&A*.

The concept that objective reporting meant reflecting the weight of the evidence rather than simply aiming for "balance" took on increasing importance internally, well before the new policies officially came into force. As Newman's views became more widely known, Chadwick's phrasing was a key clarifier and a bulwark for journalism of integrity.

Chadwick also streamlined the ABC's complaints system. Before he took up the post, there were three complaints-handling bodies, each with different responsibilities and chains of command, as well as the Australian Communications and Media Authority (which had replaced the Australian Broadcasting Authority in 2005) as the court of final resort. Chadwick replaced this with a single division of audience and consumer affairs. It referred most simple complaints to the head of the relevant content division, saving more formal processes for difficult, intractable and complex matters. He also set up a process of proactive review, bringing in outside journalists to conduct spot checks, for example, on accuracy in the reporting of particular issues or events.

The heads of the content divisions, particularly news, were often frustrated with Chadwick. They wanted a source of advice when they were dealing with difficult issues before publication, rather than being "whacked over the head" afterwards. Chadwick would not give it to them. In part, this reflected his lawyer's training and his history as a statutory officer. He thought he could not, at one and the same time, give pre-publication advice

and oversee the system that adjudicated public complaints. He would be seen as having prejudged matters. Each content area – television, radio and online – had its own policy adviser, answering to the content directors. In Chadwick's view, pre-publication advice was their job, and it was right and healthy to maintain that diversity. He told me: "An ed pols director who behaved differently, and who sought to concentrate editorial decision-making in their own hands, would be harming media diversity; hubristic, and likely to be called a chief censor." He resisted, as Scott put it, "getting into the edit suite at *Four Corners* and so on". He was on the executive alongside the content directors, but he held himself aloof.

By December 2009, *The Australian*, always ready to swing a punch, alleged that there was a schism between Chadwick and the ABC's journalists, who were impatient with his "impractical and theoretical musings".[17] There was some basis to the allegation of a rift. Sue Howard recalls that there was a mixture of "bewilderment" and suspicion around Chadwick's role, dating from the "chief censor" characterisation and never completely dissipating. Kerry O'Brien was never convinced that the position was necessary. He recalls: "It was one thing for Scott to commission a review of editorial policies to modernise them for the digital age, but why on earth we all needed another layer of senior management to interpret the guidelines for us was beyond me. A strangely bureaucratic response, as if Mark wanted to distance himself from the responsibility." Kate Torney, who was director of news from 2009, grew frustrated with Chadwick.

But the editorial policies, concise and clear, and the streamlined complaints system, were contributions that largely stood the test of time, even as the policies evolved. From today's vantage point, it is hard to remember that there was ever a time when the ABC's performance was not debated using the terms Chadwick's editorial policies laid down.

Chadwick recalls that one phrase, in a guidance note on the new policies, gave him more satisfaction than anything else he did in his six years at the ABC. The phrase was: "It can be a sign of strength, not weakness, that journalism enrages or art shocks." The phrase survives in the ABC's editorial policies to this day.

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Chadwick left the ABC in 2012, with the new policies and systems in place. After his departure, there was debate within the organisation about whether he should be replaced, or whether the function could now be fulfilled by the policy officers in each content division. After a few months, it was decided to reconfigure the role at a more junior level – not on the executive – and to add editorial training to the role's responsibilities. The new title was head of editorial policies. Alan Sunderland, who had previously been the policy adviser within the news division, got the job.

Sunderland decided early on that he would take a sharply different approach from that of Chadwick. In his interview for the job, he pitched that he would be "the training guy and the pre-publication guy. I will roll up my sleeves and get involved in program-making and the difficult decisions."

After some time in the role, Sunderland was seconded to run human resources while the head of HR, Sam Liston, was on maternity leave. That brought him onto the executive, where Scott found him a valuable member. Partly as a result, in early 2016 Sunderland's position was made more senior and renamed: he was now the editorial director and remained on the executive. Over time, he restructured the division, bringing the policy advisers, who had previously sat within the content divisions, directly under his control, and cutting their number – thus ending the diversity Chadwick had considered an essential strength. Eventually, Sunderland was also given oversight of complaints handling – but because he also gave pre-publication advice, he took no direct role in adjudications of complaints.

Subtle changes were made to editorial policies, making it mandatory for sensitive matters to be referred upwards to Sunderland – meaning contentious matters would land on his desk before they made their way to Scott. When Scott had to make a call, he did so in light of Sunderland's recommendations. In other words, Sunderland built a new and powerful division of the ABC and a single source of advice on editorial policies.

Sunderland's different approach to the job meant he was a presence in the room in almost every contentious editorial decision during this period. He had an intimate relationship of trust with the program-making teams.

Nobody called him chief censor. Even after he left the organisation, key ABC journalists would ring him for advice. Nevertheless, the allegations that ABC journalists were slow to admit error never disappeared and sometimes had substance. Chadwick's other ambition, to free the ABC's editorial content from statutory regulation by the government, remains unfulfilled. Instead, the ABC is often accused of being judge and jury in its own case. The political case for removing statutory regulation has never been successfully made. If anything, the mood has worsened.

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5

Bastard Boys, Dinnergate and the Chaser

The Australian federal election of November 2007 was greatly anticipated. After the long years of the Howard government, there was a mood for change. Kevin Rudd was successfully presenting himself as a safe alternative to an increasingly tired-looking Howard. Within the ABC, the likely change of government had a particular significance, not least because its relationship with Peter Costello, Howard's likely successor, was increasingly toxic. There was an expectation – unsupported by any firm commitments or promises – that Labor would be kinder to the ABC than the Howard government had been and fund it better.

The ABC was far from Labor's main priority as it approached the election. The party's key communications policy was a commitment to build a super-fast National Broadband Network using $4.7 billion of government equity, financed through the sale of the government's remaining shares in Telstra. This was a key point of difference from the Howard government, which proposed a more modest plan, spending $2 billion to bring wireless and broadband internet to the regions, with an urban network to be built by the private sector at no cost to taxpayers.

The determining election issue, however, was industrial relations. Howard had introduced WorkChoices legislation, reducing workers' rights with the aim of increasing employment and economic performance. Rudd had promised to abolish the changes, and the Australian Council of Trade Unions was campaigning hard on "Your Rights at Work", including mass rallies and marches and a powerful television advertising campaign.

In this context, the ABC threw a rock into the election year by scheduling *Bastard Boys*, a miniseries about one of the most divisive

industrial events in Australia's history, the waterfront dispute of 1998, in the early years of the Howard government. Patrick Corporation, headed by Chris Corrigan, had sacked its waterfront workforce of 1400 members and replaced them with non-union workers who had been trained overseas by the National Farmers' Federation. Unlike most mass sackings, this event was announced in parliament by the workplace relations minister, Peter Reith, and it quickly became clear that the government had not only been briefed but had played a role in preparing the ground for the dispute. It had been a tumultuous time – picket lines on the docksides in most states, mass protests, High Court challenges and constant media headlines.

Bastard Boys was inspired by a book written about the dispute by *Sydney Morning Herald* journalists Helen Trinca and Anne Davies. Director Ray Quint began work on the series in 2002, long before the election. The Film Finance Corporation contributed $6.2 million of funding in 2005, and the ABC commissioned the series the same year. The gestation had been a long one, but now, with an election just months away, *Bastard Boys* could hardly be more provocative.

When the series was still in production, Liberal senator Concetta Fierravanti-Wells described it as "another example of wasteful spending by the ABC being used to drive an anti-government, pro-Left agenda, conveniently timed to appear during an election year".[1] She returned to the attack at Mark Scott's first appearance at Senate Estimates, in October 2006. She had been given a flyer put out by the union movement encouraging its members to take up an offer to act as extras in the production, with a bus provided. The union had suggested that this was a way of promoting the Your Rights at Work agenda.

Scott had clearly come prepared for questions about *Bastard Boys*, but he didn't know about the union's flyer. He gave a bland summation of the show, saying it "attempts to tell the story through the eyes of a number of participants of the waterfront dispute", including Corrigan and the ACTU secretary, Greg Combet. Scott took the question about the union flyer on notice.[2] When the ABC finally provided written answers, it emerged that unionists had indeed been bussed to the Botany dock to take part in filming, but by the independent producer of the program, not by the ABC.[3] The distinction did not impress the government. One way or another, taxpayer

money had been spent gathering unionists to support the Your Rights at Work campaign.

Unusually, the ABC ran *Bastard Boys*, which had originally been intended as a four-part series, over two nights, starting on Sunday 13 May 2007, with the second episode in the Monday night timeslot normally reserved for the key current events programs *Four Corners* and *Media Watch*. *Bastard Boys* had been heavily fictionalised, and almost all the main characters disagreed with aspects of how they were depicted. Yet the scheduling suggested to some of the show's critics that the ABC was presenting it not as drama, but as documentary. Dalton disputes this. It was his decision to program and promote *Bastard Boys* as "an event . . . It was a contentious decision within the ABC because the Monday night *Four Corners* slot was sacrosanct. News felt it belonged to them. They weren't happy about it, but it was TV's schedule and TV's decision."

Promotions for *Bastard Boys* began the week before it screened – days before what was to be the last budget of the Howard government. The ABC had hopes for that budget. Scott and Dalton, after months of lobbying, had been led to expect funding for a new digital television channel for children, as outlined in Scott's early strategy meetings. They understood that Howard was going to shepherd the idea through, even though it was outside the normal triennial funding cycle. But when the budget was brought down on 8 May, there was little in it for the ABC. The rumour within the ABC was that Costello saw the promotions for *Bastard Boys* as the budget papers were about to go to print and was so upset that he ripped out the children's channel funding.

Costello declined to be interviewed for this book, but others who were close to the process say that the main reason the funding was not announced in the budget was that Howard wanted to save the announcement for the election campaign. But there is no doubt Costello was furious about *Bastard Boys*, as was the rest of the government. Howard described the show as "one of the most lopsided pieces of political propaganda I've seen on the national broadcaster in years".[4] Nevertheless, the show was a huge success. It won big ratings and was widely discussed.

One ABC insider remembers being with Dalton in a meeting with one of Costello's advisers in the days after *Bastard Boys* screened. It was clear,

although never frankly stated, that the program had ended any hope of a good working relationship with the treasurer.

Whatever Costello's views, Howard remained committed to the children's channel. He and Coonan announced $82 million in funding for the idea in November 2007, in the dying days of the election campaign. Scott had expected that the promise would be matched by Labor. He recalls: "It was going to be wonderful, we thought. No matter who won, we would get it funded." But Rudd, keen to appear as the fiscal conservative, did not match the promise. Intriguingly, the Friends of the ABC opposed the funding for the new channel on the grounds that giving money tied to particular purposes "as an election gift" undermined the ABC's independence.[5]

There is never a quiet time in the intersection of politics and the ABC. The anger over *Bastard Boys* had not subsided when, in August 2007, another controversy placed the ABC and its most senior journalists directly in Costello's firing line. It became known as Dinnergate.

The story had started years before, in June 2005, when there was constant speculation that Costello would challenge Howard for the prime ministership. Costello went to dinner with three senior political journalists – Paul Daley and Tony Wright, both of whom worked for *The Bulletin* magazine, and Michael Brissenden, political editor of the ABC's *7.30 Report*. All three journalists believed the discussion they had with Costello was "on background".

As the affair was to reveal, although dealing with confidential sources is central to journalism, terms such as "on background" and "off the record" are rarely explicitly defined. There is confusion even within the profession about their precise meanings. However, in the Canberra press gallery, "on background" usually meant that the substance of the conversation could be reported but the source not disclosed. The journalist would instead use phrases such as "well-placed sources", "sources with knowledge of the matter" or, in this case, "sources close to Costello". "Off the record", on the other hand, meant the information must not be used at all. An off-the-record conversation might influence a journalist or steer their research in fresh directions, but it could not be published or acknowledged to have happened.

What Costello said over dinner was a hell of a story. He told the three reporters that he believed Howard could not win the 2007 election. If Howard did not agree to retire by April 2006, Costello would challenge for the leadership. He did not expect to succeed at first, but he would then go to the backbench, where he would disrupt, undermine and build the numbers for a second challenge – which he expected to win.

Had Costello's words been published at the time – even if they were not attributed to him – it would likely have triggered a political storm, putting more pressure on Howard and making it hard for Costello not to follow through with a challenge. Australian political history might have been different – although there are good reasons to suspect that Costello would never have had the numbers to succeed Howard before Howard was ready to go. All three reporters intended to write the story, without naming Costello since it was on background. They claim that Costello told them to "write what you like", and his media adviser, who was at the dinner and chatted to the journalists afterwards, said nothing that night to suggest they were not free to do so. In a typical piece of press gallery clubbishness, Brissenden agreed to hold off a *7.30 Report* piece until early the following week, to coincide with *The Bulletin*'s weekly deadline.

All that changed the next day, when Costello's media adviser rang the journalists, claiming that the conversation had been off the record and they were not free to use it. The journalists conferred with each other. Brissenden also discussed the decision with Kerry O'Brien, the anchor of *7.30 Report.* Brissenden thought he was entitled to publish the story as intended. O'Brien reflected later in his memoir that it was "a complicated issue . . . I honestly don't know how I would have called it in Michael's shoes. We would have backed him to run the story in defiance of Costello's change of heart if he had insisted, but as the man on the spot who would have to live with the decision, it was his call to make."[6]

Incredibly – and Brissenden now thinks this was his key mistake – the journalists all agreed not to publish. Costello's intention to challenge and his opinions about Howard were not made public. Costello did not challenge, and Howard remained prime minister. Australian voters were none the wiser.

But the issue festered, not least because over the months that followed, it became clear that Costello was saying similar things to other reporters, who published them with the usual coded elisions. Paul Daley made some references to the conversation, without attribution, in a piece published the year after the dinner. Then, in August 2007, with the federal election only months away, Daley published a story that reported that Costello had said the words "[Howard] can't win. I can. We can, but he can't." He attributed this revelation to "confidants" of Costello.[7]

Costello was asked about the article several times on the day it was published. He poured scorn on Daley. He said he didn't know where *The Bulletin* had got it from, but "certainly not from me. I must say when I read some of these things, I wonder where the journalists get them from. They generally speak to somebody who has spoken to somebody who was down the back of a pub, who heard the barman say it."[8]

Costello's denial was false. He had said the words, and the three journalists present were prepared to attest to it. Again, they conferred and collectively agreed that this freed them from their ethical obligations. That afternoon, there was a meeting in the *7.30 Report* office between Brissenden, O'Brien and executive producer Ben Hawke. O'Brien recalled: "we went through the arguments exhaustively, but we believed that in the circumstances it was the right decision [to publish]".[9] The key issue was not the enmity between Costello and Howard, since that was well known by this time. It was the significance of Costello's "calculated lie", as O'Brien puts it, "casting doubt on his character as a potential future prime minister".

As Chadwick was later to report, in making this decision, none of the men thought to refer to the ABC's editorial policies. Even if they had, "they wouldn't have found much there to assist them". The only relevant piece of content was an assertion that the ABC "supports its employees' ethical obligations to protect confidential sources". What that meant – what the obligations were, and how the ABC would manifest its support – was not elaborated.[10] It was an example of why Chadwick thought the policies needed rewriting.

That night, Brissenden went to air with the story, reporting his recollection of the dinner and what Costello had said. Tony Wright wrote the story for *The Age*, where he was now working.

Brissenden, O’Brien and Hawke had not consulted John Cameron as director of news. As it happened, most of the news executive team, along with Mark Scott, were away in Perth. Cameron and Scott found out about the story after it went to air on the east coast, as their phones began to ring.

In the context of an election, with the government trying to appear unified and on track, Brissenden’s story was dynamite. Howard later wrote in his memoirs that Costello did not contact him with a denial. Howard therefore assumed, correctly, that Brissenden’s story was true. Howard was less concerned with “fine pieces of journalistic ethics” and more worried about the headlines, which gave the impression of a government in chaos. The story damaged the party, but also Costello in the eyes of his colleagues – which was perhaps a reason for his incandescent fury.[11] As election day approached, leadership stories continued on almost a daily basis. By early September, Howard was asking Alexander Downer to sound out their cabinet colleagues to see if they thought he should step down. Most of them did, but they also thought it was too late and too close to the election – and they were not prepared to force him out against his will.[12]

Meanwhile, the journalists’ decision to break confidentiality and publish their conversation with Costello had set off a firestorm, both in politics and within the journalism profession. Although *The Age* had also published the story, the fury was concentrated on the ABC. Costello was ringing Mark Scott and at least two members of the board, Maurice Newman and Steven Skala.

Brissenden had no supporters on the board, other than Scott himself. The rest, particularly Newman and Skala, thought the breach of confidentiality was unforgivable, not only under journalistic ethics but also according to the norms of private conversation. Scott understood that the off-the-record convention was a fundamental principle of the press gallery. He could see both sides of the argument – including the view that it was not in the public interest for Costello to get away with a lie.

The pressure on Scott was intense and longstanding. Newman recalls that Scott argued before the board that the ABC could not sanction their chief political reporter during an election year without causing significant problems. Brissenden would inevitably be backed by O’Brien and the rest of the news division. It would cause a massive controversy. Frustrated,

Newman waited until after the election and then raised the matter again. He recalls: “I said, ‘What’s happening to Brissenden?’ And Mark said, ‘Oh, he’s going to Washington.’ And I said, ‘Well that doesn’t sound very much like punishment to me.’ And he said, ‘Oh, he didn’t want to go.’” Scott says he doesn’t remember making any such remark and denies suggesting to the board that Brissenden was being managed out of Canberra, but he acknowledged that Brissenden’s appointment to Washington, which took effect in mid-2009, “was an answer that worked for everyone, except those who were calling for heads on platters”. Meanwhile, Brissenden says that he was in fact keen to go. The director of news at the time, Kate Torney, confirms he was selected for the post by her, on his merits, without any intervention from Scott. He was replaced as chief political reporter by Chris Uhlmann. Skala and Newman did not let the issue go. Every time Brissenden’s name came up, for years afterwards, there would be questions about why he still worked for the ABC.

Brissenden knew Costello and his allies were putting pressure on the ABC. He knew Costello was ringing board members. He had one discussion with Costello himself. “He made it pretty clear that . . . he was very upset by what happened. I made it very clear that I was very upset by the way he handled it.” In Brissenden’s view, it was a “huge crisis” for the ABC because the government had bullied the public broadcaster. The other news organisations involved – *The Bulletin* and *The Age* – “said, ‘We defend the journalism, go away.’ The ABC didn’t do that. And I get it. It is taxpayer funded and so on. But they went for the ABC because it was the easy thing to do. They didn’t take on Kerry Packer, they didn’t take on Fairfax.” Adding to the pressure was the fact that the journalists had initially got the date of the dinner wrong, saying it was in March when it was in fact in June, as they later acknowledged.

Partly to manage the pressure and partly because he thought the principles involved needed clarification, Scott referred the issue of confidential sources to Chadwick for review. Chadwick was not required to pronounce on whether Brissenden had done the right thing, but he probed the general implications of the ABC making a binding promise to keep a source confidential, and of breaking such a promise. In his report, he pointed out that every time a journalist chose to keep the identity of a source confidential, they compromised their commitment to truth-telling by

omitting relevant information – the identity of their source. “The implications – ethical and legal – are such that, in my view, no such promise should be made or broken without the relevant staff first referring upward the decision to a level of executive responsibility commensurate with the seriousness of the decision.”[13]

The news division’s style guide already contained the quintessentially ABC principle of “upward referral” – the requirement that any problematic or controversial matter should be referred through the management chain, if necessary all the way to the managing director. Chadwick was now applying this protocol to one of the most sacred and shadowed tenets of journalism: the relationship between reporter and source. Chadwick said that confidential conversations that formed the basis of a report should be upwardly referred before broadcast or publication. This was similar, Chadwick argued, to practices already in place at the BBC, *The New York Times* and other leading international media outlets.[14]

7.30 Report had not upwardly referred the Brissenden decision beyond O’Brien and Hawke. O’Brien, in comments provided for this book, said that upward referral “was a matter of common sense and professionalism backed by a solid depth of experience”. He and Hawke were the appropriate level to make the decision, he said, and the only point of going further up the line “might have been to warn Scott and Cameron to expect some flak from Costello”. He would have been “surprised and deeply disturbed” if either Scott or Cameron had wanted to overrule the *7.30 Report* team’s decision.

This issue – over what upward referral meant in practice – was a constant at the ABC. Journalists, perhaps particularly good journalists, are resistant to being managed. They often trusted their own judgement and saw the appropriate level for upward referral as being within their own programming units. More senior management was sometimes regarded with suspicion.

Chadwick’s report on the sources issue was groundbreaking in that it contained the first clear definition in Australian journalism of the terms “off the record”, “on background” and “on the record”. It led to a new editorial policy that still exists. It mandates that if the ABC proposes to publish or broadcast a report based on information from a source who has been

promised confidentiality, an “appropriately senior ABC person” must approve it in advance. Journalists can have off-the-record and on-background conversations without seeking such approval, but any report based on such conversations must be approved, which means they must disclose the identity of the source for published reports to their superiors if it is sought. They must also seek approval if they plan to break an agreement of confidentiality.[15]

In retrospect, both Brissenden and O’Brien believe that their mistake was agreeing not to publish details of the conversation in the first place, back in 2005. They should not have backed down when Costello tried to retrospectively withdraw the conversation. Having made that initial mistake, there was no good way out.

The controversy continued to shadow both Brissenden and Scott. When Brissenden’s appointment to Washington was announced, Gerard Henderson published correspondence between Costello and Scott – presumably leaked by Costello, although Henderson mentioned “several sources” – in *The Sydney Institute Quarterly*. By now, any goodwill Scott had obtained with his 2007 speech to the Sydney Institute had evaporated. Henderson had previously written a catty piece excoriating Brissenden, the other journalists, Scott and Chadwick, saying that Scott was not fulfilling his promise to take seriously the role of editor-in-chief.[16]

The letters revealed that Scott had kept Costello informed about Chadwick’s review and the subsequent changes to editorial policies, and that Costello had replied furiously. He wrote on 28 August 2008:

> Can the ABC be serious when it says it was legitimate to [falsely] broadcast an off-the-record conversation because ABC policies were silent on the matter? Are you seriously suggesting that up until the development of these “policies” ABC journalists were unaware that “off-the-record” conversations should not be broadcast on national television?

Costello copied in Skala and Newman to his correspondence.

The final letter published by Henderson was dated October 2008, from Scott to Costello. By now, Scott was less deferential and less careful. There had been a change of government. Labor was in power, and Costello had recently published his memoirs. Scott wrote: “I considered sending you, without prejudice, a bottle of French wine. Your recently published memoirs show another side of this complex issue of dealings between

journalists and politicians and the variety of ways the participants in such dealings can perceive the same event."[17]

In his memoirs, Costello had described a dinner he had with four journalists from *The Age*, including Jason Koutsoukis, in April 2005. On his way to the dinner, Costello had taken a phone call from Dennis Shanahan, political editor of *The Australian* and, in Costello's words, "a Howard intimate". Shanahan told Costello that the next day's splash in *The Australian* would be a report that Howard had declared he would contest the 2007 election as prime minister. This was a breach of Howard's understanding with Costello that he would hand over the leadership in 2006.

Costello was in the middle of the dinner with the *Age* journalists when Howard rang him. He left the table to take the call. Howard assured him there was nothing in the story and that he had made no such declaration. Costello then returned to the dinner table and told the journalists what Howard had said. Costello wrote in his memoirs that the dinner was an off-the-record occasion. Nevertheless, Koutsoukis published a story about the call the next day. Wrote Costello: "Koutsoukis later sent me a bottle of French wine to apologise."[18]

But this dispute, and the bottle of French wine, never hit the headlines. It was the ABC that became the enduring focus of Costello's fury, and the ABC that was uniquely vulnerable to annoyed politicians.

Scott says that at the height of the controversy, just months before the 2007 election, he took a call from Costello. He recalls: "Costello was furious. Absolutely furious . . . He said to me that he would watch very carefully what happened as a consequence of this to Brissenden. And he would keep that in mind next time Maurice Newman and I came and asked him for money for the ABC." Scott did not argue with him: "He was venting. I just let him vent. But I think it was about the only time in my experience that a politician directly linked funding to unhappiness over editorial content. There were other politicians who would joke about cutting us, but it was just banter. There was no doubt in my mind, Costello was serious." Scott says nothing ever came of this conversation. Within months the Howard government lost office and Costello left politics.

Costello declined to be interviewed for this book. He did not respond to an email seeking his response to this specific allegation.

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As the consequences of Dinnergate burned through the ABC and the Liberal Party, the government was preparing for the largest diplomatic event ever held in Australia – the summit, in September 2007, of the Asia-Pacific Economic Cooperation organisation (APEC). President George W. Bush of the United States, President Hu Jintao of China and President Vladimir Putin of Russia were all attending, along with the leaders of eighteen other nations. The meeting was a chance for Howard to show himself in a favourable light. Sydney was in lockdown due to the oppressive security. Talkback radio was full of complaints: people could hardly move around the city. Meanwhile, as Costello was later to write in his memoirs, the government was "in parallel universes – face-to-face meetings with world leaders [during the day] and meetings at night to canvass Howard's departure". Yet Howard, on 8 September, made it clear he was digging in.[19]

This conjunction of "parallel universes" was the setting for one of the most extraordinary episodes in Australian television history. The Chaser decided to try to crash APEC.

Long before drama began to recover, the ABC was doing well in comedy, and the Chaser team was a large part of that success. The Chaser had started when Charles Firth, Dominic Knight and Chas Licciardello were students at Sydney Grammar School and started a satirical school paper. At Sydney University, they worked together on the student newspaper *Honi Soit* and met Julian Morrow, before, in 1999, launching their own newspaper – *The Chaser.* Andrew Denton asked them if they were interested in doing television. With Denton as their producer, they successfully pitched a show, *The Election Chaser*, tied to the 2001 federal election.

A series of satirical Chaser shows followed, lampooning current events. By 2006, they had established their own production company, and the ABC had signed it to produce *The Chaser's War on Everything*, a variety comedy show filmed before a live studio audience and featuring news round-ups,

studio monologues, and stunts and impromptu confrontations with politicians and other public figures. Courtney Gibson, the ABC's head of arts, entertainment and comedy within the television division, signed the team for a second season in 2007 and moved the show from a late-night timeslot to the mainstream Wednesday night comedy schedule. By the time APEC was approaching, it was averaging more than a million viewers for each episode.

The Chaser had always pushed boundaries. In 2003, members of the team had been arrested for streaking outside the Burwood Magistrates Court. Many scripts had been knocked back during the vetting process. But perhaps more extraordinary is how many extremely edgy ones were let through. Dalton recalls being asked to approve a script about images of the Virgin Mary appearing in the stains in a toilet bowl – it had been upwardly referred to him under the ABC's editorial policies. "I would sit there with my head of editorial policies, and we'd pore over it and just ask whether we could defend it. And so I would say yes to that kind of thing. And of course, sometimes, if I put my foot down and said no, then the person I'd end up in the room with would be Julian Morrow, who's a lawyer by training. So Julian would sit there and thump the table and say, 'This is outrageous.' And we would fight. But I said yes a lot more than I said no." Under Dalton and Gibson, television entertainment was brave. In the case of the Chaser, they were egged on by Morrow, who would, as Morrow puts it, use all his legal skills to "put forward the best argument that a script did not breach the editorial policies".

Every script, stunt, streak and potentially offensive sketch had to be reviewed and approved, with that work falling largely to Gibson, advised by Michael Ward, an important figure within the ABC who was at this time head of policy for the television division. Morrow would sometimes go over their heads to Dalton or Scott. The Chaser team was a constant presence in the ABC, with offices in the Ultimo building. It could be a fractious relationship, but it was also, both sides acknowledged, a productive one. Gibson was, in Morrow's view, a champion of good content.

The Chaser team thought APEC was going to be a problem. Their schtick was doing stunts in public places. With Sydney crawling with police and security services, they were wondering what, if anything, it would be

possible to do. About a month before APEC, the ABC asked the Chaser to see Tony Loughran, an SAS veteran who had built a business advising media organisations, including the ABC, on risk. Normally, he was dealing with foreign correspondents and reporters, not comedy teams. Morrow expected a lecture about the importance of the diplomatic occasion and how they should behave responsibly. Instead, he found Loughran surprisingly willing to consider APEC's comedic potential.

One of the Chaser team's ideas was to try to take various "silly vessels" – a dragon boat, a gondola, a homemade raft – into the naval exclusion zone. As Loughran recalled later, "I knew the counterterrorist team were training for an amphibious assault, so I said, 'I wouldn't do that if I were you.'" But Loughran had already suggested an idea that Morrow had adopted – a fake motorcade.[20]

Loughran ran through the nature of the security arrangements. There would be an inner ring that would be "absolutely impenetrable". The outer ring would also be hard to penetrate, but outside that there would be a ring staffed by "cops from anywhere" that would be a bit haphazard. Morrow recalls: "He told us we might have a chance of doing something there." The idea was to make it to the first checkpoint, in the expectation of being stopped. Licciardello was to be dressed as Osama bin Laden, the premise being that he was trying to get to APEC and was offended by not having been invited. Once they were stopped, the plan was to get out and make a few jokes at the expense of the security effort. Then there was to be a series of other ridiculous attempts to get into APEC.

All this was run past Ward, Gibson and the ABC legal team. The advice from legal was that they could go ahead providing they broke no laws. That meant that under no circumstances could they cross the line into the innermost restricted area.[21]

The motorcade consisted of two motorcycles, two black four-wheel drives and a black sedan in which would be Licciardello, dressed as bin Laden in flowing white robes. Five runners disguised as bodyguards would walk alongside, dressed in suits and dark glasses. Morrow was one of them. They could not, according to the legal advice, run the risk of impersonating security officers. Therefore, their superficially convincing fake security passes, worn on lanyards around their necks, carried the words "JOKE".

The advice from Loughran was that the whole team should make sure their hands were always visible. Under no circumstances should they reach for their mobile phones or grab cigarettes from a glove box. Morrow recalls: “He said that as long as the police and the sharp shooters can see your hands, they won’t shoot you.”

On the morning of 6 September, the team met for a final briefing at the Ultimo headquarters.[22] They expected to be stopped at either the first or second checkpoint and had material prepared. They had no plans for getting further than that. Then they walked out to the back of the building, where the motorcade was waiting. Morrow recalls thinking: “Shit, that looks real.”

At 11.30 a.m., the motorcade began its journey towards the “ring of steel”, a fenced area at the intersection of Bent and Macquarie Streets. Police waved them through a red light and past the first security checkpoint. The stunt, Morrow realised, was going “horribly right”. They were waved through the second checkpoint and were now approaching the InterContinental Hotel, where President Bush was staying. Morrow recalls: “I remember looking down the empty street to the Opera House and thinking we could clearly go all the way into the red zone.”

Morrow stopped the motorcade at the corner of Bridge and Macquarie Streets, where he believed the “red” zone began. It was time to throw the switch to comedy. Licciardello got out of the car and, in character as bin Laden, began to complain about not being invited to APEC. The police requested Morrow’s ID and were presented with his fake pass, carrying the word “JOKE”. Finally, the penny dropped. Meanwhile, the motorcade was trying to turn around to avoid breaching the crucial line into the red area, and the police were helping by directing traffic. All eleven members of the team, including the cameramen, were arrested and taken to the Surry Hills police station.

Back at ABC headquarters, Gibson had her executive assistant blockading her office so she could follow the stunt minute by minute. She was staggered by how far the team got and was now frightened. “I was aware there were snipers on the rooftops.” The news was breaking on social media that the Chaser “boys” had nearly made it into APEC dressed as Osama bin Laden.

Mark Scott was in a meeting when he was handed a yellow Post-it note, telling him that eleven members of the Chaser production team had been detained inside the APEC security zone. He hadn't known about the stunt, but after a quick conversation with Gibson, he dispatched the lawyers. He recalls, "I heard one of them was dressed as bin Laden . . . It was just a nightmare, but a very funny nightmare. Very clever and bold." Later that day, Scott took a furious call from Andrew Scipione, the NSW police commissioner. It was all very funny, Scipione said, until somebody got shot.

Meanwhile, the Chaser team were in the bowels of the Surry Hills police station while the ABC lawyers negotiated their bail. The cameras of those involved in the motorcade had been confiscated. The team had other cameras – including one recording from an office with a view over the route – but they thought they had lost all their footage from the motorcade. Finally, at 10.30 p.m., they were quietly released through the back door of the station. The police, keen to avoid the media gathered outside, offered Morrow and Licciardello a lift back to Ultimo. They cheerfully accepted. Two of the officers posed for a photo with Morrow and "bin Laden".

Gibson had pizza waiting for them. As they gathered round to eat, Nathan Earl – the stunt's director and one of the cameramen – handed Gibson a small digital tape, which was warm. "Where has that been?" asked Gibson. He told her he had hidden it under his scrotum for the ten hours they were in custody. He deserved "ten out of ten for quick thinking", Gibson recalls. She "took it straight to an edit suite, made multiple copies of it, and then hid them in different parts of the office. I took one home, bearing in mind the ABC's news division were desperately trying to get into our floor to get the footage, literally putting their feet in the security door as staff were coming and going, trying to gain access." Twenty-four hours later, the police returned all the other recording equipment. The Chaser now had multi-camera footage of the entire stunt.

The APEC stunt was a landmark, not only because of its audacity, but also because it powerfully demonstrated how the television schedule was no longer the main way people became aware of content. The next *War on Everything* broadcast was six days away, but the story was already all over social media and talkback radio, and the Chaser made the most of it. The day after their arrest, in a parody of the parody, members of the team turned up at a security checkpoint with cardboard cutouts of cars strung around

their shoulders. This time, of course, they were stopped. Licciardello rang up a talkback radio show parodying the media's reaction to the stunt. The ABC bosses should all go to jail for ten years, he said – and Kerry O'Brien too, because "he must have been involved somehow". The talkback radio announcer, apparently oblivious to the identity of his caller, vehemently agreed.

By the time the program screened on 12 September, the anticipation was white hot. The studio audience stomped and hollered as the footage was aired and the Chaser team cracked jokes. The audience for the broadcast was 2.3 million in the five capital cities – the highest ever ratings for a comedy on the ABC.[23] A million vodcasts of the show were downloaded. The footage was released on social media and instantly went viral. The ABC's servers crashed under the load.

Not only were the audiences huge, but they were young. Gibson was particularly proud that the second episode of Chris Lilley's *Summer Heights High*, which screened immediately after the Chaser, was watched as it went to air by almost half of Australians aged twelve to sixteen. It was a riposte to those who regarded the ABC as a station for the very young and very old. "I felt that was an extraordinary achievement," she said. This was the beginning of a long period in which the ABC's Wednesday night line-up dominated television viewing. Gibson says: "I knew that on Thursday morning, for years, every commercial network executive team sat down to look at the numbers for the night before, and we had smashed them again, and I'd be lying if I said I didn't get a kick out of that."

The incident was also one of a number that showed how the digital infrastructure of the ABC needed urgent investment. It simply couldn't cope with big news stories. As Scott recalls: "When Steve Irwin died the previous year, the servers collapsed. And now . . . the system collapsed again. I remember being told in a briefing that if you had a viral piece of footage, like the Chaser thing, you could shut down the rest of the ABC online and deliver that. Or you could throttle that back to a limited number of views per hour and continue to deliver the rest of the ABC. But you couldn't do both. And I remember saying, that is dramatically unsatisfactory, that when there is a huge news story, and everyone comes to us, that is the moment that our systems would fail." It was an insight that

was to drive many investment decisions in the years ahead. The ABC was no longer only a broadcaster in the literal sense of delivering content over the airwaves. It was also a portal, a suite of social media accounts, a source of downloads.

The stunt made headlines around the world. Senator Bob Brown, leader of the Greens, used it as the basis for a question to the government about the "bubble of grimness" APEC security had cast over Sydney. What gong would the government give to the Chaser for "giving the world a bit of a laugh", he asked.[24] Kevin Rudd said he thought the stunt was "inappropriate". Foreign minister Alexander Downer tried a positive spin, saying, incredibly, that the arrests were proof that APEC security measures were working.[25]

But the public were onside. Gibson remembers: "People were fed up with feeling like they didn't have access to their own city. Every talkback jock was saying, good on the Chaser! So that gave me a lot of confidence." A *Sydney Morning Herald* readers' survey found that 87 per cent of people thought the sketch was funny. The ABC received more than 250 complaints – but as a spokesperson for the broadcaster said, the viewing numbers suggested many more people enjoyed the show. Around the country, around 80 per cent of callers to talkback radio were supportive, and one third of all calls about APEC mentioned the stunt.[26]

All the charges against the Chaser team were eventually dropped. The director of public prosecutions decided that the police, in waving the motorcade on, could be seen as having given permission for them to enter the restricted area and had inadvertently assisted them to cross the line while helping the motorcade to turn around. There was no reasonable prospect of conviction.[27]

Meanwhile, the Chaser didn't take a backward step. A few weeks after the APEC stunt, on 17 October, Andrew Hansen performed "The Eulogy Song" in front of a live studio audience. It was a send-up of the way public figures are presented as saints once they have died, with the chorus "even pricks turn into top blokes after death". Steve Irwin was described as "a cartoon kamikaze, who taunted crocs"; Peter Brock was "some revhead, who pumped air with pure lead, so anti-green he drove into a tree". The ditty continued through John Lennon, Jeff Buckley, Princess Di (who "was

just a slut for sex, when they looked in the car wreck, her dress was wet with Arab semen stains"), and radio broadcaster Stan Zemanek ("a xenophobic racist jock"), Don Bradman (a "total farce" and a "grump") and Kerry Packer (a "tax cheat and a kidney thief"). Just when the audience was on the edge of their seats, wondering how far this would go, Hansen started on Belinda Emmett, the popular singer and actress who had recently died of breast cancer. Hansen was stopped by the cast in an ostentatious and performative show of horror. Too soon. Too much.[28]

The resulting controversy raged on talkback radio and in the headlines. Prime Minister Howard said the song was "distasteful stuff" and that the remarks about Steve Irwin and Bradman were "despicable". Rudd described it as "disgusting". But many viewers found it hilarious,[29] and the Chaser's ratings continued to climb. In the view of Gibson, and apparently most of the Chaser's audience, they were toeing the line between comedy and offence – but not crossing it. They were keeping the ABC on a tightrope, making sure it was talked about and compulsory viewing – but not yet causing it to fall.

That changed. The Chaser had started as a late-night cult show. Now it was mainstream. The broader the audience, the more likely some people would be offended. Almost two years after the APEC stunt, on 3 June 2009, the Chaser went too far. The skit featured a fictional charity, the "Make a Realistic Wish Foundation" – a spoof on the real Make-a-Wish Foundation, which used donations to help grant the wishes of children with life-threatening medical conditions. The intention was to parody the bathos of the charity's promotions and the celebrities who fronted such campaigns.

Andrew Hansen and Chris Taylor asked child actors playing bed-ridden patients what they wished for. When one little girl asked to meet Hollywood actor Zac Efron, she was handed a stick instead. Another, who said she wanted to go to Disneyland, was given a pencil case. Taylor said the foundation's purpose was "helping thousands of kids to lower their extravagance and selfishness in the face of death". The sketch ended with the line, "Why go to any trouble when they're only going to die anyway?"[30]

Mark Scott was watching at home, and winced. The following morning, at 7.30 a.m. before an early meeting, he called Mick Millett, who had replaced Gary Dawson as director of public affairs. Scott asked him to

“keep an ear to the ground on that Chaser skit . . . I think this could be trouble for us.”

It was an understatement. By the time Scott’s meeting was over at 9 a.m., “the building was on fire”. Talkback shock jocks devoted their shows to the skit and were universally condemnatory. Kevin Rudd – now the prime minister – said the Chaser “should hang their heads in shame . . . having a go at kids with a terminal illness is really beyond the pale”.[31] The ABC switchboard was overwhelmed by upset parents. There were death threats, and threats to infiltrate the live audience at the next filming of the show. Another viewer wrote on the Chaser website: “I hope the Chaser guys have kids who have a terminal illness, the assholes.”[32]

Julian Morrow had not been involved in the development of the script, although he was aware of it. Monitoring the online response as the sketch went to air, he realised instantly that they had made a mistake. The punchline wasn’t clear, he thought. The point was meant to be the saccharine fundraising, but the script and the last line left the impression that the target was the sick children themselves.

At Ultimo the day after the skit screened, he found the ABC crew expecting him to offer his usual vigorous defence. A statement had been drafted defending it as black humour. He recalls, “It was funny, because all the things that I’d been trying to get the ABC to say in defence of these things . . . they were finally doing it. I remember saying, ‘Look, I think we just got this wrong. I think we should just apologise.’” Scott agreed. Morrow and Dalton issued an apology, and Scott followed up with a promise that the process for approving scripts would be reviewed.[33] In reply to questions from *Media Watch* a few days later, Morrow wrote: “I believe the sketch is one on which reasonable minds can differ. But at the same time, any comedic value in the sketch was massively outweighed by the pain and upset it’s obviously caused to people who are already affected by terrible grief. That’s a judgement call and we got it wrong.”[34]

There was a backstory to how the skit got to air. Courtney Gibson was feeling the loss of Michael Ward, the head of policy who had successfully steered her through many previous controversies. At the end of 2008, Dalton had not renewed Ward’s assignment as head of policy for the television division. According to Ward, there had been several points of

tension. He did not accept Dalton's – in his view "essentialist" – position that outsourcing was always cheaper and better than in-house production. Ward also claims that Dalton thought he spent too much time advising on editorial policies. After Dalton told Ward "this isn't working any more", Ward was snapped up by David Pendleton. He spent the next eight years in operations planning and played a key role in the production resources review. Gibson missed the help Ward had offered in determining how to toe the line between comedy and offence.

Under the ABC's editorial policies, the "Make a Realistic Wish" script should have been upwardly referred, at least to Gibson and perhaps to Dalton. It had not been. The head of comedy, Amanda Duthie, had run the script past Ward's replacement, still relatively new in the job, who had advised that it did not breach editorial policy.

Scott watched the controversy rage. After forty-eight hours, it seemed to be getting worse. ABC security staff told Scott that the safety of the studio audience for the next screening of *The Chaser's War on Everything* could not be guaranteed. The board was up in arms, demanding action. Morrow recalls undercover police visiting his house "to tell us there was nothing to worry about, there wasn't a mob outside – which shows the legendary lack of irony of the police, because nothing terrifies you more than undercover cops coming to your house to tell you there's nothing to worry about". The Chaser hired security guards at their own expense to safeguard the children who had played the sick kids.

Dalton and Scott agreed that they needed a "circuit breaker". After a tense meeting with the Chaser team, they announced on 5 June that *The Chaser's War on Everything* would be suspended for two weeks.[35] It was a public relations strategy and an attempt to deprive the controversy of oxygen. Morrow thought it "ridiculous". In his view, things were calming down, "and then the decision to suspend it totally was like oxygen plus match plus petrol into the . . . embers of the controversy". The Chaser reiterated their apology but disagreed with the suspension and made that clear on social media.

Meanwhile, Scott continued to talk about reviewing how the script had been approved. Dalton told Gibson that Scott and the board wanted action to be taken over the decision to put the segment to air. It was clear to

Gibson that Amanda Duthie was in the firing line for failing to upwardly refer the script. “And I said to Kim, if there’s any question of Amanda being terminated here, I will walk and I’ll take people with me.” On 10 June, Duthie had responsibility for comedy removed from her position. It was a token move. Duthie was highly valued. She remained as head of arts and entertainment programming and continued a successful career at the ABC for the next three years, responsible for programs including *Kitchen Cabinet* and *The Gruen Transfer*. She left in 2011 to join the Adelaide Film Festival as CEO and creative director. Gibson, disillusioned and with commercial offers on the table, left the ABC later that year.

The “Make a Realistic Wish” sketch aired just three weeks after the Labor government had given the ABC a major funding increase in the 2009 budget – the biggest increase since the ABC’s incorporation in 1983 and a major win for Scott. Today, Gibson wonders whether the same funding would have been granted had the sketch aired before the budget. In her mind, it is an example of the importance of adhering to editorial policies, including the peculiarly ABC notion of upwardly referring decisions about problematic of controversial content. It was an example of the need for having courage, but also the time and expertise to think things through. “In the seven years I had Michael Ward’s advice, I never had a single breach of editorial policies. And not because we lacked courage.”

The Chaser’s War on Everything continued until the end of July 2009. The last episode was watched by almost 1.5 million Australians. It was the show’s last season. Ratings were falling, and as Licciardello said, “It’s right to end it there.” But the Chaser team wasn’t done. By the 2013 federal election campaign they had another show, *The Hamster Wheel*, satirising the media. It was an item on *The Hamster Wheel*, years after “Make a Realistic Wish”, that would help to poison the ABC’s relationship with an incoming government, led by Tony Abbott.

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6

The Rudd Government and the ABC

On 24 November 2007, Labor won the federal election convincingly. The new minister for broadband, communications and the digital economy, with responsibility for the ABC, was Scott's previous antagonist at Senate Estimates, Senator Stephen Conroy. Conroy was a factional warrior from Victoria, an experienced shadow minister and a powerful voice in the right wing of the party.

Conroy recalls that he, and the ALP, had been suspicious of Scott when he was appointed. Scott was, after all, a former Liberal Party staffer. Nevertheless, the two men had established a relationship before the election and Conroy had changed his view. Scott, he concluded, was a thoughtful and effective champion of public broadcasting. The two men thought alike about the digital transformation and the need for the ABC to be at the forefront of new communications technology.

Conroy also appreciated Scott's advocacy for the ABC, particularly against the constant attacks from News Limited, which Conroy regarded as an enemy of the Labor Party. Conroy recalls: "[Scott] didn't take a backward step when the Murdoch empire attacked them . . . I saw very early on that in Scott, we actually had somebody that was prepared to stand up and challenge the Murdoch organisation. He could make a good speech. He got it. He led the charge. He wasn't bashful about it."

Scott, meanwhile, thought Conroy had one of the most desirable characteristics in a minister – he was someone who could carry the day in cabinet. Because building the NBN was central to Labor's agenda, the communications portfolio was important, and Conroy was an effective

powerbroker. His main preoccupation was the NBN, but he was also an activist on media policy more broadly.

Prime Minister Rudd, on the other hand, was more ambivalent when it came to the ABC. Rudd understood, Conroy recalls, that Australia needed a "genuinely robust, well-funded public broadcaster". Rudd could be difficult to engage with and win over, with a short attention span and a demanding and chaotic management style. But Scott was good at dealing with him, according to Conroy. Conroy recalls: "I remember sitting in meetings with Scott and the prime minister, and Scott understood how to make the pitch. Scott captured him in a way that not many people achieved." In particular, in the lead-up to the 2009 budget, Scott talked to Rudd about the ABC as a "digital town hall". Conroy recalls: "Kevin's eyes lit up. It was like, 'Right, I get it.'"

The ambivalence came from Rudd's relationship with News Limited and with the powerful editor of *The Australian*, Chris Mitchell, who was one of the ABC's most persistent critics. In his memoirs, published in 2016, Mitchell devoted a chapter to Rudd, titled "The Gift That Keeps on Giving". He catalogued their long and complex relationship, dating from when they were both in Queensland – Mitchell as a journalist and Rudd as a public servant. As Rudd entered politics and built his profile, he was often in the pages of *The Australian.* He was, in Mitchell's words, an important "source, contact, contributor and subject". Mitchell had persuaded Rupert Murdoch to let *The Australian* recommend a vote for Rudd in the paper's final election editorial of 2007. According to Mitchell, Rudd frequently consulted him on policy. Rudd was godfather to one of Mitchell's sons.[1]

Early in the life of Rudd's government, however, the relationship soured. *The Australian* was the first newspaper to publish the criticisms of Rudd's operating style that later became near universal, in a piece titled "Captain Chaos and the Workings of the Inner Circle".[2] *The Australian* kept hammering Rudd, and Rudd was sensitive to it, and according to some of his colleagues, sought to appease the Murdoch empire.

Scott had his first meeting with Conroy as minister on 10 December 2007. Conroy was not particularly optimistic about ABC funding, emphasising the tight fiscal conditions. The proposed children's channel would have to go to the budget process like everything else, although he

personally supported it. Labor would not simply open the purse strings. The case would have to be made.[3] The next opportunity was the forthcoming round of triennial funding, which would be dealt with in the 2009 budget. The ABC's submission was due to be submitted in October 2008. Scott had been working on funding strategies since his first days in the job, but now preparations took on new focus and urgency.

Despite the lack of funding commitments, the change of government caused an almost instant change of atmosphere. Scott noted in a report to the board in March 2008 that there was now "quite a different dynamic" at Senate Estimates. A "far greater proportion" of questions was directed to the minister, and there was "less emphasis on editorial matters".[4]

Meanwhile, Scott was preparing to participate in the Rudd government's 2020 Summit, billed as a forum to help shape a long-term strategy for the nation's future. Scott was to take part in a session titled "Towards a Creative Australia". He submitted a paper, "The ABC in the Digital Age – Towards 2020". It anticipated that by 2020 the ABC would have a "suite" of six television channels. ABC1 would be "comprehensive, with broad appeal and 80 per cent . . . Australian content". ABC2 would be for "fostering new talent and formats with a focus on factual, comedy, arts and entertainment". ABC3 would be a dedicated children's channel. ABC 4 would be a news and information channel, "including live feeds of major events, press conferences and parliament". This was the first time Scott had publicly proposed a dedicated news channel. Added to this were to be ABC 5 for educational content, including resources for schools, and ABC 6, which would feature the best of overseas content, including BBC material. On top of this there were to be fifteen radio services – the existing national networks, local stations and digital services, plus "internet TV and internet radio".[5]

Some of what Scott took to the 2020 Summit dated quickly. The advent of streaming services, for example, made the proposed ABC 6 redundant. But his appearance helped bind the ABC's cause to the government's agenda of driving the take-up of digital television technology, and to the wider agenda of Australia's creative community. Key ideas from his submission ended up in the report of the summit, which advocated for revising and strengthening the ABC's charter and endorsed the creation of

the new children's channel. The report envisaged the ABC, along with SBS and National Indigenous Television (NITV), as "the custodians of Australian stories, creativity and Indigenous broadcasting".[6]

Scott had a clear strategy for pursuing funding. Given the infinite demands on the public purse, he believed there was no point in merely lining up with a begging bowl. Even a sympathetic government would still have to weigh the ABC's needs against those of health, social security and defence. Rather, Scott thought the strategy should be "to help the government solve problems that they had". Sometimes, this might mean "articulating" a problem "that they may not have been aware that they had", and then offering solutions.

The 2009 triennial funding bid had an unusual structure. It was a menu of potential projects rather than a single "ask". This was, Scott recalls, "not in the expectation that all of them would be taken up". Not all the executives were convinced by this approach. Dalton thought the bid should prioritise a few things – including more Australian content on television – rather than putting too much forward. Says Scott: "I took a different view. If you were gambling, you would have said, 'That's more likely, that's less likely', but it's good to have some ideas up there so they can knock a few out if they want. That's tactics."

By mid-2008, Scott was giving the ABC board detailed information about the funding bid. The suggested investment, he told the board, would be presented as "a down payment on the ABC's future as a public broadcaster in the digital era". At that stage, the bid closely resembled what he had taken to the 2020 Summit. The idea of a dedicated news channel had developed and was now described as "a dedicated, free-to-air and commercial-free digital channel providing direct coverage of key events in the lives of modern Australians which will also be an important driver of digital TV take-up".[7]

By October, the submission was in its final form. The big items were the children's channel, for which the ABC wanted $93 million over three years, and the news and public affairs channel, at $26.7 million. Other proposals included an increase in Australian drama and documentaries, to take the ABC's Australian content to the same levels required by law of commercial channels. There was a proposal for a partnership between the ABC and the

Australia Council to provide more arts content; a request for depreciation funding so that the ABC's existing assets could be maintained; and a proposal to open the ABC's radio and television archives to the public.

Another proposal, designed to speak to government priorities, was $90.1 million for broadband hubs, which would allow the ABC's regional and local teams to "bring broadband to life" by building community websites where Australians could "talk to each other and share experiences". This vaguely defined proposal got a kick along when the word went out, Scott thinks from Rudd's office, that the prime minister wanted "something digital, something about broadband" in the budget. It would become ABC Open, a project through which the ABC would teach regional community members how to use digital media technology to tell their own stories.[8]

The bid went in, and the lobbying continued. Maurice Newman was intimately involved. He recalls a long process of "just putting the case to the various ministers, treasurer, the communications minister, probably the prime minister and other influential people . . . I know my way around Canberra. I've been doing the trek for a very long time . . . I don't want to exaggerate my influence, but I think people respected the fact that I was coming from a place of integrity and honesty and what I was putting forward made sense, and so they were supportive." Scott agrees that Newman and his relationships were crucial, but so too was the popularisation of ideas such as the children's channel in the wider creative community.

In February 2009, Scott and Newman had their first formal meeting with Rudd as prime minister. The meeting ran for double the time originally scheduled. Scott reported to the board that they had taken Rudd through the funding submission and "were encouraged by his understanding of the underpinnings of our proposals . . . and the critical place of the ABC in the face of the great changes currently occurring in the media sector".[9]

Weeks before the budget, Scott received indications that the funding for television content had "good traction". Funding for the children's channel was confirmed in a pre-budget announcement, but the public affairs channel – lower down the priority list – was not going to make it over the line.

Conroy recalls that when he apologised to Scott, he took the news on the chin, saying, “Never mind, we will do it anyway.”

The budget was brought down on 12 May. It was the ABC’s best budget result in at least twenty-five years, reversing what had effectively been two decades of real funding cuts. There was $136.4 million over three years for the children’s channel and increased Australian content, plus $15.3 million over three years for the regional broadband hubs. With other measures, the total increase was $167.3 million over three years.[10] Crucially, the new funding for content and the children’s channel, while couched in terms of priorities and projects, was made a continuing part of the broadcaster’s core funding and would therefore be subject to indexation. There was no requirement that it be acquitted against specific projects. This would become important later.

The funding increase was historically significant and underpinned Mark Scott’s success between 2009 and the change of government in 2013. It was an endorsement of Scott’s approach, of Maurice Newman’s appeal across party lines, of Conroy’s power within the parliamentary Labor Party and of foundational work done over many years by Pendleton, Balding and McDonald, among others. The night of the budget, senior ABC people hosted a dinner in a private room at the Ottoman restaurant in Canberra. Conroy was invited and was greeted with a standing ovation when he walked in. It was more than a little awkward when everyone realised that Malcolm Turnbull, leader of the Opposition, was standing directly behind him.

Nevertheless, the total operating funding for the ABC was still below its highpoint of 1985–86, when the ABC had no websites or digital content to fund and had only one television channel and a much smaller radio presence – but, to be fair, also produced more content in-house. Later analysis calculated that the 2009 funding uplift amounted to an average 6 per cent increase over the three years, and was the only time in over thirty years, from 1993 to 2022, that the ABC received a real increase. The fate of the ABC, even after 2009, was to keep doing more with less.[11]

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Before coming to government, Conroy had promised a new appointment process for the boards of SBS and the ABC, designed to end political stacking. Appointees would be chosen from a shortlist put together by an independent panel at arm's length from the minister. Conroy told Scott in their first meeting after he became minister that he would not make any new appointments until this was set up. As a result, Labor did not immediately replace Ron Brunton and John Gallagher when their terms expired early in 2008. But the amendments to the *ABC Act*, which would also reestablish the position of staff-elected director, took longer than expected. The legislation was not introduced to parliament until November 2009 and had its second reading early in 2010. The Opposition moved amendments to remove a prohibition on former politicians and senior political staff joining the board, and to remove the staff-elected director position. Those amendments were defeated, and the bill made its way to the Senate. It eventually passed in June 2012.[12]

In light of these delays, Conroy established the arm's length process for board appointments as a matter of procedure before it became law, and advertised two positions in late 2008. Whether or not the new rules removed politics from board appointments, they certainly brought a level of formality and transparency to what had previously been an opaque and seemingly capricious process. A skills matrix was drawn up. Egon Zehnder, the executive search company, was selected to conduct the first stage of the selection process, answering to an independent committee. Chaired by the former head of the Department of Defence, Ric Smith, the committee consisted of the former governor of Queensland Leneen Forde, corporate lawyer and businessman David Gonski, and the former head of the Australian Competition and Consumer Commission Allan Fels. This committee drew up a shortlist of new board members for Conroy, who would make the final pick. If he chose someone not recommended by the committee, he would explain his reasons to parliament.

The two successful applicants were Michael Lynch and Julianne Schultz. Lynch was an arts administrator who had held senior roles at the Sydney Theatre Company, the Australia Council, the Sydney Opera House and London's Southbank Centre. He was planning his return to Australia when he saw the ABC board positions advertised. He recalls: "I thought,

okay, that's the perfect way I want to go home." He had been relaxed about the interview process, only to face "the most gruelling and very, very serious interview I have ever had to do. I'd have to say I had got CEO jobs more easily and with less scrutiny than I got the ABC board position." It was clear to him that the committee was under a very strong "sanction" to make clear they were "driving the politics out of it".

Schultz was an academic, journalist and editor who had a long history with the ABC. She had been a producer for *Four Corners* and *Late Night Live*, a member of the Independent Complaints Review Panel and later general manager of corporate strategy and communications, before returning to academia and becoming the founding editor of the *Griffith Review*, a literary and current affairs journal. She therefore had a deep knowledge of, and strong views about, the broadcaster. Just before the 2007 election she had detailed these in an essay for the *Australian Financial Review*. Recapping the culture wars, she said that despite the Howard government's attempts to make the ABC more compliant, it had survived "stronger, more resilient, better equipped and not inadequately resourced. It is well-placed to flower at a time when the surrounding media environment is beset by profound uncertainty."

Casting her eye over the board (which at the time comprised Newman, Gallagher, Skala, Albrechtsen, Windschuttle and Hurley), she concluded that it was "absolutely the product of the Howard government . . . none has executive experience in media, broadcasting, communications technology or publishing: there are three lawyers, two independent scholars, and a hotelier. Four are actively associated with ideological think tanks and three have enjoyed high profiles and unprecedented influence as advocates in the 'culture wars'." She criticised the board for focusing too much on content and not enough on strategy, noting that in the past financial year, the board's editorial policies committee had met three times but its governance and strategic issues committee not once.[13] Schultz's essay was a plea for a more strategic focus and for better government caretaking of an important public asset. It could also have stood as her job application the following year.

We will probably never know who else was on the shortlist sent by the independent panel to Conroy. Lynch and Schultz were both likely perceived as broadly sympathetic to Labor. But they were not partisans, and they were

clearly highly qualified. The first round of Conroy's new process was generally regarded as a success.

The new recruits' first board meeting came shortly after the 2009 funding increase. Lynch recalls an air of self-congratulation. "I think all of them were sitting around the table, thumping themselves on the back for a great outcome." But the underlying politics of the board soon emerged. Lynch recalls: "Julianne and I were on one side of the table. Windschuttle, Hurley and Albrechtsen were on the other side of the table." Lynch was surprised to hear Newman make strong comments about climate change and the ABC's reporting of the issue; Newman asserted that insufficient attention was being paid to those who questioned the scientific consensus. To his dismay, Lynch concluded that he was "straight back into the culture wars" – battles he had survived as head of the Australia Council. Windschuttle and Albrechtsen, he recalls, were "continually suggesting there was something deeply wrong with the organisation". He disagreed. He came to think that Scott, Pendleton and the executive team knew what they were doing and were performing well.

Schultz was much less surprised by the behaviour of the board. It was exactly the kind of thing she had written about in her essay and seen for herself as a senior executive reporting to the board when Donald McDonald was chair. She tried hard to bring the meetings back to strategic questions, rather than wrangles over particular pieces of content. She regarded Skala as a "serious person", but the others did not impress her. She thought Scott was on top of things and "played Maurice Newman perfectly".

In June 2010, Janet Albrechtsen reached the end of her term. After a selection process under the new system, she was replaced by Cheryl Bart, a banking and finance lawyer from South Australia.

Scott found all three of the new appointees useful contributors. Schultz had "a deep understanding of the organisation, and a sense of what it could be". She pushed hard on drama, advocating for an awareness of Australia's literary heritage. Says Scott: "She was always plugged in a bit to the organisation. She'd hear things. She'd tell you things that you may not have heard yourself." As for Lynch, Scott found him useful because "he'd done the closest thing to my job. He'd run big cultural institutions and high-profile institutions . . . He'd dealt with government departments, he'd dealt with the creative talent, and he was a restless entrepreneurial spirit who just

wanted to cut through things and get things done." Scott even toyed with the idea of encouraging Lynch to take up a position on the executive, but Lynch's term was cut short in 2011, when he accepted a position as CEO of West Kowloon Cultural District in Hong Kong. Bart, meanwhile, proved "a good business brain" and a constructive and engaged board member – but not an activist, and not one to exert herself to shape the organisation.

At this point, with the considerable exception of Newman's continuing interventions on climate change, the ABC board had normalised. It contained qualified people with a mix of experience. They were engaged with the organisation and broadly positive towards it.

Newman's relationship with Scott and his views on ABC journalism had been strained by several controversies. One concerned a *7.30 Report* story, aired in September 2010, called "The Price of Gold". It made allegations about poor environmental practices at a Papua New Guinea mine owned by the company Lihir Gold which was chaired by Ross Garnaut.[14] Garnaut was a politically charged figure. He had headed a climate change review for Labor in the lead-up to the 2007 election but had then become a vehement critic of the Rudd government's proposed carbon trading system as compromises were made in an attempt to secure its passage. Garnaut said *7.30 Report* had implied he was hypocritical for advocating strong action on climate change while having a tarnished record as chairman of Lihir. But the environmental issues the program highlighted had mostly been before his time with the company. He alleged many other errors and examples of bias.[15]

Garnaut had not been interviewed for the program. At one stage, an interview had been arranged but then cancelled – not by the ABC. The PR people for the company had apparently not handed on all of the ABC's requests for an interview – but as Garnaut later pointed out, he was a frequent interview subject for the ABC and journalists often contacted him directly, but they had not done so on this occasion. Garnaut claimed that the nature of the allegations to be made had never been spelt out to him.[16]

Garnaut called a press conference after the program had aired to put his case, and published a document on his website providing more detail. Meanwhile, a viewer named Chris Evans, a family friend of Garnaut's, submitted a complaint, which was investigated and not upheld. The

complaints review executive found that the content of the story was in the public interest, and that, because *7.30 Report* had aired a follow-up segment featuring Garnaut's response, the overall reporting was fair.[17]

But the ABC was confusing the matter. Scott was under the impression that this was a complaint from Garnaut, and that it had been dealt with properly, whereas in fact Garnaut had at this stage not made a formal complaint and his various allegations, which were broader than those raised by his friend, had not been investigated.

Garnaut contacted Newman. The two men got on well, despite different political views. Newman recalls: "Ross said to me, 'I believe I'm being defamed, and I've written to the ABC, and I've got a nothing-to-see-here response.'" Newman asked Garnaut to send him a briefing note, which he passed on to Scott. Newman recalls: "And the first response was 'Nothing to see here'. I insisted he look at it further. I kept getting stonewalled, and I kept pressing. Pressing and pressing, and you could see that finally, the dam wall was starting to break."

On 13 December, Scott called Garnaut and followed up with a letter, which led to Garnaut making a detailed formal complaint on 14 January 2011.[18] Scott passed it on to the complaints process, highlighting that while the ABC needed to take the time it needed, Garnaut had now been waiting months for a response.[19] The resulting investigation found that the *7.30 Report* episode had not met the ABC's editorial standards. Although it had made "extensive efforts" to get an interview with Garnaut, these were insufficient given he was the focus of the story. As well, the original program contained several inaccuracies and a lack of balance, including misleading use of archival footage. Garnaut's right of reply had been undercut by the publication of a response to his reply on the program's website.[20] Chadwick recommended to Scott that the ABC apologise and make an on-air correction, which happened on 5 April 2011. Scott wrote Garnaut a seven-page letter detailing the investigation and its result.[21]

Newman thought the episode demonstrated the intransigence of ABC journalists – particularly since *7.30 Report* had continued to rebut and challenge Garnaut's concerns. Some journalists were still arguing in defence of *7.30 Report* and against Chadwick's findings, even after apologies were issued. For example, Quentin Dempster suggested that

Chadwick's finding that more effort should have been made to interview Garnaut might set a precedent that would result in public relations operatives being able to frustrate good ABC journalism simply by refusing to respond to interview requests.[22]

From Newman's point of view, Garnaut was a prominent and powerful figure, and he had been defamed. He had had to push for months to get a satisfactory response and it had been difficult, even with the intervention of the chair. In Newman's mind, this confirmed his worst fears about the ABC's journalism.

Meanwhile, he was becoming increasingly sceptical about the scientific consensus on climate change. He often reflected to colleagues on his experience heading up the federal government's Y2K industry forum, created to address a fear that there would be a widespread breakdown of computers as the date ticked over from 31 December 1999 to 1 January 2000. It was predicted to be a global software meltdown, but it didn't eventuate (largely because organisations did a lot of work fixing huge amounts of code). Newman said this had made him sceptical about doomsday scientific predictions. In November 2009, there was an international controversy when emails were leaked from the Climate Research Unit at the University of East Anglia. Climate change deniers argued that the emails showed that global warming was a scientific conspiracy, and that scientists had manipulated data. Independent fact-checkers concluded that this was a misrepresentation, but Newman was now convinced that climate change was probably a hoax. He thought the ABC was insufficiently sceptical and that its journalism was deeply faulty.

Action on climate change had been a key Labor Party promise in the lead-up to the 2007 election. Rudd had proclaimed climate change "the great moral challenge of our time" and ratified the Kyoto Protocol in his earliest days in power – something Howard had refused to do. In 2009, Penny Wong, as minister for climate change, had painstakingly negotiated with the Opposition, led by Malcolm Turnbull, to secure a package of measures centred around a carbon trading scheme. It seemed this major policy change might be achieved with bipartisan support, but that hope came crashing down in December 2009, when Tony Abbott won a leadership spill against Turnbull by one vote. Overnight, the Opposition's

approach changed, and the Coalition combined with the Greens and independents to block the carbon trading system. It was a devastating defeat for Labor, and attitudes to climate change became a key point of difference between the political parties.

Meanwhile, the ABC was trying to navigate what it meant to objectively report on the issue. In January and February 2010, two international celebrity climate change commentators visited Australia. Christopher Monckton believed that environmentalism was a cloak for communism and a United Nations plan to establish a world government. The ABC gave his visit considerable coverage. An academic study later found that between 25 January and 12 February 2010, his visit attracted twenty-seven separate original items of coverage on the ABC, more than one a day, several of which featured Tony Abbott.[23] On *Media Watch*, Jonathan Holmes dismissed the coverage as bland and uncritical. "What's worried us is not that he's been given airtime, but that some of his most contentious statements have gone almost unchallenged in the Australian media," Holmes said.[24]

Monckton's visit was followed by one from James Hansen, director of NASA's Goddard Institute for Space Studies. Hansen had first brought the threat of climate change to international attention as far back as 1988 and was one of the leading scientists urging government intervention to prevent a climate crisis. Hansen did not appear once on ABC television. He was interviewed twice on Radio National.[25]

Hansen was still in the country, and still struggling to attract significant media attention, when the ABC held its annual leaders' conference in Sydney on 10 March 2010. Previously, this gathering had been a group of executives, but this year Scott also invited senior editorial staff. Maurice Newman was to give the opening address. The audience would include many who exercised cultural and moral leadership at the ABC – not only those who carried executive power.

Newman began by saying how much he loved his job at the ABC, and how he had developed a deep affection and respect for its editorial staff. He talked about the attacks from News Limited and echoed Scott's statements describing these as a response to the decay of traditional media business models. He talked up the ABC's achievements and its claim on the public

purse and defended the idea of public broadcasting. These attacks and achievements, he said, made it more important than ever that the ABC should “fulfil and honour the contract we have with the Australian people”. He talked about the evils of groupthink, citing the media’s failure to spot the faults in the businessmen who had dominated the 1980s before they came crashing down in the crisis of 1987. He gave as more recent examples “media cheerleading” during the tech boom of the 1990s and “simplistic” coverage of the Global Financial Crisis, in which bankers were blamed but governments “got off relatively lightly”. “Groupthink so limits curiosity that instead of fresh thinking, it encourages the same stale orthodoxies and superficial stereotypes,” he said.

Then came the only part of his speech that anyone remembers. The media’s reporting of climate change, he said, was another example of groupthink. “Contrary views have not been tolerated, and those who express them have been labelled and mocked.” The ABC, Newman said, could undermine public trust if a view developed that it was “sheltering particular beliefs from scrutiny, or failing to question a consensus”. Instead, the public broadcaster should “reenergise the spirit of enquiry”, “look for contrary points of view” and “ensure that the maverick voice will not be silenced”. “There should be no public perception that there is such a thing as an ‘ABC view’,” he urged. “We must be neither believers nor atheists, but agnostics who acknowledge people have a right to make up their own minds. We must ensure that our town square is not a monologue.”[26]

Newman went on to talk more generally about the importance of public trust. But among his audience, dismay had set in. Newman was followed by Mark Scott, who outlined the importance of a digital future for the ABC and how he hoped to achieve it.

When Scott sat down, Jonathan Holmes stood up to speak from the audience. Holmes said that Newman’s remarks had “made him so angry he could hardly concentrate” on Scott’s contribution. Newman, interviewed for this book, recalled thinking: “Why would that be? What you are doing, Jonathan, is to endorse and validate the very points I’ve been making.” But in Holmes’s view, Newman had revealed a fundamental misunderstanding of the scientific method. Among qualified scientists, there was no longer serious debate about whether human activity was causing climate change.

For the ABC to pretend otherwise – as though there were contending but equally valid "points of view" – would have been to misrepresent the truth.

Later in the day, Newman was interviewed on ABC Radio's *PM* program and elaborated his views. "Many of the people who have a different point of view on the climate science are respectable and credentialed scientists themselves . . . I will remain an agnostic until I've found compelling evidence on one side or the other that will move me."[27]

Newman's speech appeared in full in *The Australian*. The publicity meant that Newman became, as Scott recalls, a "magnet" for climate change sceptics worldwide, who sent him more material and more fuel for his scepticism.

ABC staff pushed back. Science journalist Bernie Hobbs said the ABC should not give undue weight to the sceptics or push a sceptics' agenda. Robyn Williams, the doyen of Australian science reporting and long-time presenter of Radio National's *The Science Show*, dismissed Newman's views as "wrong". "We don't interview people who say HIV doesn't cause AIDS, petrol sniffing is good for kids or smoking doesn't cause cancer, but they're out there," he said.[28]

Eric Beecher wrote for *Crikey* that Newman had taken the concept of editorial independence "off the shelf, placed it on the floor and trampled all over it with muddy boots . . . With just one speech, the ABC's chairman has returned the national broadcaster to the days of having a politically interventionist board running a culture wars agenda."[29]

The dismay was not confined to journalists. On the ABC board, Lynch and Schultz were horrified and took the matter up with Newman in person. Schultz told him she thought it was completely inappropriate for him to enter the debate in such a way. Lynch, meanwhile, was convinced that Newman "had to go", and made that view known to Stephen Conroy – who, it seems, was not particularly concerned.

It is a mark of the importance of the changes to the board that despite the views of the chairman, in April 2011, Chadwick's revised editorial policies were approved by the board and came into force. Those policies contained the key principle that the hallmark of impartiality was not giving equal weight and airtime to all sides, but rather achieving "a balance that follows the weight of evidence". Climate change was given as an example

in the guidance notes, which said: “By the early 2000s the weight of scientific evidence concerning human-induced warming was overwhelming. At that point asserting the existence of anthropogenic warming ceased to be contentious, despite ongoing scepticism among some in the community.”[30]

Paul Chadwick is rigorous in maintaining confidentiality concerning his dealings with the ABC board, but he emphasises that in his experience, Newman never behaved anything other than properly. Chadwick knew that Newman was “engaged” with the climate change issue, but no board member was ever “crass enough” to suggest that Chadwick should prosecute their personal agenda. “And in any event, if they had done so I would have ignored it.”

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7

Stunts and Drama: Television 2006–12

In its 2006 annual report, the ABC presented the national broadcaster, and its television in particular, as a part of everyday life for Australians. Young people could cook breakfast while listening to *Rage*, the weekend music video show, it suggested. Midmorning, children would be parked in front of *Play School* with Ted, Little Ted, Jemima and Humpty, like so many children before them over the previous forty years.

The most popular television programs in 2006 were the suburban sitcom *Kath and Kim* and Andrew Denton's chat show *Enough Rope*. Former Labor Party leader Mark Latham had been interviewed on *Enough Rope*, the report noted, just before the release of his notorious diaries. This was offered, with other examples, as evidence that the ABC was setting the agenda for the national conversation. *Spicks and Specks*, the gameshow anchored by comedian Adam Hills, was one of the most watched programs on Australian television. A documentary-drama made by Blackwattle Films, *Who Killed Dr Bogle and Mrs Chandler?*, was the most watched Australian documentary ever screened on the ABC, with an audience of 2.5 million people. And a new entrant was climbing up the popularity ratings: *The Chaser's War on Everything.*[1]

The success stories in the annual report obscured critical weaknesses. Television, and in particular Australian drama and documentary, was at an all-time low when Scott joined the ABC. In 2005, only three hours of new Australian drama had been screened. Drama had borne the brunt of the repeated cuts to the ABC's funding under the Howard government. Cutting or simply not commissioning a drama saved millions of dollars in a single hit, allowing the ABC to preserve money for other functions, such as news

and current affairs. Faced with little ready cash but a relatively large production staff and facilities, Sandra Levy as head of television had made the best of existing resources. *Spicks and Specks*, for example, filmed at the ABC's Melbourne studios, was popular, educational and cheap to produce. She had also harnessed the state-based production houses in Brisbane, Adelaide, Hobart and Perth to make magazine-style programs, which often aired in the lead-up to the evening news. But she had left her role in despair about ever again being able to make Australian drama at scale.

ABC television ran a mixed production model. The magazine programs, some documentaries and shows such as *Play School* were made in-house, sometimes involving staff from outside. Other programs came ready-made from the private sector. But a common and important third model was co-production, in which outsiders provided the script and the ABC provided resources. Co-productions allowed the ABC to work with smaller creators who might be rich in ideas and energy but without infrastructure. Courtney Gibson, who joined the ABC from SBS during Levy's time and in 2006 was head of television arts, entertainment and comedy, recalls: "We had studios, we had a costume department, we had an art department, we had post-production facilities, we had camera teams, sound teams, the works. And they were very energised being able to work with the independent sector." Retaining in-house capacity also meant the ABC could move nimbly when required, making programs in response to current events or as opportunities arose.

Levy had also, in negotiation with news and current affairs, established the character of the week's television schedule, with each day centred on a genre. Monday belonged to news and current affairs. The 7 p.m. news and *7.30 Report* were followed by *Australian Story*, produced by the news and current affairs department out of Brisbane, and the ABC's flagship investigative journalism program, *Four Corners*. Then came *Media Watch* and *Enough Rope* – both produced by the television division. Finally, *Lateline* ended weekday evenings. Tuesday was *Foreign Correspondent.* Wednesday was comedy night, and Sunday was centred around a drama, usually from the BBC.

One of the first decisions Mark Scott had to make as managing director was how to respond to Channel Seven attempting to poach *Kath and Kim*. Set in the fictional outer Melbourne suburb of Fountain Lakes, *Kath and*

Kim was a prime example of how the ABC worked with the independent production sector. The idea, scripts and on-screen talent came from comedians Jane Turner and Gina Riley. The crew and other production resources came from the ABC. The combination made the show possible, and at first relatively cheap.

It was also an example of how the ABC could be a dead hand, because *Kath and Kim* had almost been killed at birth. In 2001, Riley and Turner signed a contract with the ABC, but when they delivered the scripts, the ABC television bureaucracy had nothing but criticism. Riley and Turner were told their writing didn't fit the conventions of what made good comedy. Where was the "jeopardy"? Where was the "arc" of plot development? Nobody would be interested in watching a mother and daughter argue for half an hour – the central premise of the show. "It got to the point where the ABC was telling us to go away, and we were refusing and telling them they had to make the series," Turner recalls. Lawyers were called in.[2] But when Sandra Levy became director of television later that year, she championed the show. From its first screening in 2002, *Kath and Kim* was an instant, quirky hit, breaking ratings records. It was bought by the BBC (which published a guide to Australian slang to assist viewers) and earned a heap of cash through what the ABC annual report described as "outstanding" DVD sales.[3]

Then, predictably, commercial television came knocking. Scott and Gibson decided not to try to outbid Channel Seven – in truth, they probably could not have done so without gutting the rest of the schedule. The poaching, they decided, was not evidence of failure but of success. In Gibson's words, it was what a public broadcaster should do: "underwrite creativity, effectively doing creative research and development for the commercial networks". The ABC should wish the show well, while using the budget that was freed up to bring other people from the margins to the mainstream.

Sure enough, as *Kath and Kim* left, another comedy was beginning to make an impact. Gibson had spotted an up-and-coming comedian, Chris Lilley, and was so convinced of his promise that she committed to develop two new series with him, so long as he worked with a producer, Laura Waters. Gibson commissioned them to produce a mockumentary, *We Can*

Be Heroes, in which Lilley played five characters, all of whom were supposedly contending to be Australian of the Year. Slotted into the Wednesday comedy line-up in mid-2005, it netted the 2006 Logie awards for most outstanding comedy and most outstanding new talent. By the time Scott arrived, Lilley was working on another mockumentary, centring on private school girl Ja'mie King, one of the characters from *We Can Be Heroes.* The result, *Summer Heights High*, premiered in September 2007. Lilley again played all the main characters, including the narcissistic drama teacher Mr G and Tongan Australian student Jonah Takalua. It was a near instant ratings success, its characters' language entering the popular lexicon and leading to spin-off series and healthy sales overseas. Later, Lilley became controversial. He had dressed in blackface to mock Jonah from Tonga – but that controversy was in the future. *Summer Heights High* was a winner, and by the end of 2007 it was one of the ABC's top ten shows, just after *Enough Rope* and level with the BBC's *Midsomer Murders.*

Kim Dalton became director of television, replacing Sandra Levy, in early 2006. He had a clear agenda: to increase the commissioning budget for high-end, long-form drama, documentary and children's content and cut the amount of content made in-house. He was nothing if not pragmatic, and political. His staff from the time recall that in one of his first meetings with them, he asked them to nominate their main stakeholder. They answered, conventionally, that it was of course the audience. Dalton told them they were wrong. It was the government, because to fulfil any part of their agenda, they first had to get funding.

Dalton believed the programs still being made entirely in-house were often being maintained to keep people employed, rather than because of their merit. Was outsourcing cheaper and better? You can still get an argument on the economic and creative issues encapsulated in this question in any gathering of ABC folk. There is no single clear answer. It depends on the type of content, how it is made and how you allocate costs. Internal production at the ABC in the BAPH states was largely used for cheaper, magazine-style programs. There are certainly arguments that this could be done more efficiently in-house, and there was a significant amount of in-house creative talent involved. But Dalton wanted to get rid of all, or almost all, of this. As we have seen, he closed the natural history unit in favour of commissioning from outsiders.

Outsourcing at the ABC was far from new. The independent production sector had been arguing forcefully for years that the ABC should move out of television production other than for news and current affairs. This had also been one of the recommendations of the 1997 Mansfield review, which was commissioned by the Howard government amid its first deep funding cuts. Once, the shows people most identified with the ABC – groundbreaking comedies such as *The Aunty Jack Show* in the 1970s, children's programs such as *Adventure Island*, the 1960s' soapie *Bellbird*, period dramas such as *Power Without Glory* and cultural milestones such as *Countdown* had been made in-house, with the ABC acting as both producer and broadcaster.

But by the late 1990s, the proportion of programs other than news and current affairs that were either co-produced, with the intellectual and creative effort being bought in and the ABC providing resources, or purchased outright had risen to more than 40 per cent. The massive popularity of externally produced and co-produced shows such as *SeaChange* and *Kath and Kim* had changed attitudes to outsourcing, both within and outside the ABC. Virtually all adult and children's drama and documentaries were by now sourced from outside.

Dalton recalls that at one of his first executive meetings, he told his new colleagues that his main priorities would be finding resources to direct into commissioning drama, and beginning a dialogue with the independent production sector. He was shocked by the response of his fellow content directors. Some suggested that scripted television drama – and even television as a whole – was "yesterday's game", too expensive, and perhaps the organisation should be getting out of drama altogether. Dalton recalls he was "completely thrown". "The tone around that top-level executive table up on the fourteenth floor was, 'We don't support what you're doing. We're not interested in what you're doing'." Thus, from the beginning, Dalton understood his relationship with the larger ABC as a battle.

He was not deterred. Before Scott began as managing director, Dalton was already striding the corridors in Parliament House, supported by the director of corporate strategy and communications, Gary Dawson, who had joined the ABC in 2005. Dalton and Dawson had worked together before, during negotiations over screen content in the US–Australia Free Trade Agreement, when Dawson was trade adviser to John Howard and Dalton

was head of the Australian Film Commission. In his first weeks at the ABC, Dalton asked Dawson what the strategy was for approaching Canberra for more funds. He came away with the impression that there wasn't one. Dawson's advice, Dalton recalls, was: "Do not go to Canberra with a problem. They're not interested in problems. Go with a solution . . . Go and talk to them about the incredible potential out there of the independent production sector and their writers and the creative community." With Dawson and Michael Ward, he lobbied hard for more funding for drama and documentary. Most of the work on the 2006 funding submission was already done by the time Dalton joined the ABC, but now he was on board he emphasised plans to spend any additional money with the independent production sector. He presented the plan to senior ministers. This was one of the inputs to the 2006 budget, which resulted in $30 million of new funding for Australian television content at the ABC.

But once Scott arrived things shifted. Scott saw government advocacy as part of his job. Things got awkward when, in Canberra, he would unexpectedly run into Dalton coming out of a minister's office as he was about to go in. Nevertheless, to start with, the two men were mostly allied. They agreed that the best approach was to talk up the ABC's potential in solving problems, rather than complaining about short funding. Scott also agreed with Dalton about the importance of television drama. In his view, drama was the "connective tissue" that bound audiences to the ABC and helped to make it central to Australian conversations and identity. In his early days in the job, he talked about the potential of making series from the Australian "literary canon". He had asked his staff to find out who owned the rights to Tim Winton's novel *Cloudstreet* – and was disappointed to find they were already taken.

Dalton also convinced Scott that by outsourcing, the ABC could make its commissioning dollar go further. As Scott argued in Senate Estimates in May 2007, this "leveraging model" meant that the $30 million the government had made available in the 2006 budget could be used to bring up to $100 million of drama to the screen. "We are anticipating that in 2007–08, we will have three times the amount of Australian drama on the screen than we had in 2006–07."

Stephen Conroy, then still shadow communications minister, asked Scott if abandoning internal production might make the ABC vulnerable,

leaving it at the mercy of the private sector, not owning rights to the content it broadcast or facilities? Scott replied that news and current events would always be internally produced, and "I think we will always have some productions that are 100 per cent internal."[4]

Conroy was echoing the arguments being made by ABC staff and by David Pendleton, who thought retaining internal production capacity and control of rights to content was key to institutional strength and independence. Conroy also disliked the way media was increasingly concentrated in Sydney. He thought closing ABC internal production, particularly in the state capitals outside New South Wales and Victoria, would inevitably mean that it became a more Sydney-centric organisation and he strongly opposed that. Scott, characteristically, took a middle line in this debate. He could see the power of the leveraging model of commissioning, but thought Dalton's push to outsource virtually all production, while "courageous", was "not feasible or possible". He was persuaded by Dalton that "we needed to look carefully at where we made productions and how we used those resources". This was part of what led to the production resources review, a story told in Chapter 11.

Dalton was frustrated with Scott despite their areas of agreement. Things were not moving as quickly or as comprehensively as he wanted them to. He believed that if he didn't keep pushing, his agenda would be bogged down in inertia and bureaucracy. He made his frustrations with Scott clear, in vehement terms, to others. Dalton was not a man for diplomatic niceties. Meanwhile, Scott thought that Dalton was an obstacle in his mission to get the ABC executive to work together. Dalton would come to executive meetings and talk about what "ABC television" needed, as though it were a separate organisation, not answerable to the whole, and have little to say when other divisions were discussing their issues.

Dalton recalls: "And I'd say . . . Mark. I want to increase my drama. That's got nothing to do with news or radio, and I need resources to do it. And if somebody comes after those resources, I'm going to fucking fight them. You can call that a silo if you like . . . but if I'm working in an organisation that doesn't respect that, then you've got a fight on your hands. In my budget I can spend $5 million or $10 million a year on drama, and that's not enough. I need $40 million or $50 million a year, and I'm going

to go and get that." Dalton and Pendleton were clashing openly. Dalton recalls: "Dave and I had a very robust relationship. I'm usually quite a polite person, and I used to be very rude to Dave."

Dalton was a political operator – a determined enabler of creative endeavour. He delegated the detail of commissioning and production. Most of his time and energy were spent fighting to free up resources and gain more funding. Beneath him, each "genre" of television content had its own head. Denise Eriksen had been head of factual content since 2004. Courtney Gibson was head of arts, entertainment and comedy. Chris Oliver-Taylor was head of business and operations, involved in managing the resources and the commissioning budget. Meanwhile Michael Ward was the head of policy, with responsibility for adherence to ABC editorial policies and strategising on funding.

Across this team, attitudes to Dalton's agenda varied. Eriksen was deeply involved in and committed to the in-house production of factual content. Gibson's area leaned heavily on co-produced programs and commissioning outside talent. Ward took a "non-essentialist" view. He thought it was a matter of horses for courses; outsourcing was not always better. Oliver-Taylor was largely convinced by Dalton's agenda. All of them were taken by surprise when, in late 2006, Dalton deliberately threw a bomb into the politics.

The issue was the modest amount of extra funding – $30 million over three years – tagged for new drama and documentary that had been granted in the 2006 triennial funding round in the wake of the KPMG report. Pendleton could well have claimed some credit for the funding increase, thanks to his influence over the report. In private conversations, however, he credited Levy and Balding's work in the lead-up to the 2006 budget. Dalton had had nothing to do with the KPMG report, but he had directly developed and lobbied for funding for Australian content. Meanwhile, Minister Coonan thought she had done well, negotiating the increase through a hostile party room and cabinet. She had also been persuaded by Dalton's vision: in a letter to the chairman, Donald McDonald, written after the budget, she reiterated that the government expected the extra funds for television content to be spent with the independent production sector, rather than on in-house projects, and asked for details of the "mechanism" by

which this would be ensured.[5] But the issue had not been widely discussed internally.

This was the context in which Dalton asked for an invitation to give a keynote address at the November 2006 annual conference of the peak body for the independent production sector, the Screen Producers' Association of Australia (SPAA). The members of SPAA were Dalton's enthusiastic allies and enablers. It issued the invitation, quietly alerted attendees that they should expect something big and then distributed the speech afterwards, describing it as "maybe the most important industry speech for 2006".[6] Dalton, meanwhile, did the minimum necessary to cover himself at the ABC. He asked Ward if it was necessary to clear his speech with Mark Scott before the event. Ward said that it was. A copy of the speech was emailed to Scott's office by Ward about two days before the conference – but Dalton did not flag it with Scott. Ward confidently expected that Scott, or someone on the executive floor, would intervene to water it down. But Scott did not read it before it was delivered, on the evening of 16 November.

Dalton began by reminding his audience that the ABC was celebrating its fiftieth year. He remarked that when the broadcaster was founded, there had been no Australian film production industry. For that reason, the ABC had developed its own production capacity. But that had changed. The independent production sector was now sophisticated and creative.

He restated the ABC's central role in the nation's cultural life and its commitment to "building a national shared experience and sense of identity". Then, he moved to the controversial bit. He told the audience that not only would the new money from the government be spent entirely on commissioning programs from the independent sector, but it would be combined with the money already being spent on local television content to create an Independent Commissioning Production Fund – all of which would be spent on commissioning content from outside the organisation. Crucially, to compete for a share of this funding, there would be no obligation to use ABC resources or facilities. He was indicating he wished to end or greatly curtail the co-production model in which the ABC provided production resources. He announced that ABC television would entirely move out of producing factual and documentary content in-house,

other than for weekly magazine programs. As for who would own the rights to content commissioned from outside, Dalton said the ABC would be a “user of rights rather than a creator or owner of rights”.

This implied an obvious question. What would happen to the ABC’s internal production resources? What would happen to the jobs? And what would happen in the long term to programs commissioned by the ABC, if the rights to them were owned by others?

Dalton acknowledged that what he was saying was contentious within the ABC. Without naming him, he characterised the arguments David Pendleton had been advancing in the executive. “There is a view that working with the independent sector is simply code for privatisation.” That was wrong, he said. He quoted the Mansfield Report, which had stated there was “no contradiction in the role of the ABC as a commissioner/broadcaster and its obligations under its charter”.

Dalton’s speech made headlines. Predictably, he returned to Sydney the next day to “an explosion”. He took a call from Scott’s office, summoning him to an urgent meeting, and was told “the union’s up in arms. Everybody’s up in arms. Dave Pendleton’s up in arms.” When he ascended to the managing director’s office on the top floor, he found Scott “ashen” and Pendleton furious. “The first thing Mark said was, ‘You can’t go and do something like this without telling me.’ And I said, ‘I did tell you.’ And he said, ‘What do you mean you told me?’ And I said, ‘Michael Ward delivered the speech here three days ago. I can’t be responsible for the processes within your office, Mark. We gave you the speech’ . . . And they all just looked at each other and of course went off and checked and found that it was actually true . . . David would have had me sacked if he could.”

Dalton recalls that it was Gary Dawson who “spun” the politics to Scott, pointing out that a pitch to the private sector would “play well” with the government. Dawson says he does not remember saying those words, “but it is the kind of thing I might well have said”.

Meanwhile, the phones were “going crazy” in Oliver-Taylor’s and Eriksen’s offices, as ABC program-makers tried to find out more and the unions muscled up to oppose Dalton. Neither Oliver-Taylor nor Eriksen had been briefed by Dalton before the speech. Eriksen had been scheduled to go to the SPAA conference with him but had to cancel due to illness. Sitting at home, she had found out in real time, through social media and her industry

contacts, that Dalton had just announced the end of internal production of factual programming – her area. At the time, Eriksen was responsible for around 200 hours of factual programming, including both internal and co-productions. She had a slate of well-performing internally produced programs behind her and plans for more. She and Dalton had “a feisty exchange of emails”, and her relationship with him was permanently damaged. She left in July the following year when Dalton made her position redundant, citing a restructure.

After Eriksen’s departure, Dalton promoted Gibson to be head of content creation, in charge of all the genres. Like the rest of the television division, Gibson had had no warning of Dalton’s speech, but she appreciated that, in a place like the ABC, sometimes you had to move forcefully to achieve anything at all, and she shared Dalton’s enthusiasm for the talent in outside production companies. She had adapted to Levy’s passion and worked under her agenda. Now, she adapted to Dalton.

The SPAA speech was an early breach of trust between Dalton and Scott. It would not be the last. It was becoming obvious to those who worked with them that Scott and Dalton struggled to get on. Dalton would often brusquely challenge Scott in executive meetings. Outside those meetings he was vocal about his frustrations with Scott. Some of this, naturally, got back to Scott. Gibson found this difficult. She liked both men. She appreciated that thanks to Scott, there was now a strategic plan for the ABC as a whole. She felt she was learning from him about leadership, and she thought the organisation was gradually beginning to work as one, and more broadly with the wider society. But she liked Dalton’s courage and advocacy. On difficult issues, such as the Chaser and later with controversial programs such as *Q&A*, that courage was needed and appreciated.

Scott, meanwhile, was by nature a peacemaker, reluctant to create conflict and with a thick hide. He also recognised talent, and there was a tradition of feisty leaders of television. Thus, he tolerated Dalton, and there was no denying that Dalton had built a strong team and with them was improving television.

Shortly after she became head of content in 2007, Gibson was at an industry event with a literary agent who told her that Christos Tsiolkas was writing a novel about an adult who slaps a child at a barbecue. Gibson

recalls: “I went, ‘Oh my God, we’ll develop that.’” *The Slap* was published in 2008, and Gibson was quickly in contact with producer Tony Ayres, who had by then obtained the rights. Dalton had some doubts about the series – he thought the lack of likeable characters was a problem, and he raised this with Gibson, but as was his practice he deferred to her judgement on commissioning.*The Slap* television series was produced by the private production company Matchbox Pictures, with Tony Ayres as the driving creative force and Penny Chapman as executive producer. It was a success. It provided the conversations, the “connective tissue”, that both Scott and Dalton aspired to and went some way to satisfying Scott’s desire to televise the Australian literary canon. It presented a view of middle-class, multicultural Australia that had rarely been seen before on television.

When it aired in late 2011, its eight episodes averaged nearly a million viewers on ABC1, and another 232,000 people watched repeats on ABC2 or recorded it.[7] The critic Peter Craven described it as “one of the most remarkable pieces of drama made for Australian television . . . The last thing we expect to see on the moribund ABC is the art of drama executed with a cinematic subtlety of notation and depth, but that, against the odds, is what *The Slap* achieves.”[8] *The Slap* went on to sell internationally, and an American adaptation was made for NBC. But the rights did not belong to the ABC. As Dalton had foreshadowed, the ABC was a user of the rights, not an owner of them.

Gibson also wanted to make biopics – telling key moments in Australian history through the eyes of individuals. She raised with producer John Edwards the idea of making a series about Ita Buttrose and the creation of *Cleo* magazine in the 1970s. Edwards loved the idea, and Gibson said she wanted to sound out Buttrose first. Says Gibson, “I called Ita’s agent, Lauren Miller, and pitched the idea . . . I got a call back in about ninety seconds, and was told that Ita would welcome a conversation with John, and would it be possible for Asher Keddie to play her?” *Paper Giants*, a two-part miniseries starring Keddie, was financed and made after Courtney had left the ABC and screened in 2011, produced by the Southern Star Group.

It didn’t all happen at once. Television takes time, and the funding received in 2006 was not enough. A bigger funding uplift was to come three

years later, in 2009 – a story told in Chapter 6. But there is no doubt that under Dalton and his team, Australian drama, documentary and children's content at the ABC was rebuilt. The team included Carole Sklan as head of drama, Stuart Menzies as head of documentary and later controller of ABC2, Tim Brooke-Hunt as head of children's and Debbie Lee as head of comedy. Dalton's detractors and enemies from those times say that any television director, given his budget, could have achieved similar things but that is not entirely fair. It was a courageous and inventive program of high-end content, just as he had planned, and while he fell out with key people, such as Eriksen, he also recruited important talent. In 2010, Dalton hired Sally Riley, previously head of the Indigenous branch of the Australian Film Commission, as head of Indigenous content. Riley was the executive producer on the film *Mabo* and the drama series *Redfern Now*, which was the first prime-time television drama commissioned, written, acted and produced by Indigenous Australians. Riley outlasted Dalton at the ABC and went on, in May 2016, to become head of all scripted television production.

Dalton had some idiosyncrasies. He insisted that ABC television should not buy "formats" – templates designed elsewhere. That meant that shows such as *Who Do You Think You Are?*, a BBC-created reality show based on genealogy, went to SBS without competition from the ABC. Dalton wanted to encourage the local production sector to develop its own formats, which could then be sold overseas. This is a contrast with the time of writing, when key ABC shows, such as *The Piano* and *The Assembly*, are local versions of overseas formats.

From a base in 2006 of five hours of new Australian drama, no prime-time Indigenous content, limited Australian children's content and a limited documentary offering, within seven years ABC television was offering Australian drama at levels approaching that of the commercial networks, a slate of Australian documentaries and a dedicated children's channel with high levels of Australian content, as well as high levels of children's content on ABC2. By 2011–12, the annual drama budget was close to $45 million, which supported almost seventy hours of drama and scripted comedy. Leveraged by the independent production sector, the ABC's commissioning underpinned a total drama output of close to $100 million.[9]

Other successes that had their origins during this time included *Rake*, *The Doctor Blake Mysteries* and *Miss Fisher's Murder Mysteries*. There were new comedies and series such as *The Gruen Transfer*, a program about advertising produced by Andrew Denton's company Zapruder's Other Films, which premiered in May 2008 and became one of the broadcaster's most enduring franchises; it was still appearing, with much the same format and ideas, as this book was being written in 2026, remaining a solid performer with audiences between 500,000 and 700,000.

There were many successes. Dalton did not end internal production at the ABC, but it was substantially reduced. Nevertheless, the Southbank studio in Melbourne was built despite his objections. The ABC still makes a few shows in-house, and after he left commissioned a limited number of new ones, such as *Backroads*. Says Dalton, "My mission was to substantially increase levels of Australian drama, documentary and children's content. I achieved this. More generally, I wanted to close down internal production where it no longer made economic sense. Where it did, I wanted to be more efficient and effective . . . I wanted ABC TV and the ABC more generally to be respectful of the creative depth and calibre of Australia's screen community." In doing this, he agrees, he was trying to change the ABC's culture. To the extent he succeeded, some will never forgive him.

Largely as a result of Dalton's agenda, together with government funding squeezes, internal television production other than news came to a halt outside of Sydney and Melbourne. So did the televising of a great deal of state sport. The ABC owned fewer rights to the content it screened. Amid all the gains, this was a loss of public broadcasting capacity and changed the character of the national broadcaster, probably forever.

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8

From Radio to Listen

The ABC is like the elephant in the parable about the blind men who each touch one part of the beast and assume that they know its nature. One touches the tail and conceives a snake-like creature. Another the tusk and imagines danger, and so on. When they compare notes, they can't believe each other's accounts to be genuine. So it is that the politicians who complain about perceived ABC bias are not thinking about *Play School* or Classic FM. The ABC has many different manifestations, and no one character.

For many Australians, the ABC is chiefly about radio or audio content – the reliable, intelligent companion, the conversation and the music. But even this is hugely variable, a many-faced conglomerate. Those who listen to Triple J may know nothing about *AM*, or what is driving the rural report on the local ABC station in the central west of New South Wales. For Australians in rural and regional areas, the ABC is the local news service, stock reports and emergency broadcasts, and the ABC's regional offices bring to country towns the cultural capital of accessible media. No other organisation offers these things in the same way. Commercial radio is increasingly based in the capital cities, its news bulletins compiled and read far from the communities they are meant to serve and its other content mere filler between advertisements. In regional Australia, the ABC is distinctly, importantly different from any other organisation.

For younger users, ABC Radio can be an ecosystem of events and audio content, delivered by multiple means, under the brand of Triple J. For people making music in their bedrooms and garages, the ABC might be most powerfully represented by Triple J's Unearthed platform and the hope of being "discovered". Unsigned Australian musicians can upload their music to Unearthed's website and have it played on the digital station and

reviewed by other listeners. The Unearthed platform has been responsible for discovering some of Australia's most celebrated musical acts, including Flume, Missy Higgins, Vance Joy, Gang of Youths and Grinspoon.

For classical music lovers, the ABC is Classic FM. Through the peak of the culture wars under the Howard government, Donald McDonald would make a point of sending cabinet ministers Classic FM CDs for Christmas – a reminder that the national broadcaster was about more than the news coverage of which they were so critical.

And for a small but highly influential group of Australians, when they talk about the ABC, they are chiefly referring to ABC Radio National, often characterised as "pure charter" – meaning things that are culturally important but which no commercial media organisation would provide. Since the late twentieth century Radio National had been based on a series of set-piece specialist programs produced by expert units, such as *The Law Report*, *The Media Report*, *The Religion Report* and *The Science Show*. This was in contrast to the "flow programming" typical of local radio. Compared to local radio, Radio National had tiny audiences – averaging around 650,000 in weekly reach when Mark Scott took over as managing director, compared to a combined audience of about 2.25 million for the local radio stations. Yet Radio National's influence has always been out of proportion to its listener numbers. Norman Swan – one of the most loved presenters on the ABC and a former general manager of the station – makes the point that Radio National is the only part of the ABC that still produces, in bulk, original in-house content that is likely to last in value, and to which the ABC owns the rights.

At the start of the twenty-first century, Radio National's audience was small but dedicated and well connected. The political interviews on the breakfast program often kickstarted the day's news agenda and were fodder for commercial media websites. Leading journalists such as Swan, Robyn Williams and Phillip Adams had a cultural and political impact well beyond the size of their audiences, becoming exemplars of what would be lost should Australia ever decide it did not need a public broadcaster. The presenters of the specialist programs had in some cases been in place for decades and had deep connections to their subjects and audiences. On top of all this, the Radio National staff were more "bolshie" than ABC staff in general, heavily invested in ABC internal politics, at least as it affected

them and their audiences. A disproportionate number of staff-elected directors – including Koval – had Radio National backgrounds. Radio National staff were older, longer serving, more heavily unionised and often opposed what they saw as destructive change. For all these reasons, as we shall see, Radio National has always been one of the hardest parts of the ABC to manage.

The story of ABC Radio this century is about the transition from broadcasting over the airwaves – the wireless, as Phillip Adams delighted in calling it – to a new category of experience branded ABC Listen. This shift was part of a broader media and ABC story – from broadcasting in the literal sense of using the airwaves, to content delivered by multiple means. It was a change of focus, from the platform for content to the actions of the audience. Much was gained, but some things were lost. Inevitably, this is also a story about politics, both internal and external, and the dedicated, passionate and sometimes difficult people who drive public broadcasting.

When Mark Scott became managing director in 2006, the ABC had four national radio networks available through conventional broadcasting. These were Radio National, ABC News Radio – a twenty-four-hour news service that was also used to broadcast parliament when it was sitting – Classic FM and Triple J. There were also sixty local radio stations, including those based in the state capitals.

Sue Howard, director of radio, oversaw all this. She was a lifelong enthusiast for radio and believed it an indispensable factor in most ABC audience members' lives. She was also, as one of her senior subordinates told me, "a very complex woman" – pleasant, incisively intelligent, charming most of the time, but also fiercely antagonistic, sometimes authoritarian and defensive.

Her first radio experience had been with the university-based community station Radio 5UV in Adelaide. The ABC recruited her to do an afternoon drive program on Radio National in 1986, in one of the first experiments in moving the station towards "flow programming" rather than a succession of specialist programs. She had proved a natural broadcaster with the ability to reach over the airways and become a companion to her listeners. She had a succession of on-air positions, culminating with the job she had wanted "since the age of about seven", as she recalls it – presenting the Melbourne breakfast show. Then she moved into management as

regional manager for radio in Victoria. This was, she recalls, “the best management job I ever had in the ABC. It was all downhill from there.” She was made head of regional services under Brian Johns, which gave her oversight of television production in Brisbane, Adelaide, Perth and Hobart.

She was one of the few members of the executive team to survive Jonathan Shier, who made her director of radio, in charge of the national networks as well as the local stations. She was very successful: local radio ratings rose consistently under her watch. She placed more emphasis on entertainment, alongside the other charter responsibilities of education and information, and she recruited “outside the square” to find her presenters, including former Skyhooks musician Red Symons and former *Age* journalist Virginia Trioli. She talked longstanding Melbourne morning presenter Jon Faine out of taking another job and backed his development of *The Conversation Hour*, which became a stalwart and an inspiration for programs such as Richard Fidler’s *Conversations*, which in turn became one of the most popular podcasts in the country.[1]

The success was nationwide. In Sydney, Angela Catterns had more listeners than Alan Jones, the notorious shock jock who wielded immense political influence. Local radio stations drew larger audiences than ever, regularly outrating most commercial stations. ABC local radio was at the height of its cultural importance in Australia during Sue Howard’s period, and in the years afterwards ranked number one, two or three in all capital cities. The peak year was 2008, with about 2.4 million listeners each week across the eight capital cities. In the capital cities west of the Dividing Range, which were increasingly one-Murdoch-newspaper towns, ABC local radio was the vital alternative for serious news and commentary. It was the trusted emergency broadcaster in times of trouble. This was Howard’s considerable record of success, shared with the head of local radio from 2000 to 2011, Michael Mason.

There was a downside. The national networks felt unloved and neglected under Howard. Radio National, in particular, felt under attack. There were rumours Howard wanted to close it down. She denies this. In an interview for this book she said: “Merging Radio National with local radio would have harmed both networks and their audiences, with no gain to the ABC . . . The only thing I wanted with Radio National was, given you’re

never going to get larger audiences, to have engaging presenters who are talking to an audience and not only to a group of their peers. To make sure they are not just focused on ten academics in their field." But, she acknowledges, "Ultimately, I did end up looking at the dollars and saying, 'How many religion programs, or how many ethnic music programs, or how many programs about books do you have, and how many do you need? Can we afford them all? . . . I believed in its existence. I just didn't believe that it was more sacred than anything else, and it had to take its place and justify its costs like everybody else."

During John Howard's years in power, resources in radio were so scarce that Faine, for example, joked about being grateful for promotional pens from public relations companies.[2] Local radio looked with envy at the resources Radio National received to serve a tiny audience. Out of the total radio budget of $110 million, Radio National cost about $20 million. Its detailed, in-depth programs were much more heavily produced, and were supported by more production staff, than the flow of chat and music on local radio. A frequently cited example was Phillip Adams, whose *Late Night Live* program had up to four producers to support one hour of programming, four nights a week. Faine, by contrast, was on-air for three and a half hours a day for five days a week and had a bigger audience, but just three producers. Faine did much of the background work himself. Radio National defenders responded to such comparisons by arguing that their programs were more in-depth, more intellectual and simply of a different order. Not everyone bought that argument.

During the culture wars, it was Radio National that Sue Howard had to spend most of her time defending. In 1996, asked what was wrong with the national broadcaster, John Howard asked in return where the "right-wing Phillip Adams" was to be found.[3] Others echoed this criticism. Adams was openly and unapologetically a lefty – an exception to the usual editorial policies demanding balance. He included right-wing commentators on his program but acknowledged it had a "left-liberal" bias. There was pressure on radio management to demonstrate that this was balanced elsewhere on the station.[4] In 2004, Sue Howard had a cartoon by Jon Kudelka on the pinboard above her desk. It showed a cage with the bars shattered and two people standing dismayed at the door. One said: "Oh Lord. The Right-Wing

Phillip Adams has escaped”.[5] Radio National might have been small, but it had an outsized role in the politics of the ABC.

In 2004, conservative newspaper columnist and publisher Michael Duffy was brought into the fold with his own weekly Radio National program, *Counterpoint*. Here was the potential right-wing Phillip Adams. But, in an interview with me in 2005, even Duffy made it clear that the culture wars had debilitated the ABC. It had “had the vigour squashed out of it”, he said. “It is like a whipped dog. When you manage the ABC, you are in the business of managing passion. Now there is a lot less passion to manage.”[6]

Duffy left in 2012, and *Counterpoint* went on to be hosted by a succession of right-wing political identities, including Tom Switzer and Amanda Vanstone. It platformed political views very different from those of Adams – including, for example, climate-change scepticism. But none of the hosts succeeded in building the kind of dedicated community of listeners that gathered around Adams and around the right-wing podcasters who were emerging outside mainstream media. It was easy for those on the right wing of politics to believe that the ABC’s heart simply wasn’t in the effort.

Answering to Sue Howard was Kate Dundas, head of the national networks, including Radio National. Dundas was unusual within the ABC management structure in that she was not chiefly a “content” person. She had worked in community radio when she was young and, she recalls, “knew my way around a radio studio”, but her professional background was in policy and management. She had worked in the Department of Communications during the Hawke–Keating governments, before being poached to work for the ABC in policy and eventually becoming general manager of metropolitan stations. Later she was, briefly, managing director Brian Johns’s chief of staff, before returning to an executive position in radio policy and development. Her position disappeared in a restructure, and she left to work for the NSW Premier’s Department, but she wanted to return to the ABC. Immediately after Shier left, Dundas sounded out Sue Howard about whether “there was anything going”. Howard offered her head of music networks. “I am a talk girl,” Dundas protested, but she took

the job, quietly taking herself off to a course to learn a bit more about classical music.

Dundas's approach was nothing if not strategic. She set to work with the recently appointed manager for Triple J, Linda Bracken, to refocus the station, which had falling ratings, on a narrower demographic – 18–24-year-olds. The drum logo was updated, and they worked to retain popular presenters, such as comedians Wil Anderson and Adam Spencer, as well as appointing a new music director, Richard Kingsmill, to better calibrate the music mix. By the time Mark Scott arrived as managing director, Dundas was head of national networks, having added News Radio and Radio National to her responsibilities. Scott told Dundas and Jane Connors, the head of Radio National, that there were two ways of looking at the station. Either it was amazingly expensive for the small audience it drew, or extraordinarily cheap for the quality of that audience.

People had been accusing managers of dumbing down Radio National since before it carried that name. The station first began to take on a self-consciously serious tone in the 1970s, when it was still known as Radio 2. It was renamed Radio National in 1985. Norman Swan, as general manager in the 1990s, had led a reform effort, aiming to make it truly national and talk-based, getting rid of the "very ordinary classical music played locally in each state". He recalls that changes to the schedule were regarded as a territorial war. Nobody, in his view, was thinking about the audience. Swan had introduced *Radio National Breakfast* – a break from set-piece specialist programs. He had recruited Phillip Adams and also started the *Life Matters* program, focused on relationships, health, money and work.

All this had involved hard battles and tough decisions. He fought with the drama department, in those days "the size of a small repertory company", over introducing popular drama as well as the worthy and highbrow. At every stage, changes were attacked as philistinism and as a betrayal of the "real ABC". By 2006, these controversies had subsided but were not resolved. The Radio National set-up was a strong breakfast show, the day bookended by the morning and evening current events programs *AM* and *PM* and *The World Today* at lunchtime, with the specialist programs in between.

Meanwhile, technology had breathed new life into the national networks and provided at least a partial riposte to the frequent criticism that Radio

National staff were resistant to change. At the ABC, Triple J began what became known as podcasting, but Radio National was also an early adopter. By 2005, people could download audio files from radio station websites and listen to them on their computers or iPods. Radio National's specialist programs were naturally suited to the form, and podcasting was an opportunity to reach a broader and younger audience. By the time Scott arrived, Radio National was almost certainly the largest producer of podcast content in Australia. The ABC had established itself in the field while the commercial stations were still trying to work out what podcasting meant and whether money could be made from it. Scott told Senate Estimates in October 2008 that Radio National's "small experiment in podcasting" would "be viewed in history as one of the greatest achievements of the ABC". Unlocking content from the broadcast schedule had led to the "renaissance" of Radio National.[7]

Early in his term, Scott toyed with the idea that the ABC might charge for downloads of its content. After all, ABC audiences already paid for CDs and DVDs in ABC Shops. Why should they not pay to get the same material through downloads? The content was already paid for by the taxpayer – but did that amount to a right to own a copy? On top of this, there were anxieties about the cost of delivering streamed content. When programs were delivered over the airwaves, additional listeners and viewers did not cause an increase in costs to the ABC – the cost of radio transmission was fixed. Internet bandwidth, on the other hand, was not a fixed cost. There were fears that streaming might lead to an unsustainable cost burden, unlikely to be funded by government.

For these reasons, the arguments in favour of charging for downloads and for streaming content seemed to make sense, but only briefly. By 2007 it was quickly becoming clear that downloading and streaming were not add-ons, but the way of the future – potentially the main game, or one of them. Yet for the ABC, so long as rural and regional Australia lacked reliable internet access, content could never be delivered only online. The ABC simply had to do more – do it all, in fact – with its existing funding.

Another technological revolution was on the horizon. Digital radio was due to be launched in Australia in 2009, available in metropolitan areas. As with television, digital broadcasting meant that much more content could be

delivered using the same amount of spectrum. Scarcity of spectrum – the thing that determined how many radio stations could be offered – would be at an end. There was no clarity about what this would mean, either at the ABC or in the industry more widely. It was speculated that users might want to receive text or video with their audio content or interact in real time with broadcasts. Digital radios, it was suggested at one stage, might have to come with screens and keyboards, microphones as well as speakers. Some speculated that the boundaries between television and radio would blur and disappear. Certainly, it would mean that the ABC could offer more stations, tightly focused on segments of the audience.

Preparing for this, in 2002 the ABC had launched an internet music station branded Dig Music – short for digital music – accessible only through online streaming. Radio National was made available for streaming, as was News Radio and, progressively, the metropolitan local stations. Although she initiated and backed these experiments, Howard was personally sceptical. The more specialist a channel, she thought, the smaller the audience. She was wary of splintering the audience and losing the binding effect of the form. It was cheap to stream music, certainly – but there was still a cost. As well, the internet and digital radio had yet to penetrate many rural areas. Was it really going to be worth the money? In Howard's view, conventionally delivered local radio was still the indispensable backbone of her division.

In pushing for the modest amounts of money needed for Dig Music and for streaming, she toyed with other ideas. Did people still need Classic FM? What if they did something radically different with it, or got rid of it altogether and put the money into something more innovative? Part of the role of Classic FM was to present Australian music and composers, so it was, like Radio National, "classic charter". Howard considered turning it into another digital, online-only channel, but doing so would disenfranchise the older and rural Australians who were its most loyal listeners. As these debates bounced around the radio division, the message from the board was clear. Classic FM was sacred. Cancelling it or moving it entirely online was simply not worth the political shitstorm that would follow.

As a result of these tensions, scarce resources, Howard's sometimes abrasive management style and a general fear of change, the radio division was not a happy ship when Russell Balding resigned as managing director.

During the recruitment process for his replacement, the headhunting firm Egon Zehnder encouraged Howard to apply. She initially refused. “It had never been my ambition to be that high up the food chain,” she recalls. Like many senior women, she suffered from imposter syndrome. She thought she was being encouraged to apply not because she had a real chance at the job, but because the headhunters needed to bulk out the list they would present to the board – and they needed gender diversity.

In part, at least, she was proved right. She was not shortlisted or interviewed for the position. Yet she later claimed that the fact that she had put herself forward for the job that Mark Scott eventually won was at the heart of the tensions between them.[8] Applying for the job when she didn’t have a real chance, she told me in interviews for this book, was “the stupidest thing I ever did”. In her view, it poisoned her relationship with Scott from the start. Howard claims she mentioned to Scott early in his tenure that she had applied for his job and assured him she had not really wanted it. Scott says he does not remember such a conversation and claims he was unaware, until much later, that she had been a contender.

Despite this, Howard felt at first that she and Scott were getting on well. She attended his strategy meetings and executive love-ins and appreciated his attempts to get the executive to work together on a larger vision. Yet she believed him to be guilty of what she regarded as the perpetual fault of ABC managing directors – they were all “seduced” by television and tended to forget about radio. He liked Triple J, she thought, because it brought in a younger audience and was cheap. Otherwise, in her view, “He was not interested in radio. And I think he and I became frustrated with each other.” Others remember her frequently challenging Scott in executive meetings. “She would take it up to him,” recalls one. “She was no diplomat. It could get very awkward.”

Meanwhile, the tensions between Howard and Radio National were intensifying. She was putting pressure on the specialist programs to manage with fewer staff. Kate Dundas, as head of national networks, saw herself as a defender of Radio National. In her view it was “the jewel in the crown . . . I think what the ABC can do best is go deep. It has to go broad as well, of course, but nobody else goes deep.”

Dundas denies doing anything to undermine Howard, but it is clear that from early on, Scott was considering Dundas as a successor to Howard, as part of the next generation of ABC leadership. Dundas knew this. After the 2007 leadership conference at which Howard criticised the production resources department, prompting public speculation that she was about to be sacked (as detailed in Chapter 3), the relationship between Dundas and Howard deteriorated to the point that Dundas contemplated leaving the ABC. Scott talked her out of it, and in September appointed her to head the people and learning division – human resources, effectively – partly to separate her from Howard. This brought Dundas onto the executive.

Meanwhile, Scott was also struggling with Howard. He thought her formidable and polarising. There was no overlooking her significant success in reviving local radio, which was "a great achievement", he recalls. But the national networks were suffering, in his view, and she was running "a tough operation and not a particularly happy one". He saw her as resistant to one of his constant mantras to the executive team: that he cared about the results they achieved, but also about how they achieved them. He had been prepared to defend her in 2007, but that preparedness was wearing thin.

The crisis came in October 2008. Predictably, perhaps inevitably, it concerned Radio National. Every Monday, Scott convened a meeting with the executive team and asked if anything was coming up that he needed to know about. At the meeting on 13 October, Howard raised nothing. In fact, a decision had been made to cut a range of Radio National programs, including *The Religion Report*, which had a small but deeply committed following. Scott was aware, in general terms, that cuts were coming. Howard had given him a very brief overview, but he says he had no idea that they were imminent, nor exactly what they involved.

The cuts were an initiative of the head of Radio National, Jane Connors. There were reasons for each of them. Radio National was under pressure to update its website, with no extra resources. The money had to come from somewhere. *The Religion Report* was in the firing line because there was already a great deal of religion programming on the national networks, including religious music on the music stations and a program called *Encounter*. Other programs to be cut were *The Media Report*, *The Ark*, *Perspective*, *Radio Eye*, *Sports Factor*, *Short Story* and *Street Stories*.

Connors says she had run all these cuts past Howard, who had signed off on them. But Howard had not fully briefed Scott.

Kate Dundas was driving to work on 15 October, listening to Radio National, when she heard the presenter of *The Religion Report*, Stephen Crittenden, go live to air with a blast at ABC management. Crittenden had been a source of controversy before. Of all the Radio National presenters, he had been mentioned more often in Senate Estimates than anyone except Phillip Adams. Complaints about him included his confrontational interview style and his tendency to take a side. In 2005, he had interviewed Major Michael Mori, the US military lawyer who was representing David Hicks, an Australian who attended al-Qaeda's Al Farouq training camp in Afghanistan and was captured by the United States and imprisoned in Guantanamo Bay. There was widespread controversy over Hicks's treatment and pressure on the Australian government to do more on his behalf. Crittenden, who was standing in as presenter of the breakfast program, suggested to Mori that Hicks was imprisoned "because of the bloody-mindedness of the Australian government".

On the same program, Crittenden had speculated on Australia's motives for joining the East Asia Summit, saying, "No wonder John Howard gave a billion dollars to Indonesia after the tsunami. Nothing John Howard does happens by accident." Crittenden had been "counselled" for such interventions, Balding had told Senate Estimates, but as Liberal Senator Concetta Fierravanti-Wells remarked, it seemed the counselling wasn't working.[9]

In Scott's time, there had been another controversy over a series of three programs on *The Religion Report* dealing with the Middle East. Crittenden had interviewed Lenni Brenner, the author of several books equating Zionism to Fascism. After complaints, ABC radio management had, as an act of damage control, ordered the creation of a fourth program in the series to present other points of view. Again, it caused an awkward Senate Estimates appearance for the ABC.[10] Other problems never hit the headlines but caused headaches internally. Crittenden had presented a program on the Exclusive Brethren sect in New South Wales that was highly critical of them. He had not approached the sect for comment, leaving the ABC vulnerable to defamation action.

Radio management was out of patience with Crittenden. On advice from the ABC legal department, Howard had directed that he should pre-record all his shows rather than broadcast live, and that they should be checked before going to air. Connors had tried to implement this but found it impossible. Crittenden often had excuses, such as following some late-breaking story or running right up to deadline – and often ended up presenting live despite her efforts.

Now, Dundas heard Crittenden announce to his audience that the ABC was axing not only *The Religion Report* but also a long list of other programs. He said: "The decision to axe one of this network's most distinctive and important programs has been approved by the director of ABC Radio, Sue Howard, and it will condemn Radio National to even greater irrelevance . . . The ABC's specialist units have been under attack for years, but the decapitation of the flagship program of the religion department effectively spells the death of religion at the ABC."[11] Crittenden urged his listeners to ring their MPs and the ABC board members.

Dundas, still in her car, pulled over and rang corporate affairs to alert them. She knew a storm was coming.

Connors heard Crittenden go live to air as she walked through the Ultimo building the morning of the broadcast. Her blood ran cold. At the end of the program, she walked into the studio and suspended him on the spot. Later that day, she took a call from Scott and explained to him the changes and the reasons for them. He told her he had not been briefed by Howard. It was, she says, a good conversation. "He was upset, obviously, but very calm and human."

The decision to cut *The Religion Report*, in particular, was the kind of thing Scott would have prepared for, had he known. It was a guarantee, in his words, that "a bevy of bishops" would be telephoning him, making complaints and contacting the minister and their local MPs. Questions would be asked in Senate Estimates. Articles would be written in the mainstream media. If he had had notice, there would have been conversations and reassurances ahead of time – explanations of where else religion would be covered on the ABC. Now, he was in the middle of a political controversy without warning.

Sue Howard, meanwhile, had not heard Crittenden go to air. She was in Karratha in Western Australia. The first she knew of it was a call from the corporate affairs team. “Mark’s furious,” she was warned. She rang Scott and left a message, apologising. On investigation, she discovered that her instruction that Crittenden be pre-recorded was not being observed.

On her return to Sydney, she met Scott in his office. According to Howard, he shouted at her. “He was really furious. And what interested me was that, to be honest, these are the sorts of things that happened in Radio National in the past. And people would see them as a kind of joke . . . It’s a storm in a teacup . . . But I think Mark saw that as a way of getting rid of me.” Howard acknowledged, then and still, that she had not briefed Scott adequately and was not sufficiently across the detail herself, and she apologised to him. Scott does not dispute her account of their meeting – although he says he always tried to behave decently, without shouting or hammering the table. He admits this conversation might have been an exception to that rule. But, he says, there were longer-term issues. It was not only this matter that made him decide that Howard had to go.

The controversy over the program cuts was predictable, intense and immediate. Paul Collins, a former specialist editor of religion for the ABC, wrote for *Crikey* on the day of Crittenden’s announcement that the cancellation of the programs was vandalism. “Let’s be clear what ABC Radio management is up to: it is a case of the bland leading the bland. Specialisation is out. Nowadays the belief is that any old (or, more likely, young) ‘interdisciplinary’ journalist can deal with any topic.”[12]

A week later, Senate Estimates returned to the topic. Scott told the senators that it was “emphatically and demonstrably untrue” that Radio National was moving away from specialist programming. There were still to be two and a half hours of religious programming on Radio National every week, further religious programming on ABC local radio and ABC Classic FM, and *Compass* each Sunday night on ABC Television. “We are absolutely committed to specialist programming, and specialist programming is to stay.”

As for *The Media Report*, he said, “When that program started . . . there was no media section in *The Australian*, *The Sydney Morning Herald* or *The Financial Review*; there was no *Crikey*; there were no blogs; there was

no internet . . . Now media coverage is somewhat ubiquitous. So, there is a question as to whether in fact the timeslot that *The Media Report* is filling should be used for other programs."[13]

But, at least among the chattering classes who were also the ABC's main defenders, the controversy continued – and thanks to Crittenden, Howard was cast as the bad guy. She heard nothing more from Scott for a couple of months. Then, after an executive meeting in Melbourne, he came into her office and said he had decided to make some changes and was making her redundant. He did not offer her another job. Clearly, she recalls, "he wanted me gone". Howard left the ABC in December 2008. Interest groups such as the Friends of the ABC celebrated, blaming her for the axing of the programs – which was not wrong, given she had signed off on the decision, but also not entirely fair.[14] Meanwhile, the ABC spun her departure as part of a move to push harder into digital and online media, developing Radio National's specialist programs into "multimedia brands". It was claimed in background briefings to journalists that Howard had resisted these moves – which was an overstatement, if not completely false. Her main sin concerning Radio National was, if anything, neglect, combined with an atmosphere of hostility.[15]

In February 2009, Scott told the ABC board that Howard's departure presented an opportunity for a "strategic review" of the division.[16] Predictably, and after an interval, he replaced her with Kate Dundas. Under Dundas, in Scott's view, radio went from being "the most dysfunctional division to the most unified and tight and collegial division".

Dundas's appointment also changed the dynamic on the executive. At the same time as she was appointed, Scott made Kate Torney director of news, replacing John Cameron. Early in his time at the ABC, Scott had sent Dundas and Torney, both of whom he regarded as potential future leaders, to the same leadership course. The two women did not find the course particularly useful, but they bonded. Now, in Scott's view, "they made a real difference to how the executive worked and operated. They became great, almost fierce, friends."

Dalton, observing this and knowing that the news division, in particular, held an almost sacred place within the ABC, took to workshopping his proposals with "the two Kates" before executive meetings. They all realised

that they were more likely to succeed if they were united. The “three Ks” as they became known – Kate Dundas, Kate Torney and Kim Dalton – became a formidable force, not always agreeing, but prepared to work together for common aims. In particular, they pushed against David Pendleton, demanding more transparency in the allocation of resources. For the first time, the heads of the ABC’s content divisions were presenting a united front, at least some of the time. Scott’s style in disputes between the three Ks and the other executives was to let the debate run. Only rarely would he intervene to back a particular person or close a discussion down. “Getting chewed up by the three Ks” became a common complaint among other members of the executive.

Dundas returned to radio with a clear-eyed vision of what she wanted to achieve and Scott’s backing for a comprehensive review. Over the five years she held the position, she devised and implemented two three-year strategic plans – the introduction of such strategic planning being one of her main contributions. She recalls, “There had never been a radio strategy. There had been radio business plans, but not a strategy that I could recall.” Perhaps spurred by Sue Howard’s failure to brief him on the changes at Radio National, Scott counselled Dundas that she needed to “have her hands on the levers”. She introduced a flatter management structure, with more people directly reporting to her, so that there was a maximum of three levels between her and the people sitting in front of microphones around the nation.

The most urgent matter confronting her when she stepped into the radio director’s job in early 2009 was the imminent introduction of digital radio. In Dundas’s view, despite the experimentation with Dig Music, the ABC was ill prepared, with not enough detailed thinking about how to respond to the new technology. Tackling that challenge meshed with her first strategic plan, which focused on examining what each station stood for, considering what audience it served, and identifying gaps. Classic FM, local radio stations and Radio National all skewed old, with audiences largely over fifty-five. News Radio had a slightly younger audience, and Triple J was focused on listeners in their teens and early twenties. In the middle was a group that wasn’t being served.

There was an imperative to the change. Some cars were now being manufactured without the capacity to receive AM radio. Not transitioning

stations to digital would mean losing audiences. At the same time, the ABC's national responsibilities, and in particular its role as an emergency broadcaster, meant AM radio could not be abandoned. It was still the most reliable method of broadcasting a signal over big distances when mobile telephone towers and the internet might be down. Therefore, one of the most important decisions was which stations should be simulcast in both digital and analogue.

Given digital radio had better audio quality, it was obvious that the music stations, Classic FM and Triple J, should be simulcast. Against some opposition, Dundas insisted that Radio National should also be simulcast, which she saw as signalling and reinforcing its central importance to the radio mix. She regarded Classic FM as a niche network with small but passionately engaged audiences. Triple J had also been seen as "niche", but in Dundas's and Scott's view it was better understood as a mass network, within a particular age group. Expanding it beyond radio, into music events and outreach, was part of the strategy.

A hard decision was made to focus Classic FM on classical music only, removing jazz from its mix. Instead, a new digital-only jazz station was "thrown up", in Dundas's words, together with a digital-only country music station. The beauty of digital radio was that stations could be launched quickly and cheaply, at least for music – and later, if necessary, repurposed or abandoned equally easily. As for local radio, Dundas clarified that it should be mainly about talk. Those who wanted to listen to music now had a broader palette of options.

Digital radio also allowed Dundas to fulfil an ambition from her days as head of national networks and bring News Radio into its own. Previously, the twenty-four-hour news service had been compromised by the obligation to carry broadcasts of parliament when it was sitting. Now, parliamentary coverage moved to a dedicated digital station, allowing News Radio to continue uncluttered. Digital radio also solved the problem of sport. Those who loved sport could hardly get enough. Those who listened to radio for news and talk were frustrated when the schedule was interrupted for big sporting events. The solution was the launch of Grandstand as a digital-only station.

A collection of other digital-only sports channels – for cricket, NRL and AFL – was added to the mix. In 2014, Dig Music became Double J, aiming

to appeal to an older audience with a more refined music catalogue, as well as archival content from Triple J's library. In the same year, Classic 2 was launched, carrying only Australian performances. Several of the new music stations were automated – no announcements, simply a playlist – but most of them had live programming on occasion, and many branched out into music events.

Meanwhile, as smartphones and tablets became ubiquitous, apps were taking over from the web. In 2012, a new ABC Radio app was launched. Triple J got its own app. Later, a special app for children's content was created, covering both television and audio. Ultimately, as part of the ongoing and challenging story of the ABC's imperative to constantly invest in technology, the ABC Radio app was replaced by the ABC Listen app in September 2017. It now included forty-five radio stations and audio networks, as well as the podcast content.

Dundas contends that through all this change, she remained committed to Radio National and took up the cudgels in its defence – not least through the decision to simulcast it. She concedes that the Radio National staff were "not easy . . . But you get gold with creativity, and then you also get preciousness. And you get entitlement."

She still wanted changes, including content with broader appeal and more efficiency. Connors remembers having a "nasty row" with Dundas over whether Phillip Adams could operate his own control panel on *Late Night Live*. This was the norm at Triple J and in local radio, but Connors insisted that given the complexity of the multi-speaker discussions Adams was managing, it was not a reasonable expectation for him. Dundas suggested otherwise and tried to open up the discussion about whether Radio National programs really needed so much production support. Ultimately, Dundas wanted to introduce changes that Connors could not wholeheartedly support – "they would have further blurred the lines between RN and other networks", in Connors's view, although she acknowledges that in general Dundas was a good manager and a defender of Radio National. "She was always hoping to find cuts that would not be detectable by the audience."

In 2010, the two women agreed that Connors should step aside. She was tired from the constant challenges of managing the station and its opinionated staff. She was replaced as head of Radio National by Michael

Mason, formerly head of local radio, who approached the push for reform and efficiency with determination, even zeal. The changes to the program schedule he brought about in 2012, after a year of consultation accompanied throughout by controversy and opposition, were far more extensive than those that had aggravated Crittenden. The critique – dumbing down – was consistent.

Mason, in his words, wanted to better focus the station, "making it clear what Radio National stood for – a big-thinking space of ideas, and being a thought leader". He says his planning was driven by two concerns: first, a realisation that podcasting was "taking off", worldwide and across genres. Listeners wanting to hear book readings, plays, political discussions and more could now access content from international organisations, including the BBC, National Public Radio in the United States and more. Radio National had to play in that field, but it also had to work as a radio station, with both the set-piece programs and a flow throughout the day. Tied to that was a wish to bring local radio audiences across to Radio National. Mason brought an intense focus to what Radio National did well and what it should do better. But as always at the ABC, doing something new meant ending something old, which meant he had plenty of antagonists.

The most controversial changes were cuts to book readings and radio dramas. Both were expensive, both created employment for actors and authors, and both were beloved by small audiences who had not necessarily made the transition to podcasts. Also cut was the avant-garde *The Night Air*, a weekly program of audio collage described as "radio abstraction for listening pleasure". It had tiny audiences, and the main opposition came from its staff rather than from the listening public.

Some programs cut by Connors in 2008 were resurrected, including a new *Religion and Ethics Report* hosted by Andrew West. *The Media Report* was relaunched, hosted by broadcaster and former *Life Matters* host Richard Aedy – but it lasted only three years, cancelled again in 2015 during another wave of cuts. A *Radio National Drive* program was introduced to bookend the day and provide more "flow", trying to better serve younger, working listeners who were in cars or public transport at that time of day, rather than those at home, who favoured the set-piece programs. That change caused *PM*, which had been at 6 p.m., to shift to a 5.10 p.m. early edition on Radio National after the news, with the main 6.10

p.m. edition on local radio. The brief for the midmorning *Life Matters* program was changed in an attempt to make it more interesting to parents in their forties rather than grandparents. *Encounter*, *Into the Music* and *Hindsight* were discontinued. Against this, twenty new programs were launched, and new voices were introduced. They included a culture, technology and social media program, *Download This Show* – as the name suggested, pitched at the podcast audience, although it also aired the traditional way – hosted by journalist Marc Fennell. Monash University academic Waleed Aly and religion and ethics reporter Scott Stephens hosted a new show about ethics, *The Minefield*.

Ramona Koval left the ABC in 2011 in protest at these changes. Koval's production staff had been cut, making the job more arduous, and she was told *The Book Show* would be revamped to become "a hybrid culture show", *Arts and Books*. She was also told that she would no longer cover books, because there were now so many other shows where they could be covered. She was outraged at the breadth of non-fiction – history, biography and more – now closed to her. In Koval's view, the organisation to which she had given so much was now displaying contempt for its audience. The ABC, she observed, "will break your heart now and then".[17] Michael Cathcart was brought in to host the new show in her stead.

Encapsulating this year of change and disruption, in 2012 Radio National was rebranded as RN, de-emphasising the means of delivery in recognition of the growing importance of streaming, podcasting and apps. To its diehard supporters, this was a compromise of its identity and its central mission.

Jonathan Green, formerly the editor of *The Drum* website, joined what was now RN in 2015 in the aftermath of these changes. He was brought in as the presenter of a new program, *Sunday Extra*, which he hosted for five years. He recalls: "I gradually became aware that Michael Mason had been through RN like a dose of salts. It was a palace revolution, and everyone's noses were a bit out of joint." Nevertheless, the network settled around the new arrangements, some things lost, some things gained, some things working and some falling by the wayside.

There was a small lift in RN's listener numbers following these changes – from 618,000 in 2012 to 643,000 in 2014, after which listener numbers

gently declined. But RN podcasts continued to boom.[18]

Kate Dundas left the ABC in 2014. She had always planned a five-year tenure and had made that clear to Scott. And Scott, now in his second five-year term, was considering a fundamental restructure of the organisation around genres of content, rather than the platforms on which they were delivered – a story told in Chapter 13. He and Dundas were beginning, if not to clash, then certainly to disagree. She recalls: "I told him: 'You actually need me to get out of the way so you can do what you want.'" It was also clear that big budget cuts were coming, and she was not sure she had the fuel in the tank to see them through. Michael Mason, blooded from the battles within Radio National, replaced her as director of radio.

At Dundas's farewell function in July 2014, the speeches were congratulatory. She had overseen the creation of eleven new radio stations and three apps. There had been substantial growth in the radio audience, from a market share of 21.2 per cent to 24.6 per cent.[19] Thanks in part to the increased conversations and collaborations across divisions, radio content was making its way onto television. Stories broken by local radio hosts were more likely to be picked up by the news division and appear in news bulletins.

When Dundas left, 10 per cent of radio listening was online, and 20 per cent was on digital radio. The ABC had three of the top five digital stations in Australia, with Double J at number one. Forty-eight million podcasts of ABC radio content were downloaded per year. The Triple J Unearthed website was the largest user-generated music site in the world. It had liberated aspiring artists from the tyranny of record companies and commercial radio stations. Almost every emerging Australian popular music artist owed a debt to Unearthed and the Triple J ecosystem.[20]

The trajectory continued.

The big success story of ABC Radio is Triple J, which between 2006 and 2016 quietly increased its reach every year, to 1.93 million listeners and a 7.1 per cent share of the listening audience in 2016, as well as 13.2 million podcast downloads. New platforms were added under the Triple J brand during that time, and new means of accessing the content: streaming and apps. But overall, the Triple J trajectory is a counter to the frequent claim that the ABC is losing audiences, and young people in particular.

Local radio stayed strong for some years after the peak of 2008, but by 2016 had begun what proved to be a long-term decline. At the same time, however, local-radio podcasting grew, reaching 29 million downloads and streams in 2016, up from nothing when Mark Scott walked into the building in 2006. Local Radio's *Conversations* was the highest-ranked ABC podcast, with 18 million downloads and streams. The national networks Classic FM and ABC News Radio had modest improvements in audience reach over the Scott decade, and the most politically troublesome network, Radio National, remained largely stable in terms of radio listeners – the small lift after the Mason changes of 2012 offset by a decline after the cuts of 2014.

Meanwhile, the podcasting enterprise took off. In 2008 there were 17.3 million Radio National podcast downloads a year. By 2016, there were 71.3 million. Across all of ABC Radio, by 2016 there were 153 million podcasts downloaded or streamed every year, plus another 14 million for Triple J's Hottest 100. A means of accessing content that did not exist at the beginning of the century had become a major and growing distribution channel.

Almost nobody listens to more than one or two ABC radio stations, which means their success, or otherwise, is invisible to most of the audience. But the change in the ABC's audio presence over these years was profound. The transition from Radio to Listen – from a platform to an activity engaged in by the audience using multiple means – was irreversible.

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9

The People Formerly Known as the Audience

By March 2007, the ABC had built an island in Second Life, the wildly popular – for a short while – multiplayer virtual world in which people could build avatars and construct a facsimile of life. It seemed possible, at the time, that Second Life might be *the* new thing – a place where Australians would spend large amounts of their time and consume large amounts of content. Therefore, Scott thought, the ABC had to be there.

The avatars of the public were invited to come to the island and play in a virtual "sandbox" and create their own content. They could attend screenings of ABC programs, including an episode of *Four Corners* about Second Life itself called "You Only Live Twice".[1]

Scott built himself a Second Life avatar. He recalls: "I went there two or three times. I found a lovely deckchair overlooking the ocean, sat down and logged off and I have never been back."[2] Second Life still exists. Scott, or the abandoned version of him, is probably still in that deckchair. But Second Life was not the next big thing, as the head of the ABC's strategic development team at ABC Innovation, Abigail Thomas, acknowledged in 2011.[3] The next year, the ABC closed the island down. Funds were redirected.[4]

As his excursion to Second Life demonstrated, Scott was a new technology optimist – an early adopter in both his personal and professional life. The ABC's island was a product of the innovations division, which had been created when the more established forms of new media – webpages, ABC2 and so forth – were given back to the content divisions. Innovation was led by Ian Carroll, who had helped establish *Lateline* and *7.30 Report*, and whom Scott names as an important early influence during his time at

the ABC. The innovation division's task, mandated by Scott, was to push the envelope and to experiment, to make sure that the ABC could meet the future.

Scott was later to write that during his decade running the ABC, he saw himself "as being in the business of the future. We wanted to make a public broadcaster for the digital age, and for that you needed to embrace technology and the opportunities of the new."[5] He had read widely on digital technology and how it was changing audience expectations. His contract at the ABC was for a five-year term, and he tried to compose a five-year plan, but the job defeated him. "It was virtually impossible to know where the media world was going to be in five years' time. There was no clarity. It was all changing so quickly." In interviews for this book, he remarked that if he had nailed that plan when he started in 2006, he would have missed some important things. "I'd have missed the iPhone, the iPad, Facebook, Twitter, streaming giants like Netflix and Spotify, YouTube. But what I did get a sense of was the future was that way, you know? And it was to do with more content, more personalised choice for audiences . . . Those broad things, I struck quite early. The metaphor was that if you need to change lanes and readjust your strategy, it's better that you're moving at speed rather than stopping and waiting for the moment and the opportunity."

Talking to staff, he often quoted *The Leopard* by Italian novelist Giuseppe Tomasi di Lampedusa: "If we want things to stay as they are, things will have to change." He told them that if the ABC was to remain central, relevant and compelling, the new opportunities had to be embraced. That would mean some missteps, some calculations that didn't come off, and some courageous innovations.

In particular, it seemed that new media and social media would change journalism. There was a great deal of optimism about what this might mean. Scott was influenced by the US media academic Jay Rosen. In the 1990s, Rosen had founded what became known as the public journalism movement, which advocated for journalists gathering and then following a "citizens' agenda" through town hall meetings and constant interaction with the public.[6] By 2005, Rosen was saying that the public journalism movement had been overtaken by technology, including blogs and citizen

journalism. Anyone could now publish, dialogue happened in real time, and "the people formerly known as the audience", as Rosen called them, had arrived in the middle of the news-making process, whether journalists liked it or not. Journalists were now contributors to an ecosystem that included the most engaged members of their publics.[7]

Rosen was hostile to professional journalism where it meant "insiders" reporting to a largely passive audience. On a visit to Australia in 2010, during a federal election campaign, he was interviewed by Leigh Sales on *Lateline*. He decried "horse-race journalism", in which the focus was on who was ahead or behind in a political race, rather than on policy. He said it was dangerous for journalists to portray themselves as "insiders" or to promote the "cult of the savvy". "I think this perspective appeals to political reporters, because it puts them on the inside, you know, looking at the campaign the way the operatives do." He went on: "I'm told you actually have a program here on Sunday morning called *Insiders*?"

"We do," confirmed Sales.

"And the insiders are the journalists?" Rosen continued. "That's remarkable." He clearly did not approve.[8]

Rosen was a critic of journalists, but he thought they were important. Others were arguing that the profession was about to become redundant, as citizens would be able to do it themselves, free from the tired conventions and moral compromises of newsrooms controlled by media moguls. Social media was quickly wiping out blogs in their traditional form. Instead, blogs became absorbed into traditional media, and "live blogging" the day's news was a new and important journalistic skill. Often, the live blogs drew on what public figures were posting to their social media accounts. The first pictures available of an unexpected news event – a disaster or a crime scene – were often taken by citizens using a smartphone, and the media vacuumed them up.

These ideas – people generating their own content, audience members interacting with journalists to drive news coverage – seemed uniquely relevant to public broadcasters, which were already paid for by, and in the service of, citizens.[9] But what were the rules when it came to what became known as "user-generated content"? How should it be verified and used?

From his earliest days in the job, Scott described the ABC as the nation's town square – a place where citizens could come together and interact. The phrase appeared in almost all his major speeches in his first five years in the job. This rhetoric was born of the optimism about what social media could mean for democracy and the media. In February 2007, seven months into the job and shortly before his Second Life excursion, Scott asked his staff to research "the town square and democratic theory". They tracked the idea from its origins in Athenian democracy, "where all enfranchised voters met in the town square and voted on every issue", through the work of the second president of the United States, John Adams, who said that the "town meeting" was the basis for "pure democracy". The idea of the ABC as a town square was based on the principle that representative democracy was improved by "authentic citizen participation". Only a publicly funded organisation could do this. Commercial media talked to people as consumers. Public broadcasters addressed them as citizens. Public broadcasters were town squares, not shopping malls.[10]

Later that year, Scott saw his first iPhone. He was still using a Blackberry – negotiated as part of his contract at the ABC. Within months it was clear that smartphones would transform how people consumed – and created – media content. Apps, rather than websites, were rapidly becoming the dominant way in which people used the internet.[11] Smartphones also turbo-charged social media. It was now possible to post an update with a photo attached, from anywhere, instantly.

In 2009, Paul Chadwick updated the ABC's editorial policies to include social media – the first time it had been mentioned. The additions were brief, and permissive. They encouraged staff to use MySpace, Facebook, YouTube and Twitter to engage with audiences within certain rules: journalists should not mix professional and personal attitudes in a way that could bring the ABC into disrepute, should not undermine their effectiveness at work, should not imply ABC endorsement of personal views and should not disclose confidential information received through their work at the ABC.[12] Within these guidelines, there was at first a wide licence for ABC journalists to converse with their audience, and to use their wit, personality and insights.

Chadwick also wrote new guidelines for user-generated content, which was described as a "fifth content category" alongside the four older categories of news, opinion, "topical and factual" and performance. User-generated content would not always have to meet the ABC's normal standards of impartiality, the guidelines said, and would not always be moderated before being posted to ABC sites.

> The ABC does not require impartiality from users who generate content . . . The ABC recognises that social and political activity is a necessary and desirable aspect of a healthy democracy, and that UGC will encompass that activity. It is the nature of online and interactive services that from time to time, particular perspectives may dominate due to the flow of contributions from users.

In a letter to staff distributed with this new policy, Scott said it was "necessary to enable the ABC to continue to develop as a 'town square' where debate flourishes and different voices can be heard, and where the creative talents of users – both young and older – can be expressed".[13]

Scott himself was an early and adept adopter of social media, Twitter in particular, and he encouraged ABC journalists to join him. Journalists including Leigh Sales, Annabel Crabb and Mark Colvin acquired large audiences for their personal Twitter accounts, both building and exploiting their public profiles. For audiences, it was a way to feel in touch with journalists who had previously been available only through broadcasting – a one-way relationship. Now it was possible to ask them questions, critique them – perhaps, even, to influence them.

Not all journalists were enthusiasts. Kerry O'Brien was sceptical of Twitter as a tool for journalists. Programs needed to be promoted, of course, but "having anchors and reporters promoting themselves on social media was always potentially going to be fraught", he says. He opened a personal social media account only after he became the anchor of *Four Corners*, and he used it conservatively and sparingly. Tony Jones never had a personal Twitter account.

Twitter was far from the largest social media platform, but it quickly became an important site of political speech. As Scott put it: "That was where the political action seemed to be happening – the breaking news and the testy squabbles. For the political and media elite, Twitter was the forum." Scott mastered Twitter easily and tweeted with wit and elan, using

his @abcmarkscott account to share a mix of jokes, retweets of commentators – including Rosen – and promotions of ABC content. He linked to a page advertising *Giggle and Hoot* pyjamas in the ABC Shop and suggested he would wear them to the CEO Sleep Out, a fundraiser for the St Vincent de Paul Society in which bosses underwent a night of faux homelessness to raise money. Once, in 2009, he tweeted at 5.42 in the morning. "What triggers the frisson of excitement in the pre-dawn light? Senate estimates day! To Canberra!" Later that day he was cheekier still, tweeting, just before he was "on", a single word, "Showtime", and a link to the live broadcast.[14]

*

One of the landmark moments in Scott's time as head of the ABC – and a significant moment in Australian media history – was when he delivered the A.N. Smith Memorial Lecture in Journalism in October 2009 at the University of Melbourne. The title of the lecture signalled its scope: "The Fall of Rome: Media after Empire". Scott was predicting not only technological change, but a step change in the very nature of media power. He suggested societies with access to social media were entering a postcolonial era in which media moguls would expire, or at least be diminished, because of the new interactive technologies. The revolution had arrived, he said. "Anyone can instantly publish on the web. And as long as they have content people want to see and read, they will reach millions. The extent of the revolution could not have been foreseen . . . The way it shifted power to audiences, the power to choose what they would see and read, from where and when."

The last of Australia's media emperors, Rupert Murdoch, was now pushing to have people pay for his newspapers' content online – after nearly fifteen years during which most newspapers had given their online content away for free. That, Scott said, put Murdoch on a collision course with public broadcasters such as the ABC, whose content would remain free at the point of use. In Australia, the ABC provided "the most comprehensive news operation in the country", and the public were entitled to access it free of charge. "We are restructuring our entire operations around our ability to

deliver on that commitment," Scott said. He described Murdoch's move towards paid online content as the move of an "empire in decline". It reflected a belief that "because you once controlled the world you can continue to do so. Because you once set the rules, you can do so again. Acting on the assumption that you still have the power that befits the emperor."

The ABC faced plenty of challenges, he said. How did a public broadcaster created in an era of media scarcity survive in an era of media plenty? How to be heard amid the clutter? And how to stand up to commercial competitors? How could the ABC open up to audience interactivity while still holding on to "our brand, our values, our integrity"? The "fear", he said, was "that we will not have done enough, we will not have been nimble, we will have been too protective and defensive, we will not have been fast enough or bold enough to meet the challenges of the times".

To counter this, the ABC was "re-engineering" its newsrooms to be more responsive to audience demand. Local radio stations would become "media hubs" for all kinds of content, including user-generated content, in order to fulfil their role as "a community town square". The ABC was "declaring war on silos and insulated thinking" and needed to be "audience-centred". "We need to cede some space, some control to our audiences to remain compelling and relevant. If we are to survive as anything more than a shell – a legacy broadcaster, an empire in decline – this is what we must do." If audiences were increasingly spending their time online, including on social media, "We need to be there – with those audiences."

"At the ABC, we are thinking of a world of ten thousand channels, not five, delivered into your living room . . . But more than that, we are asking: what is television? What is radio? In doing so, we are questioning nothing less than the very foundations upon which the ABC has been built over the course of seventy-seven years."[15] This was, Jay Rosen was later to comment, "a world-class 'everything is changing' speech".[16]

Under Scott, the ABC was to become more porous, more accessible, available everywhere on all devices, through social media and online. The relevance of thinking in terms of platforms – television, radio and even

online – would fade. This would make the ABC content hard to avoid, but, also, critics would suggest, too thinly spread.

Scott's push to make the ABC more than a broadcaster raised numerous challenges and tensions. First, how to maintain the obligation to be objective, when social media demanded journalists show personality and wit? How could the ABC's charter obligations marry with the expectation that "the people formerly known as the audience" become part of the process, generating their own content and sharing it on ABC platforms? As well, as Scott had outlined in his lecture, the ABC was on a collision course with commercial media organisations. Its website competed directly with theirs, and with startup operations trying to make sustainable news businesses online.

Yet this was an optimistic time – when Twitter, in particular, was fun for political nerds. The conversations you could have felt groundbreaking, and new voices were emerging without the need for big media organisations behind them. During the 2010 election campaign, an anonymous blog, *Grog's Gamut*, and the author's Twitter account, @grogsgamut, were drawing the attention of journalists with their insights into economics and critique of political journalism. The account argued that too much reporting was driven by opinion polls – the kind of "horse-race journalism" Rosen had criticised. In particular, "Grog" criticised the reporting of disability policy, which had focused almost entirely on how an announcement would "play" with the public, without bothering to tell the public what the policy actually contained.

A week later, speaking at the 2010 Melbourne Writers' Festival, Mark Scott said that this *Grog's Gamut* post had been discussed at an ABC executive meeting. He described its critique as "lacerating" and defended the difficulties journalists faced when they were often only given policy details at the beginning of a media conference. There was still a great need for quality, professional political journalism, he said, but "the contributions of bloggers – the constant feedback and commentary of thousands through the #ausvotes stream on Twitter – were watched and considered by every mainstream media editor . . . the impact made by some bloggers was every bit as great as that made by other mainstream professional journalists".[17]

As Scott said, through Twitter, “the people formerly known as the audience” could become “real participants, firing in questions, challenging journalists, finding facts and delivering them to those on the road” who were reporting the political contest. In these and other ways, social media allowed a more complete view of our society. This speech was later used by *The Australian* as justification for “outing” Grog’s Gamut as public servant Greg Jericho – who went on to become a professional journalist and commentator for mainstream media outlets.[18]

But the optimism didn’t last.

For ABC journalists, the instantaneous, interpersonal nature of social media was thrilling, but it also left them exposed. Progressively, controversies over imprudent tweets and posts by ABC staff resulted in changes in attitude, and more chilling guidance notes. By 2011 – not long after the new editorial policies had been officially adopted – there was a new editorial policy, more managerial and less optimistic. It clarified that the ABC was not responsible for content posted to personal social media accounts. Staff could be dismissed for improper behaviour on personal accounts.[19]

More broadly, as the years wore on, it became clear that an era in which anyone could publish might not, as some had argued, lead to a new enlightenment. Nor did it guarantee a healthy democratic participation. In 2011, prospective US presidential candidate Donald Trump started to question whether President Barack Obama had been born in the United States. Obama released his birth certificate, including on Twitter. It showed that he was born in Hawaii and was therefore eligible to be president. That didn’t stop @realdonaldtrump on Twitter from continuing to suggest it was a fraud. The location of a man’s birth was about as verifiable as a fact could get, but that didn’t stop the spread of conspiracy theories and lies. The impact of social media on misinformation-fuelled populism was becoming a commonplace of the metaphorical town square.

During the period of optimism about “the people formerly known as the audience”, several ABC projects encapsulated the possibilities and the hopes. Not all of them lasted, but they had a lasting impact on the organisation. First, there was ABC Open – an idea cooked up and funded as part of the 2009 triennial funding submission. The idea was to use the ABC

to enable, if not citizen journalism, then at least citizen storytelling. The ABC was funded to employ digital-savvy producers in regional newsrooms to train members of the public in how to use digital technology and "Web 2.0" tools. At the project's launch in 2010, Scott said the ABC was fulfilling a "vital role". Optimistically, he predicted the project would also benefit other media organisations, "as more and more people learn the skills to be able to engage using digital media".[20] That was not the view of Fairfax Media chief executive Brian McCarthy. He protested that ABC-enabled citizen journalism would be a threat to Fairfax's rural media outlets and might even force some of them to close. "I do not believe it is the role of the ABC to disrupt the commercial landscape by building empires with public funds," he said.[21]

Administratively, ABC Open began as part of the radio division, since most of the regional newsrooms were radio-based. The recruitment process for the first eighteen digital producers was conducted in a spirit of great excitement from new-media evangelists – and some scepticism and bitterness from ABC journalists already working in the regions. Who was going to find space for a new desk in their often-crowded offices, they asked? Why were these newbies to be paid more, in several cases, than the existing reporters? They also brought with them shiny new equipment, which to begin with at least was for the exclusive use of ABC Open, leaving other radio staff to make do.

McCarthy needn't have worried. The ABC Open project revealed something that may seem obvious now but was not clear to the citizen journalism evangelists of the early twenty-first century. Ordinary people did not want, for the most part, to use new digital tools to do the demanding and often thankless work of dispassionately reporting local politics, courts, council meetings or the other stories that made up a traditional rural newspaper round. ABC Open, as it developed, was never about news. Instead, early projects included a collection of multimedia stories by refugees in the Goulburn Valley, exhibited as part of the Shepparton Festival, published and played on ABC Online and on radio, and repackaged as a series on ABC News 24. Another project was created by Pete Smith, a member of the Maitland Historical Society, who created a display of three generations of photographs, taken by himself, his father and

his grandfather. Thanks to the ABC, he learned how to share the results on Flickr.

By the end of 2011, ABC Open producers had conducted more than 650 workshops teaching digital media skills to over 1800 people. The next year there were music videos, short films and audio slideshows produced, and more workshops. To mark the anniversary of the 2011 Queensland floods, ABC Open launched *Aftermath*, an interactive online documentary telling the personal stories of people from communities affected by natural disasters. In 2013, ABC Open helped to produce personal accounts from adopted people in the lead-up to the National Apology for Forced Adoptions.[22]

But ABC Open was not robust enough, clearly enough defined or enthusiastically enough embraced internally for its survival to be assured. It did not become core business. After funding cuts in 2014, ABC Open was gradually discontinued.

Another project, launched in 2009, was an opinion website, *The Drum*. This was very much a Scott-sponsored project, started with funding from a small discretionary fund that Pendleton had carved out for him. *The Drum* was associated with, and eventually replaced, an earlier website based on audience-generated content, *Unleashed*, which had launched during the 2007 election.

Ever since web-based publication became mainstream, there had been an increasing amount of opinion online, spanning the whole political spectrum. Mainstream media outlets had at first been cautious about this flood of opinion from the general public, instead sticking to more conventional, carefully curated opinion pieces by recognised writers, alongside a very limited number of letters to the editor. By 2009, that was changing. News Limited launched *The Punch*, a website that described itself as “for every Australian with a passion for debate”. Fairfax had *National Times*, which published pieces by staff writers as well as “outsiders”. Previously, Fairfax had also published *Webdiary*, a blog curated by journalist Margo Kingston and containing “citizen journalism” by a devoted group of followers and writers, making Kingston a pioneer in online collaboration between professional and citizen journalists.[23]

Bloggers were also being recruited by mainstream media outlets. In 2006, political scientist Tim Dunlop, author of the political blog *Road to Surfdom*, was recruited by News Limited, making him the first independent blogger hired by a mainstream Australian news organisation.[24] Alongside all these was *Crikey*, which had been one of Australia's first online-only commercial media outlets, publishing a mix of reporting, analysis and opinion. For commercial media strapped for cash, opinion was a way to draw eyeballs without investing in the more difficult aspects of reporting.

Scott was keen to join the trend. He thought that publishing audience opinion was a legitimate function for a public broadcaster, and that it would be foolish to fence the ABC off from doing so.[25] Many of his executives did not agree. Some of their reservations were about resources. With so much opinion available online, why should the ABC invest scarce funds in providing more? That concern was partly addressed by the use of Scott's discretionary fund, and the fact that *The Drum* was cheap to run. At least it would not bleed other divisions of money.

The Drum was intended to rely mostly on outside contributors, but Scott also wanted some of the ABC's most social-media-savvy journalists – people such as Annabel Crabb, Fran Kelly and Chris Uhlmann – to contribute, and their contracts were renegotiated to reflect this. Paul Chadwick was brought in to handle the obvious problem of how ABC journalists, mandated to be objective, could also contribute to an opinion website. He developed a new editorial guidance note delineating between analysis – which ABC reporters, particularly senior journalists, were expected to produce – and opinion, which was forbidden. The note stated that "conclusions in analysis are based on demonstrable evidence and are not influenced by any personal, political or sectional interest or opinion". The purpose of analysis was "to aid understanding and provide richer context and information, rather than to pass judgement or sway opinion". Examples might include "an experienced political reporter describing a development as 'surprising', based on years of observing parliamentary process". Analysis should still be "impartial", except for the very few ABC staff employed as reviewers and commentators, such as those covering the arts or employed on *Media Watch*. Even those specialists should stop short

of “prescriptive conclusions or overt advocacy of one position over another”.[26]

Not everyone found this convincing. Jonathan Holmes, then the presenter of *Media Watch*, wrote – ironically, for *The Drum* – that the ABC was effectively creating a platform for bloggers, and that “opinion, forcefully expressed, is the lifeblood of the blogosphere”. Yet Chadwick’s guideline suggested that ABC staff must pull their punches – a demand at odds with what was being asked of them on the new opinion platforms. “The border [between opinion and analysis] can’t be patrolled, without parsing the life out of both,” Holmes warned.[27] Meanwhile Eric Beecher, the owner of *Crikey*, asked why the ABC would make an opinion site like *The Drum* a priority, given its resources were already stretched thin, and it was competing with small commercial outlets, like his.[28]

The first editor of *The Drum* was Jonathan Green, an experienced editor with a record of recruiting new voices. He had previously worked for Fairfax, and immediately before his recruitment by the ABC had been the editor of *Crikey.* At *The Drum*, he commissioned work from writers who had previously been best known as *Crikey* contributors – and he paid them more. *The Drum* paid a taxpayer-funded $200 a piece – a pittance, but more than *Crikey*’s $100 rate for casual contributors. News Limited’s *The Punch* and Fairfax’s *National Times* often paid nothing at all. Opinion was cheap in every sense of the word.

Meanwhile Green, mindful of the imperative that a spectrum of views should be represented, also recruited commentators from the Institute of Public Affairs (IPA), a conservative think tank. Early contributors included Tim Wilson and James Paterson, both later Liberal MPs, and Chris Berg, later an academic. Wilson, as director of climate change policy for the IPA, had made a practice of attending and live-tweeting COP climate change meetings, and *The Drum* took his live coverage. It also began taking contributions from Grog’s Gamut, who at this stage was still anonymous.

The Drum quickly carved out a niche in the crowded world of online opinion. A companion television program was launched in 2010, initially focusing on content from the website but increasingly developing its own profile and agendas. It was to prove more resilient than the website. Twitter was important to the site’s impact and reach. People had begun live-

tweeting question time in federal parliament, using the hashtag #qt. Green started publishing a live feed of selected tweets on *The Drum*. This was risky, but, as Green recalls, "It is important in online publishing to be lively."

The Drum was not expensive to produce, and it gained a following – but internally, it remained controversial. It was clear that when Scott left, it would be vulnerable. It closed in July 2016, in one of the first decisions by a new director of news, Gaven Morris. In an interview for this book, Morris said he had not a moment of regret about closing *The Drum*. "I didn't think that the ABC business was or should be opinion. I thought opinion was ubiquitous on commercial media. We don't do it very well, and it's taxpayers' money." The ABC should stick to providing analysis, "which can be sharp and can be pointed. But I think it needs to be fact-based." The closure of *The Drum* coincided with the striking of a deal with *The Conversation*, a university-sponsored platform for articles by academics. The ABC could republish their analysis, and *The Conversation* benefited from the click-throughs.

A third, successful, experiment inspired by the calls for more interactive, policy-focused political reporting was a partnership with the Canadian organisation Vote Compass. As he had indicated in his response to *Grog's Gamut*, Scott agreed with much of the criticism of the reporting of the 2010 election – its superficiality, its lack of policy focus and its "horse race" approach. At Scott's directive, the ABC was on the lookout for innovative ways to bring the audience into the political process – to make the ABC more of a town square. Vote Compass was an interactive application designed by political scientists. Voters could answer a series of questions about their opinions on policy issues. They were then served a graphic that showed them which parties best reflected their views.

Vote Compass first approached the ABC's chief election analyst, Antony Green, suggesting a partnership in January 2012. Scott was enthusiastic, and the idea was passed to Alan Sunderland, then head of policy in the news division. A few months later, Sunderland distributed a summary of the proposal to the ABC's political reporters and editors. Vote Compass, he said, would "challenge the often superficial posturing of the campaign, and . . . also provide opportunities for us to put a few issues on the agenda in a

coordinated and effective way".[29] The Vote Compass website was launched when the 2013 election was announced. It was an instant success. The ABC's servers were overloaded in the first few days, struggling to meet the demand. By the second week of the campaign, more than 700,000 Australians had completed the questionnaire. This was a sample size large enough for the ABC to write stories based on the results, shedding light on the policies people cared about.[30] Vote Compass has been used by the ABC in every federal election since.[31]

A fourth experiment inspired by the shift towards audience participation, and the most important and successful one, was the television program *Q&A*, which for many years after its May 2008 launch was one of the most politically significant programs on ABC television. It became an extraordinarily powerful political forum – easily the most potent discussion program on the ABC at the time, and arguably in its history. From its first episode – featuring a solo appearance by the still relatively new prime minister, Kevin Rudd – it often set the news agenda for the week. Tony Abbott used it to build his profile during the Coalition's years in opposition. He was the show's most frequently appearing conservative politician in the early days – something he would probably have preferred to forget after he became prime minister when, in 2015, he boycotted the program and encouraged his cabinet ministers to do likewise. Abbott's chief rival for the Liberal leadership, Malcolm Turnbull, appeared frequently in a leather jacket after the 2010 federal election, building his image as the "cool" Liberal, or possibly the liberal Liberal, when compared to Abbott. The leather jacket became notorious. In 2011 Turnbull lost some weight and the jacket no longer fit, so he auctioned it off on eBay and raised $1800 for charity.[32]

Q&A was created by its executive producer, Peter McEvoy, and presented by journalist Tony Jones. It was made possible, despite near constant controversy and alarm, by McEvoy's innovation and determination and the courage of Kim Dalton, together with Scott's advocacy and protection.

In 2008 Dalton was unhappy with a program he had helped to create, *Difference of Opinion*, which had launched in early 2007. *Difference of Opinion* was not live. It was worthy without being useful, and it was dull.

Peter McEvoy was on six months' leave from the ABC, studying at the Reuters Institute for Journalism in Oxford, when Dalton contacted him about creating a replacement for *Difference of Opinion*. Dalton and McEvoy had worked together previously, when McEvoy was executive producer of *Media Watch*, which was always controversial. Journalists were thin-skinned and quick to complain when criticised, and Dalton recalls having "robust exchanges" with McEvoy through various controversies, but any differences between them had been resolved with mutual respect. Now, McEvoy was due to come back from leave, there was a new executive producer of *Media Watch* in place, and Dalton wanted to make sure McEvoy's talents weren't wasted.

At Oxford, McEvoy had been immersed in cutting-edge discussions about how new media and Web 2.0 would change journalism and potentially improve democracy through audience participation. After speaking to Dalton, he visited the BBC to take a look at its program *Question Time*, in which politicians and media personalities answered questions from a studio audience. *Question Time* wasn't live, but the central idea – questions posed to the powerful by the audience, rather than by journalists – seemed to McEvoy to hold promise. He recalls: "What I learned there was not just the dynamic of having an audience-driven question program, but also the importance of supporting the audience and making it a positive experience."

McEvoy wanted to take the idea further – more interactive, an experiment in democracy. By the time he returned to Australia he had the core idea for what became *Q&A*. As he describes it: "A program focused on power. A program that held politicians to account, driven by audience questions, focused on politics." Being live to air was essential, because only then could the audience at home, as well as the studio audience, participate. Dalton supported the idea, and McEvoy worked closely with producer Kate Hodges from *Four Corners*, and others, to bring the idea to life.

Making *Q&A*, in McEvoy's mind, was more like staging a live event, and broadcasting it, than producing a conventional television program. The audience had to be properly recruited and looked after. There were dedicated audience producers, who used broadcasting callouts and engagement with social groups such as service clubs and schools to recruit. The respondents were asked about their political preferences and

demographic profile, with a view to constructing a studio audience that broadly reflected the country, including national polling results. Getting voices from regions and outer suburbs was a challenge, so the program put on buses to Ultimo from Penrith, Wollongong and the Central Coast, and travelled outside Sydney as much as the budget allowed. The week before the program, audience members were sent an email encouraging them to think about key current events but emphasising that what questions they asked was up to them. Musical entertainment and coffee and tea were provided while the audience waited to be let into the studio.

There were solo episodes, but a typical *Q&A* panel consisted of five people, many but not all of them politicians. They were expected to answer questions about anything, not only their portfolio areas. McEvoy was strict about the panellists not knowing the questions they would be asked ahead of time. They had to answer off the cuff. The program was promoted as "live and unpredictable", and it was. There had never been anything quite like it before. Jones's phrase "I'll take that as a comment", frequently used when an audience member made a statement rather than asking a question, entered the popular lexicon. According to McEvoy, Jones was the ideal host, "well known and liked by the audience, immersed in politics and journalism, but willing to step back and let audience questions take the lead".

The interactivity with the audience at home at first relied on SMS messaging, online forms and email. Twitter was nascent. But after a while, the team noticed that conversations were taking place on Twitter as the program aired. Twitter users were by now organising themselves, using hashtags to make discussions searchable. McEvoy, after a conversation with Scott, set about deliberately growing that audience. Jones was personally resistant to social media – he never opened an account – but one evening in 2009, McEvoy asked him to call on the viewing audience to "join the Twitter conversation". Jones did so, cheekily ad-libbing "whatever that is". Soon #qanda was often the top trending hashtag on Twitter as the program aired.

At this point, McEvoy was introduced to software engineer Leslie Nassar, who was later credited with having understood Twitter in its early days better than it understood itself. He was also one of the brains behind Radio National's podcasting success. He had, in the words of a later

obituary, a “giant biting wit – he deplored bullshit and wanted to reveal the truth, call out hypocrisy wherever he saw it and hold power to account”.[33] Nassar was an active participant in online discussions, creating widely shared satirical columns and memes under his “Department of Australia” username. At *Q&A*, he was able to supercharge the program’s aspirations for interactivity and propel it to the front of the pack. He organised for the *Q&A* team to be given access to the Twitter “firehose” – all the tweets in the country. Twitter was happy to assist, seeing how *Q&A* was helping them to attract new Australian users. Nasser built a bespoke moderating system that allowed producers to review tweets featuring the #qanda hashtag and select some to appear on-screen as the live discussion progressed. It created a Greek chorus of commentary and added a new level to the experience of the show.

There were two levels of moderation for tweets. Initially, they were reviewed by three producers (this eventually doubled to six, as the quantity of tweets grew). A senior producer then made the final decision about what would appear on-screen. McEvoy recalls that some older producers, and some viewers, didn’t like the clutter on-screen, but the incorporation of Twitter overall was a success, drawing in a younger audience and making the program truly interactive. “By 2010, we were finally realising the concept we’d been chasing, of a dynamic, audience-driven program that involved viewers at home as well as the studio,” he recalls. In general, the moderation was successful, but some viewers found a way to get around the system, such as the person behind the Twitter handle @Abbottlovesanal, who would feed innocuous tweets into the stream. With the moderators focused on the content of tweets rather than the usernames, eventually this user got his handle on live television.

Some people followed the Twitter stream without watching the program. For others, *Q&A* was that increasingly rare thing on television: a program that, like a sporting event, had to be watched live to get the full experience. From 2010, it was simulcast on the ABC’s new twenty-four-hour news channel, meaning the live experience was now available in all time zones. For political nerds, it was required viewing. For politicians who could handle being questioned beyond their talking points, it was an opportunity to appear more spontaneous, relaxed and personable. Turnbull,

Abbott and Labor frontbencher Tanya Plibersek were among those who thrived on the program.

Media scholar Brian McNair and his colleagues cited *Q&A*, along with *The Gruen Transfer* and Annabel Crabb's *Kitchen Cabinet*, in which politicians were interviewed while they cooked Crabb a meal, as examples of formats that "expressly seek to engage . . . marginalized segments of the audience" who did not normally participate in political discussions. They quoted Jon Casimir, the co-creator of *Gruen*, as saying: "These are all journalistic shows, that are research-driven and factually based, and clothed in an entertainment suit."[34] The particular feature of *Q&A*, however, was its live political interaction, its unpredictability and edginess, its giving of voice to the voiceless. Some people hated it – the disputes, the cacophony, the heated exchanges with people talking over each other, the remorseless political focus, the platforming of people who were sometimes strident and ill informed. But there was no doubting its impact.

The green room for *Q&A* became one of the liveliest and most politically ecumenical places in the nation, a mixing of minds. The panellists and their entourages would typically stay around after each program to drink a glass or two of wine with some Lebanese snacks or Jatz and salami. Mark Scott liked to drop in. It was, as McEvoy puts it, "a useful place for him to do business". Tony Abbott's book *Battlelines*, published in 2009, was the product of a conversation between Abbott and publisher Louise Adler in the *Q&A* green room. The book helped build his credentials and was part of his path to becoming leader of the Opposition and then prime minister.[35] McEvoy recalls: "He spent many hours in the green room, and I remember he told us he was happy to come on the program every week if he could. He said: 'The only way out of opposition is to fight your way out.' And he did."

In October 2010, former prime minister John Howard appeared on *Q&A* in a solo interview as part of a publicity tour for his recently published memoirs. A member of the audience, environmental activist Peter Gray, asked a question about the recent release of American military information on WikiLeaks. He wasn't happy with Howard's non-reply, and Jones stopped him from asking a follow-up question. In frustration, Gray stood and took off his shoes – "slightly soiled Dunlop Volleys", Jones remembers

– and threw them. Jones saw what was coming and stood, making what he recalls as a "rather pathetic" attempt to catch the second shoe as it sailed over Howard's head.[36] It was an echo of an incident two years earlier, in which an Iraqi journalist had thrown his shoes at US president George W. Bush during a press conference.

Howard was remarkably calm through the incident. Jones recalls the former prime minister saying, "Just relax, Tony, just relax." The next day, Scott ran into Howard when he was in the Ultimo building doing interviews about his memoirs. Scott recalls: "I said something like, 'Sorry about the shoes' . . . No one could have been more relaxed about it, and the publicity that followed, than the former prime minister, selling his books."

By then, other mainstream media outlets routinely reported on each week's *Q&A* broadcast. The program travelled: episodes were filmed in Indonesia, China and Fiji and at the annual Garma Festival in the Northern Territory. It had become a key part of the current affairs line-up on Monday nights. Scott urged McEvoy to think of the program as a "franchise" that could run for twenty years or more, like *Four Corners* and *Foreign Correspondent*. He wanted it looked after. But *Q&A* did not achieve such longevity. In June 2025, the program was axed. This is a story that will be dealt with in more detail in Volume 2 of this history.

In retrospect, perhaps the turning point came in 2015, when several things happened at once. First, there was a controversy involving the participation in the audience of Zaky Mallah. This is a story we will pick up in Chapter 17. In the wake of this controversy, *Q&A* was moved from the television division to the news division – which by itself should not have been significant but in practice, in McEvoy and Jones's view, resulted in more editorial pressure.

In the same year, Nassar died in a hit-and-run car accident. At the time of his death, he had been working on new ways to incorporate social media into the show, including enabling groups of viewers to connect and discuss the show in real time. That innovation – potentially a means of refreshing both the show and the role of social media – died with him.

In 2019, both Jones and McEvoy left the show. Jones departed because his wife, Sarah Ferguson, was appointed to head the ABC's China bureau. McEvoy left the ABC at about the same time, and a new generation took

over. It was the beginning of a decline in the program's popularity and success. The new hosts never appeared as comfortable with the role as Jones had been, and they were subjected to venomous criticism on social media – which was turning increasingly toxic. *Q&A* became more risk-averse as a result.

In any case, fewer people were watching television. Streaming companies such as Netflix were bleeding the audience. The initial excitement and novelty of social media was declining. In 2022, Elon Musk took over Twitter and began to dismantle it as a useful means of political dialogue. Scott had actively encouraged ABC journalists to participate in social media. It was now discouraged. By the time *Q&A* was axed, the entire landscape of television and social media had changed. The optimism about e-democracy had faded, and ratings for *Q&A* were in the doldrums.

McEvoy says today that *Q&A* operated at the ABC's most difficult juncture, bringing together the broadcaster's critical stakeholders – citizens and politicians – in tension and even in conflict. "A risk-averse *Q&A* is pointless," he says. *Q&A* shook up Australian political interaction in a way that had not been seen before or since. It was difficult, sometimes unlovely, but it was brave and important. McEvoy believes that sometime soon, the ABC will have to conjure a replacement that serves the same function – bringing citizens and politicians together, in tension.

Social media did change media, journalism and democratic discourse. Scott had been right about the enormous shifts it ushered in. But as the dark side of those changes became increasingly evident, it was not audience participation that was advanced as the reason for the ABC's continuing relevance. Rather, it was reliable, professional journalism, and the ABC's reputation for providing it in an age of misinformation.

An academic analysis of the ABC's approach to social media and audience participation identified three distinct phases: an early, energetic adoption, an intermediate period of increasing guardedness, and the latest stage, from 2016 onwards, characterised by a retreat from social media engagement.[37] Scott was arguably overoptimistic about social media. If so, he shared that fault with many others, including the current author.

Despite Jay Rosen's disapproval, the *Insiders* program on ABC television survived – a testament to the continuing institutional power of

journalists and their privileged access to the powerful.

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10

Changing the News

When a big story breaks, questions of politics, technology, budget and how news is delivered can all seem abstract. There are times when having a national broadcaster, a trusted source of news, is a matter of life and death.

On 7 February 2009, Sue Howard had recently left the ABC as director of radio. It was before the creation of ABC News 24. Social media was still a novelty. Smartphones were less than two years old. The internet was something most people accessed on desktop computers, if at all. The ABC's news and current affairs department produced regularly scheduled news bulletins for television and radio, and increasingly online. Also on that day, the Black Saturday bushfires consumed the state of Victoria.

One hundred and seventy-three people died, mostly in towns and small settlements on the northeastern fringe of Melbourne, the kind of country to which people made "tree changes" away from the city – a term inspired, whether or not the people making the change realised it, by an ABC drama, *SeaChange*, depicting the main character's escape from the city to the coast. Whole towns and communities were obliterated. Other fires threatened the southeast of the La Trobe Valley, and central, eastern, northeastern and northwestern Victoria. Black Saturday was one of the worst disasters in Australia's history.

Tragedies, and bushfires in particular, bookend the story of how news reporting at the ABC changed in the first quarter of the twenty-first century. As the Black Saturday crisis developed over that horrible day, the ABC's minute-by-minute reporting came mainly from local radio – that old reliable friend and companion. There was news on the ABC website as well, of course. But for those in the thick of things, when the internet is down, when electricity supplies are compromised, when phone towers fail, old-fashioned AM radio is still the most reliable means of transmitting a

message to a widely spread audience. Then, as now, the standard kit recommended to those in disaster-prone areas included a battery-powered radio, tuned to the local ABC station.

As an inquiry later found, fire authorities were slow to understand the progress of the Black Saturday fires. The warnings on the emergency services website – which crashed under the pressure – were less useful than they should have been and in some cases misleading. In particular, the town of Kinglake, fifty-six kilometres from Melbourne, didn't feature in the official emergency warnings until after it was obliterated.[1]

Meanwhile, radio was the backbone of the ABC's response. Local presenters, transmitting official warnings and taking calls and texts from listeners, were faced with a new phenomenon. Once, talkback radio calls all came from landline telephones, meaning the caller had to be near a phone and have time to make the call. Now, presenters were getting text messages from people in the firegrounds, reporting that the flames were in their backyard or climbing the hill outside, while the authorities were claiming that fire was nowhere near those communities. This was user-generated content, and the people formerly known as the audience were in fear of their lives. Smartphones were still new, and it was not yet possible for most people on the run or defending their homes to easily submit photographs, but it was easy to send a quick and urgent message to a radio presenter, or to post a report to Facebook or Twitter – and the ABC was present on both.

The ABC's local Melbourne radio station, ABC774, was at the centre of the broadcasting effort. Producers worked long, harrowing shifts. By the time the 1 p.m. news bulletin was over, it was clear that something extraordinary was happening. Jon Faine, usually the morning broadcaster, anchored the effort from midafternoon and worked through to late evening as the catastrophe developed. The memory still moves him to tears.

"All our phones were ringing off the hook, and it was clear something terrible was going on and we were finding out before the emergency services were telling us," Faine recalls. "People were saying, 'I'm at this intersection, there is fire about to engulf me, I don't know whether to go up the hill or down the hill or left or right, which way do I go?' We didn't know either, we couldn't tell them. All I could say was, 'I don't know, they [the emergency services] haven't told us, you'll have to make your own

decision.’ I don’t specifically know, but those people almost certainly would have died.”[2]

The problem for the broadcasters was how to handle these first-hand accounts when they contradicted the authorities or included information the authorities were not across. Who to believe? What information to transmit to people at risk, as the official sources of information fell further behind what was happening on the ground? Over the peak hours of the fire, the station received about 8000 phone calls, between 7000 and 10,000 text messages and many messages on Twitter. The @774melbourne Twitter account grew from 250 followers to 1200 in the space of two days and was in the top three retweeted accounts in the world.[3]

Conventional emergency broadcasting recognised three levels of official warning message: an awareness message, to be broadcast when convenient to inform people of a possible threat; an alert message, more urgent, when the threat became more real; and finally, an urgent threat message, to be broadcast immediately it was received and repeated every fifteen minutes, usually including a call to action – to evacuate or prepare. But on Black Saturday, all that merged into one rolling broadcast, a constant journalistic judgement call. The station was deluged with information. The rolling coverage included talkback callers and interviews with incident controllers, Bureau of Meteorology experts and local officials. By early afternoon, alert messages were within minutes turning into urgent threat messages – first three, then six, then fifteen.

Faine was trying to keep a log, putting a mark on a laminated map in the studio to mark each fire, but by 4 p.m. he turned to his producer and said he couldn’t keep up. As he reflected later, they needed electronic maps and local expertise – people who could say, “Hey, this fire in Kilmore, with that wind behind it, it will threaten Kinglake.” Instead, they were soon taking calls from people who wanted the ABC, their trusted source, not only to tell them what was happening but also to tell them what to do and whether they were going to be okay. ABC774 took half a dozen calls from Kinglake saying that the fire was there or approaching. They rang the Country Fire Authority (CFA) and were told there were no reports about that town. The ABC staff told the CFA it had better go and check. The audience was ahead of the authorities. People rang the station because they couldn’t get through

to triple zero. The fire was at the end of the street, they told Faine. Could the ABC tell them if a fire truck was coming? There were calls from people who were trapped in their homes, and one call from a woman trapped in her car with her children. They didn't put that call to air.

Text messages were vital. Assessing their credibility on the run, the broadcasters read some messages on-air, even though they contradicted the official information. Yet they didn't feel they could, in the words of one producer, tell listeners that the fire was heading for Kinglake, or say "'Get the fuck out of Kinglake' . . . what if someone acted on that information and perished on the road?" Meanwhile, the ABC newsroom was also listening to Faine. Local radio was the chief source of information as journalists tried to get a handle on the scale of the disaster and work out where to deploy reporters and camera crews. Not until 9 p.m. did official sources confirm that two people had died.

The next day, local radio continued, but the newsrooms and their journalists stepped to the fore in reporting of the aftermath. Reporters arrived in Marysville – some of the first outsiders to reach the town – and found shellshocked survivors gathered on the oval, the town obliterated around them. They put aside the idea of doing a live cross and instead used the ABC satellite phone to help people call their loved ones to tell them they were alive. Surrounding them were big plastic blobs on the ground – melted playground equipment.

Some ABC staff quit their jobs because of what they experienced that day. Others requested never to cover another bushfire. Cameraman Peter Drought later recalled filming in a refuge centre. "I remember seeing this old man, who was a bit burnt, clothes darkened and tattered, and he was trembling uncontrollably. People were breaking down and there was this horrendous howling when people discovered that family or friends hadn't made it. I started to film but then stopped and put down the camera because I felt like I'd crossed a line and I just couldn't shoot it. I walked out of the hall, and that marked a gear shift for me in how I treated people [involved in a news event] after that."[4]

Naturally, there was some hostility towards the media as it descended on the burnt sites of tragedy. News teams came in from overseas. It was overwhelming. But Richelle Hunt, a reporter for ABC774 at the time,

remembers that when she wore her ABC jacket, the response shifted. “I was led into homes and meetings and hugged by people who said, ‘Thanks for letting us know what’s going on’, ‘Thanks for your radio coverage.’ One told me: ‘I was in the bath with my children [taking shelter from the fire] and I had the transistor radio on listening to you.’ Other people were telling me they were in the pub in the dark and they had the radio on to the ABC listening to what to do.”[5] In the five days of peak fire activity, from 7 February to 11 February 2009, ABC News and ABC Local Online recorded 17 million page views. Over the course of the month, more than one million Australians used the combined ABC Radio websites.[6]

Following the devastation, Faine took his program to Whittlesea to broadcast directly from the firegrounds. Transmitter units were dispatched to Kinglake and Healesville to broadcast local information. Three weeks later, crowds descended on the Sidney Myer Music Bowl in Melbourne for an ABC community concert.[7] In the months that followed, Faine and his producers followed up on insurance claims, keeping the pressure on until they were paid out. He personally negotiated with the coroner to have human remains released to families earlier than would otherwise have happened.

The ABC annual report for 2008–9 contained a special section on the bushfires. The board paid tribute to the staff for their outstanding work. “Much was asked, and much was given, and the work was intensely demanding, both physically and emotionally,” the report said.[8] The ABC Victoria manager at the time, Ian Mannix, went on to entrench the lessons learned into the ABC’s emergency broadcasting culture and was awarded an Australian Public Service Medal for his work. And, years later, Faine was invited to the housewarmings of families who had rebuilt in Kinglake. They saved a special chair for him. He chokes up speaking about it. This, he says, is what it means to be a public broadcaster. The burden of the duty, the privilege of being of use.

The next time fire engulfed Victoria, in the summer of 2019–20, radio was still vital – but the rest of the ABC’s capacity to respond to a rolling news story had been transformed.

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In many people's minds, news and current affairs is what the ABC is primarily "for" – its main justification for drawing on the public purse. When people say that public broadcasting is important to democracy, it is usually journalism they are referring to. Not for nothing had Dalton recognised, when he took up the job of director of television, the importance of building an alliance with the director of news, John Cameron, and later with his successor, Kate Torney. The news and current affairs division was the biggest and the most expensive part of the ABC. Recalls Dalton: "I knew if I ever went head-to-head with news, that news would win."

The news and current affairs division had been the most battered during the period of peak culture wars under communications minister Alston. Yet its journalists, under the leadership of director Max Uechtritz, had been crucial in persuading Donald McDonald and the board that Jonathan Shier should not remain as managing director.[9] And it was news that most mattered to politicians. Scott recalls that whenever he talked to members of parliament, the conversation would revolve around programs that amounted to "about 2 per cent" of the ABC's content – Radio National's *AM* and *PM* programs, the hourly radio news bulletins, the state-based 7 p.m. television news, *7.30 Report*, *Four Corners* and *Lateline*. Scott would point out to the politicians that this was only a fraction of what the ABC did. "They'd say, 'Oh, yes, we love all the other stuff', but all they wanted to talk about was news and current affairs."

ABC News was important because it was trusted. Long before social media, before the term "fake news" had become part of political dialogue, most journalists and the commercial media organisations they worked for did not have the trust of the public. The Finkelstein Inquiry – an investigation into media ethical standards set up by Stephen Conroy in 2011 in response to the telephone hacking scandal in the United Kingdom – reviewed more than forty-five years of public opinion polls about the Australian news media. Its analysis revealed a longstanding and worsening crisis of trust. "The level of public confidence in journalists as a professional group and the media as an institution is lower, much lower than it is for other professions and institutions," found Finkelstein.[10] The ABC and SBS were the exceptions. Then as now, the ABC was trusted by

up to four fifths of citizens, whereas other media organisations struggled to get to half. The response of most media companies to these findings of a crisis in public trust was to dismiss or deny them – but the figures have been remarkably consistent, and remain similar at the time of writing, although there are now many more media outlets.[11]

The importance of ABC news and current affairs, and its embattled history, mean that ABC journalists tend to be conservative when it comes to their work habits. They fear that change will risk their credibility and that vital relationship of trust. Yet by the time Mark Scott took the job as managing director, almost everything about how news was transmitted and received was changing. Fewer families sat together to watch the evening television news bulletins. When celebrity wildlife conservationist Steve Irwin died on 4 September 2006, the news spread instantly online, through screens in shopping centres, lifts and airport lounges, and on social media. The ABC website crashed. Today, people forget how often that used to happen when a big story broke. People were no longer waiting until the end of the day to find out what was going on in the world. And, as Scott perceived after the Chaser's APEC stunt, the ABC could not afford to crash when people turned to it for news. That meant investment in technology – an investment largely invisible to the public, since people generally only think about technology when it does not work.

Scott thought it a weakness that, in this most siloed of organisations, the ABC news and current affairs division had silos within silos. There was a division between the news programs and those working on current affairs programs. And even within current affairs, there were programs put out by small, fiercely protective teams who didn't talk to each other enough. Often, the first the newsrooms knew about a major story broken by *Four Corners* was when it went to air. Presenters on radio might break news in an interview, only to see the newsrooms ignore it. Regional newsrooms were constantly frustrated in their attempts to get state and national programs to take their coverage of important local stories. *Landline*, the national agricultural television program, felt unable to influence how stories about rural Australia were reported in the Canberra press gallery or, as we shall see, on *Four Corners*. Everywhere, territory and budgets were defended, and the internal rivalries and resentments could be toxic. In 2006, John

Cameron changed the name of the division from news and current affairs, or "newscaff", to simply news. In the annual report, he declared that this was "in line with other broadcasting organisations around the world".[12] It also reflected a wider attempt to tackle the internal rivalries and bring the division together.

It would take more than a change of name. On ABC News Radio and increasingly online, the ABC was providing rolling news coverage, but elsewhere, the presentation of news was still relatively static. On television there were two major news bulletins a day. Then there was *Lateline*, which had started in 1990. It was the product of an earlier wave of technological change: the opportunities presented by satellite technology to do live interviews with leading international figures. From August 2006, *Lateline* was followed by *Lateline Business*, focusing on the day's developments in corporate Australia. For news junkies, these programs were the full stop to the day, at least as far as television was concerned. After *Lateline*, television news was basically over until the lunchtime bulletins the next day.

There were other mainstays in the ABC news and current affairs line-up. Monday through Thursday, the evening news was followed by *7.30 Report*, which on Fridays was replaced by *Stateline*, local current affairs programs produced in each state capital. On Tuesday nights there was *Foreign Correspondent*, with an in-depth report from one of the overseas bureaus. On Monday nights there was *Four Corners*, the "mothership" of Australian television investigative journalism, as Kerry O'Brien was later to describe it.[13] *Four Corners* had begun in 1961, when television in Australia was only five years old. Its success had spawned the commercial channels' various imitations, but *Four Corners* had outlasted almost all of them. Not every story was groundbreaking, but when *Four Corners* hit its straps, a single program could set the agenda, cause a scandal, spur a royal commission, change the nation. On Sunday mornings, there was *Insiders*, hosted by Barrie Cassidy. The executive producer of *Insiders* was a young journalist, Kate Torney, a passionate newswoman and a true believer in the importance of the craft. Despite her relative youth, she was recognised early as management talent. As the founding executive producer of *Insiders*, she had helped to shape it, as well as establishing *Inside Business* and the sports

program *Offsiders*, which together made up the Sunday-morning viewing menu.

Usually, *Insiders* was a leisurely chewing-over of the week's news by the eponymous insider journalists and commentators, rigorously balanced for their political views. Gerard Henderson was a regular, as were right-wing News Limited commentators Piers Akerman and, in the early days, Andrew Bolt. But when there was a breaking story, the program had to try to keep up. On 12 October 2002, the night before *Insiders* went to air, a terrorist bombing in the tourist area of Kuta on the Indonesian island of Bali killed eighty-eight Australians. It was the first time Australians, en masse, had been the victims of terrorism. Not to cover the bombing in the first available current affairs television slot was unthinkable, and that fell to *Insiders*. Torney and the team rose to the challenge, but, she recalls: "As I was producing that coverage, I was thinking, 'We have got no idea how to do this – we've got no idea how to do rolling coverage', because we didn't do it. The ABC could produce world-class scheduled television and radio, but when you flipped it to that very dynamic scenario, we just didn't have the skill set." She judged the resulting *Insiders* program as "barely acceptable", yet it had involved enormous effort and something close to panic. Torney thought in the aftermath: "We are going to have to change this entire organisation if we're going to survive."

In October 2005, there were again bombings in Bali, and again the ABC struggled to compete with the live rolling coverage of the commercial stations. It was better, says Torney, but not much better. The following year, Torney and Mark Scott shared a similar realisation on the day Kevin Rudd challenged Kim Beazley for the Labor leadership. The crucial vote in the party room was on 4 December, and the ABC broadcast its coverage live on the main channel. But the meeting went on much longer than anyone expected, leaving the ABC struggling to fill the time. Recalls Scott: "Boy, it was terrible television. I remember watching it in my office thinking, 'Oh dear.' We didn't know how to do live television."

Meanwhile, around the world, on US cable channels and in television networks such as Al Jazeera, constant rolling news was becoming the norm. A rolling news service involved a lot of repetition, using similar footage again and again. Sometimes it would cut live to a media conference, a disaster or an event, or bring in an expert commentator, either on camera or

via telephone. It was not aimed at people sitting in their lounge chairs at the end of the day, but at people with minutes to spare on their way to something else, often watching on a computer or, after 2007, a smartphone. A popular question at the time, among young people, was why newspapers were called newspapers, when everything in them had happened the day before. The ABC, at least on television, suffered from a similar problem. Its static coverage was authoritative, respected, trusted. But it struggled to move with the news as it unfolded.

7.30 Report, produced from Sydney with Kerry O'Brien as anchor, was the most influential current affairs program in the nation. For many viewers, O'Brien was the face of news and current affairs. It was widely believed – and there was considerable evidence to support it – that he had been the person most in the government's sights during the Shier period.[14] O'Brien represented the best of his generation of journalists: fierce independence, which brought with it an extraordinary self-reliance; confidence in his own judgement; intellectual rigor and a commitment to depth, fairness and integrity; along with an innate suspicion of the schemes of senior management and their potential impact. When Mark Scott arrived in 2006, O'Brien had been fronting *7.30 Report* for eleven years. It was hard to imagine ABC news and current affairs without him.

O'Brien had been cautious about Scott's appointment. There were several reasons for this. First, he knew the appointment had been signed off by Donald McDonald, "the same board chair who'd given us a wrecking ball named Jonathan Shier as MD, followed by the grey bureaucratic hand of Russell Balding, whose one big contribution, as far as I was concerned, was to calm the place down a bit after Shier and to try to undo some of the damage he'd wrought".

Second, he had consulted "good journalists I trusted at Fairfax", who were lukewarm about Scott. Third, in O'Brien's words, "it was impossible to ignore that Scott was inheriting a board dominated by Howard-government appointments, a government that did not hide its hostility to the ABC, most of it centred around the news department. I wondered whether he had the courage and tenacity to properly protect the ABC's independence from the political interference of the previous decade."

As time went on, some of O'Brien's fears were quieted. "There was no sense of [Scott] looking over our shoulder at *7.30*, and the same could be said for *Four Corners* and the Canberra bureau – the three recurring trouble spots as far as politicians were concerned." Scott got a tick, from O'Brien's point of view, for keeping Peter Costello at bay during the Dinnergate affair and not caving in to the calls for retribution. "It showed a softly, softly style behind the scenes, rather than open conflict, but he held his ground and should be respected for that."

Of their relationship, O'Brien says: "Scott and I always had a courteous relationship, but in truth I didn't have all that much to do with him." Scott, meanwhile, says he admired O'Brien and was aware of his influence both inside and outside the organisation. He knew that if he clashed with O'Brien, it would damage not only his own standing but that of the ABC as a whole. It is probably fair to say that Scott was careful of O'Brien, and the reverse was also true. In any case, they never clicked. It was not a warm relationship.

Unbeknown to both men, and never previously publicly revealed, immediately before Scott's appointment, John Cameron had been planning a big change to the near-sacred schedule of the 7 p.m. news followed by *7.30 Report*. The plan was in part a "deal with the devil", as Cameron recalls – that devil being the television division.

Aware of international trends and the ABC's weaknesses, Cameron had, since his earliest days in the job, been pushing for the resources to create a continuous news centre, to build the ABC's capacity to deliver rolling news on all its platforms. The answer had always been "no" – but when Dalton took over as director of television and made clear he was keen to build alliances, Cameron saw an opportunity. The television division had greedy eyes on the prime 7.30 p.m. timeslot. Cameron was willing to cut a deal.

Cameron was a Queenslander. He had been in the Brisbane newsroom during the landmark Fitzgerald Inquiry into corruption in the 1980s, when *7.30 Report* was a state-based program. He had seen first-hand how crucial it was to have a dedicated, serious current events program devoted to local affairs. Under Quentin Dempster as anchor, the Queensland *7.30 Report* had been vital in informing Queenslanders about the scandals unfolding. Actors were hired to re-enact key parts of the inquiry's evidence. Many believed that without *7.30 Report*, premier Joh Bjelke Petersen would have closed

the Fitzgerald Inquiry down within weeks of its inception. Instead, it brought his government down.

When *7.30 Report* went national in 1995, the quality and quantity of state-based news and current affairs rapidly dwindled. *Stateline* never achieved the same impact as the daily state-based *7.30 Report*. Cameron planned to redress that. He proposed a dedicated state-based news service at 6.30 p.m. from each capital city. That would lead into the 7 p.m. national bulletin, which would be the ABC's flagship news program – with every attempt to make it of the highest quality. The trade-off was that there would be no *7.30 Report.* That timeslot would be returned to the television division. In return, Dalton promised that *Lateline*, or an equivalent program, would screen reliably at 10 p.m. each night, rather than whenever the evening's television programming allowed.

This plan, according to Cameron, had been carefully costed. Balding signed off on it in the final weeks of his time as managing director – but Kerry O'Brien hadn't been told, and the newsrooms didn't know. Then, in the interregnum between Balding's departure in late 2005 and Scott's arrival in mid-2006, Cameron was approached by the chair of the board, Donald McDonald. This was unusual, Cameron recalls. McDonald did not usually interfere. His urgent message was that the politics of the moment made the change impossible. Implementing it would mean the first act of the new managing director – a former Liberal political staffer – would be to "cancel Kerry O'Brien". Or at least, that is how it would be seen.

It had always been Cameron's plan to find O'Brien another prominent role – he would have been first choice for the planned new 10 p.m. current affairs program – but he could see that the look of the thing, after the trauma of the Shier years, would be dreadful. He agreed with McDonald to put the idea on hold.

Scott never seriously considered this change. In an interview for this book, he recalled that before he had formally started in the job, Cameron approached him, saying that there was something "really kind of important that I need to talk to you about before you start . . . And I said, 'I'm open to anything, John, except if you want to move the news from 7 o'clock or move *7.30 Report*.' Well, there was a long pause from John. He said, 'Well, there were some arguments about whether in fact they should be switching.' And I think my line back to him was to laugh. And I said, 'I'm not sure

that's where I should be starting, John.' And look, he laughed too." Scott had watched closely a previous ABC experiment in the mid-1980s, when a new program, *The National*, was trialled, and failed – a story told in detail in Ken Inglis's second volume of ABC history.[15] Scott wanted change, but he was reluctant to be, as he puts it, "cavalier" with the schedule, the history or the audience's loyalty.

Cameron did not revive the idea. In any case, once Scott arrived, change came so quickly that the proposal was soon overtaken. Cameron still likes to think about the difference his proposal might have made. Certainly, the ABC would have been less Sydney-centric. State political stories would have found their place in the national mindset. The News Limited monopoly in Queensland, South Australia, Tasmania and the Northern Territory would have been to some extent redressed. The result, he thinks, might have been a public broadcaster better fulfilling its charter to the nation.

On the other hand, there would have been no *7.30 Report* – a program that continued to carry enormous weight and influence, throughout the decade covered by this book and at the time of writing. O'Brien learned about Cameron's plan for the first time when I told him about it in researching this book. He had known Cameron had no great affection for the national *7.30 Report*, but "had no idea how close he came to killing it off". It would, he believes, have been "an unmitigated disaster for the ABC". The combination of *7.30 Report* in prime time and *Lateline* bookending the night gave ABC television "prestige, relevance and gravitas that no one else could match. It was a big part of the ABC's extraordinary bond of trust with its audience."

O'Brien had worked in state-based current affairs and knew how important it could be, but "the quality was often inconsistent from state to state, and they were expensive". When *7.30 Report* became a national program in 1995, "Australia was long overdue for a truly national, hard-edged, prime-time daily news analysis program reflecting on who we are as a nation." O'Brien had argued internally that if the *Statelines* were properly resourced, they could be credible and valuable presences – but another important new program, *Australian Story*, was being launched at the same time, and money was tight. "I don't believe the funding for *Stateline* was

strong enough," O'Brien says. By the time John Cameron made his bid in 2005/6 to "go back to the past", in O'Brien's words, the cost of eight properly funded state and territory programs would have been even greater, and the ABC was even less well placed to fund them. O'Brien also believes that the 7.30 p.m. timeslot, once surrendered, would never have returned to news, and the eventual fate of *Lateline* suggests the promise of a late-night news program could not have been relied on in the long term.

O'Brien points out that at the time of writing, twenty years after Cameron's plan, *Lateline* has gone but *7.30* is still alive and well. "Same flagship. Same time. Same format. Same strong, relevant, quality news analysis, with essentially the same title."

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Scott had raised the idea of a dedicated news channel during his earliest encounters with his executive. He now gave a green light to Cameron's ambitions to develop the ABC's capacity in rolling news. Starting in 2006–7, when the news division took over management of its own websites, and continuing at a breakneck pace, the ABC news websites became direct competitors to newspapers, just as print was declining and the audience was moving online.

Cameron left the ABC in early 2009, with little warning. Scott had not seen it coming. He recalls: "He just came in one day and said, 'I am off.'" Cameron was generally regarded as a competent boss. "A hard nut" is one subordinate's description. "A nuts and bolts bloke," says Kerry O'Brien. There were rumours when he left that there had been a massive falling-out between him and Scott. Both men deny this. They got on well. Cameron was glad that, under Scott, the development of the continuous news centre was proceeding. He supported and was involved in the early days of the production resources review, which was at last, in his view, loosening Pendleton's iron grip on resources. But he had "simply had enough". After five years, he was tired. Being director of news was an immense job. It was easy to get caught up in balancing the budget, writing reports for the managing director and the board, and navigating relations with the rest of the executive, not to mention fielding the constant flak from politicians, but

Cameron had made a point of also being a presence on the editorial floor, congratulating teams on good stories, making sure he was aware of what was coming up and safeguarding standards. His subordinate managers were expected to do likewise.

Cameron had a clear recommendation regarding his successor. He mentioned several names but emphasised one: Kate Torney. Scott needed no persuasion. He had already spotted Torney as management talent – the kind of person, he thought, who might one day have his job. She was now the director of the Australia Network and Radio Australia, the ABC's international broadcasting presence. He went to Melbourne to encourage her to apply to be director of news. She was not the only person he tapped on the shoulder for the role, but she was his preferred candidate. "She had created that Sunday morning slate of programming. She had energy and focus. And when it came to creating a twenty-four-hour news service, I just thought, 'She can do it.'" Torney had a strong advocate in Barrie Cassidy and the additional advantage, in Scott's eyes, of having had a Melbourne-based career, meaning she was untainted by the enervating turf wars between news and current affairs in Sydney. She represented cultural and generational change.

When she was interviewed for the job, Torney's pitch was largely about rolling news. She recalls: "I said that we had to get our skates on, that we have to ensure that this is a news organisation that can deliver news at any time, to a quality which was equal to what we were delivering elsewhere. And there was a deep sense of urgency about that. I felt that if we didn't start a twenty-four-hour news channel within the next two years, we would struggle to be relevant in five or ten."

Torney's appointment – welcomed by O'Brien and other senior journalists – was announced at the end of March 2009. Scott already knew that the federal budget, which was to deliver such riches in other areas, was not going to include money for the twenty-four-hour news channel. But at his first meeting with Torney after her appointment, he said, "Okay, let's do it anyway," and she readily agreed. The morning after the budget was brought down, he said the same thing on ABC Radio National. The ABC would find the money to make the channel on its own. The organisation was committed.[16] In the news division, journalists working on the flagship

programs wondered and worried about how it would be done. What would be cut to fulfil Scott's ambitions?

O'Brien agreed with Torney and Scott that "we had to be in the game" of continuous news. He had been watching the world's first twenty-four-hour news service, CNN, since its earliest days. "I could see its value but also its shallowness . . . I worried that those in the ABC who were particularly in love with the new toys of digital technology would lose perspective on the most vital part of the whole equation – the quality, depth and relevance of the content . . . I accepted the logic for having it but never quite believed Scott's assurances that it would be funded without affecting the existing news budget, which had already been seriously affected by Howard's savage budget cuts."

O'Brien was open to the possibilities of new technology. *Lateline*, after all, had been made possible by the advent of satellites and was his happiest time in journalism. "I just sat in a chair and conversed with some of the great minds of the world on so many topics, or went live virtually from one end of the world to the other on the big dramatic events. There was always a bit of a drama about whether the satellite lines were going to connect, but there was a quality and an integrity that was undeniable." The question he was asking about Scott's plans for the new news channel, a question to which he feels he never got a completely frank answer, was how it was going to be paid for without bleeding the budget for the quality journalism that was the ABC's main reason to exist.

It is one to which we will return.

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In September 2010, O'Brien announced that he would be leaving *7.30 Report* and his full-time job at the ABC. He took up a part-time role introducing *Four Corners*, and later persuaded the ABC to commission a series of interviews between him and former prime minister Paul Keating, but he had given up his central position in news and current affairs.

He was weary. He'd loved *Lateline*, but the relentless round of *7.30 Report* had begun to pall. He later wrote in his memoirs:

> I could have managed another two or three years, but some of the zing had gone out of it all . . . the sense of Groundhog Day had become inescapable. More than anything else, it was to do with the incredibly repetitive nature of most political interviews. It had become almost impossible to have real conversations, eliciting honest answers with a minimum of the boring echo of spin.[17]

Torney had not seen his departure coming. O'Brien had been one of her mentors and an asset in her early days as news director. She recalls: "He was one of two or three people that I would be able to shut the door, and say, 'God, what do I do?', or 'Am I on the wrong track here?', and he was always really honest, sometimes brutally honest. We didn't agree on everything, but he was very open and totally trustworthy."

O'Brien's departure was seen as a crisis. He was the face of the ABC, part of the relationship of trust with the audience. But like all crises, it was also an opportunity. In the wake of his departure, Torney brought back Denise Eriksen, the former head of television factual. First as a consultant, and then as head of current affairs, Eriksen's task was to think through what to do with *7.30 Report* post-O'Brien. It was, Eriksen recalls, "like the queen stepping down". She began a process of review and consultation before making a number of changes. First, *Stateline* and *7.30 Report* were both rebranded with the new title *7.30*, with Fridays still reserved for state-based editions. Second, a decision was made to have two anchors – Leigh Sales in Sydney and political editor Chris Uhlmann in Canberra, where he could do most of the political interviews. There were changes in the studio backdrop and the format – many of which were quickly abandoned. At first, the presenters stood in front of a big screen to introduce the program before taking their seats, whereas O'Brien had always greeted viewers from a seated position. There were new graphics.

O'Brien, watching on, was not impressed. He thought anchors in news studios rarely looked comfortable standing up, "clutching a script in one hand while reading from an autocue". Interviewed for this book, he asked whether I had noticed that "if you are a woman, you're told to put one foot in front of the other. Have you noticed that stance?" It seemed to him that if you were in people's living rooms, addressing them on their couches, it was more natural and companionable to sit. You were having a conversation with real people, the audience, conveying stories and information. The rest was "marketing bullshit". "It was somewhat irritating to see the narrative

put about that *7.30 Report* was tired and a whole new format was needed. I think they were too defensive about my departure." He thought having two news presenters was "rarely a good idea. It suggests the backroom people think one presenter is not strong enough to carry it off. And if there isn't a sense of ease and comfort between the two, that sabotages the whole effort even further. It should always have been Sales on her own."

Indeed, the dual anchor arrangement did not last. Torney had been keen on the idea, but after about a year concluded that it was not ideal. The political editor's role was to provide analysis, often on complex issues. It combined awkwardly with the task of introducing other, often completely different, content. Sales became the sole anchor – seated. It took time for the audience, rusted on to O'Brien, to accept the changes, but Sales successfully established herself. She was to have a long stint – almost twelve years – and would become one of the ABC's central personalities, broadening into podcasts with fellow journalist Annabel Crabb, for example. By the time she stood down, the ghost of Kerry O'Brien had not been laid to rest. Devoted and older ABC viewers still mourned his absence. But he was no longer part of how the ABC saw itself.

The story of the first five years of Scott's reign as managing director is one of transformation of news at the ABC. By 2010, John Cameron had gone and so had Kerry O'Brien. With astonishing speed, a revolution began. There would now be a twenty-four-hour news service, available everywhere, all the time. The silos within the news division were assaulted and gradually yielded. The question asked by many at the time – and still debated – is whether, in this revolution, substance and depth were lost.

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11

Paying for the News: The Production Resources Review

Even now, when the two men might be described as enemies, Scott gives Kim Dalton credit for being a driving force in the early days of the production resources review, which was one of the most significant changes made during his time as managing director. He also acknowledges that the aftermath of that review drove a wedge between him and Dalton, further fracturing an already strained relationship.

The production resources review was an ambitious program, with significant success in achieving savings. It was also an agonising process, beset with protracted and bitter internal disputes, and without a clear end. It started in 2007 and in some ways was still underway in 2014, when the Abbott government massively cut the ABC budget. The production resources review was also a key step in eroding the ABC's already limited capacity to produce its own television content; it overlapped and merged with the end of in-house ABC television production in Adelaide, Hobart, Brisbane, Darwin, Canberra and Perth – a story told in Chapter 18. It also transformed, and made much more efficient, the production of news and other factual television content. Scott used the savings to fund the establishment of ABC News 24 and its associated infrastructure and capacities. That this funding was massively inadequate is not disputed, yet the new channel was created. Whether this was the right way to spend the money, or whether it would have been better, for example, to give it to *Four Corners* – to trade immediacy and rolling news capacity for depth – is still debated in ABC circles.

As described in Chapter 7, from the day Dalton joined the ABC – in fact even before, when he was battering on the door of the institution on behalf

of the independent production sector – he had been frustrated over the amount of money tied up in the fixed costs of television production – camera crew, studios, outside broadcast vans, sound teams and editing suites. These internal resources were based, in his view, on a much higher level of in-house production than the ABC did or should do. In our first interview, he told me he would have "sold the lot" of the production infrastructure if he could, pouring the savings into more Australian drama and documentary. Later, he retracted that remark. It was not what he meant, he said. He just wanted resources used efficiently, and he thought a great deal of internal production did not meet that test.

Scott thought Dalton was right about inefficiencies in production resources, but he agreed with Pendleton that some internal capacity should remain in place. Typically, he was reluctant to force a decision. He let the internal debate run, wanting the organisation to arrive at its conclusions collaboratively. But when it came to Dalton and Pendleton, that was an unachievable ambition. The result was a decision to conduct an ambitious review of production resources. As is often the way in a large organisation where executive members cannot agree, external consultants were brought in. After a selection process, the job went to the Boston Consulting Group (BCG). They were cheaper than some of the competing bids, and their team brought experience in media, telecommunications and government. "They seemed a good fit," recalls Scott. "They could bring a broadcasting sensibility and a public sector awareness." They began work in mid-2007.

A live question, at the beginning of the review, was whether even news and current affairs should be at least partly externally produced. BCG concluded they should stay in-house. There were simply no efficiencies to be had from outsourcing news production, and plenty of political downsides, including perceived threats to the ABC's independence. Nevertheless, news production was to be transformed. The news division would now control its own production resources – they would be "vertically integrated", in production speak. This change took longer and was more complicated than the BCG report anticipated, but it was nevertheless a step change in how the ABC was run and increased the news division's internal power.

Equally significantly, journalists and producers were to be trained in new skills, using the latest technology to edit their own stories from the

field. A new digital file system would create a centralised infrastructure for news, making it easier to roll out stories across multiple platforms. Television studios would be automated, with robot cameras. Instead of news bulletins requiring up to thirteen production staff – floor managers, multiple camera operators, someone operating the teleprompter – everything would be run from a control room by, at most, three people. This was radical. Automated studios were in use at other media organisations, but they had not yet been used for rolling news, which was the intention at the ABC. The BCG report said that for the news division, the "strategic direction is towards a multi-skilled, technology-enabled news division creating 24/7 content for the corporation at low cost".

As for the television division, there were, at first, big wins for Dalton. BCG backed him, finding that current production costs were too high and that there was a "mismatch of capacity with demand". Fully outsourcing production would save big money – around $25 million, or 15 per cent of the division's budget, BCG estimated, but "costs of associated redundancies and political implications make this unrealistic in the short term".[1] The mention of political implications was likely a reference to the fact that the minister for communications, Stephen Conroy, had made it clear to Scott, and to Maurice Newman, that he would vigorously oppose closing down television production in Western Australia, Queensland, Tasmania or South Australia. "You are a national bloody broadcaster," Conroy had told them. "So you will *be* national."

Nevertheless, BCG recommended that the "core capability" of the television division should be "to develop and invest in a strong commissioning editor and executive producer group", rather than producing its own content. Production services were to be corporatised, with clear internal pricing arrangements and transparent profit and loss reporting. In theory, this would mean outside production groups would not be disadvantaged in bidding against the internal team to produce programs.

To help manage all this, BCG recommended that for the next three years there should be an agreement between television and production resources, setting a minimum percentage of content to be produced in-house. It was anticipated that, over time, this percentage would decrease. Transfer pricing

– charging internally between divisions – would “force behavioural change”.

The BCG report, with twenty-two recommendations and an implementation roadmap spanning three years, was presented to a board meeting in Darwin in August 2007.[2] Scott told the board he intended to “adopt and manage these initiatives as a total program”, and that given their magnitude, a project management office would be established. Part of its work would be developing an industrial relations and communications strategy.[3]

One element of this strategy, confidential internal documents show, was to stage the implementation, albeit on an aggressive timeline, and not to announce the full extent of the radical changes proposed or the total number of redundancies envisaged. Rather, the program would be broken up into about twenty different projects, each tackled on its own, sequentially, with consultations on individual initiatives. Communications strategies were to be developed to build support for each individual program of change and “identify and manage resistance pro-actively”. Thought was given to managing resistance at every level of the organisation.[4] The resulting caginess about what was being done no doubt contributed to the perception, expressed by Kerry O’Brien and others, that there was a lack of frankness about how ABC News 24 was being paid for. The enormous changes recommended by the review were referred to in annual reports with terms such as “internal efficiencies” and “different ways of working”.

Scott never spoke publicly about the number of redundancies, but in a presentation to the executive in October 2007 he suggested that between 225 and 265 full-time equivalent employees would leave over the three-year implementation period.[5] Certainly, many staff left as the production resources review was progressively implemented; but at least until the big cuts of 2014, the money saved was reinvested, and more staff with different skills were hired. Numerous restructures across the ABC during this period make it difficult to track the exact extent of the changes. In June 2011, near the end of the initial implementation process, the production resources division still accounted for 20.8 per cent of ABC staff, or 954.6 full-time equivalent positions. The news division had grown and was now about the same size as production resources. Most of the ABC executive – and

certainly Dalton – had anticipated a reduction in the size and power of the production resources division. But, far from being diminished, it remained a weighty part of the ABC – reflecting Pendleton's continuing sway. That was until the Abbott government cuts of 2014, when the production resources division was broken up and its staff redistributed to the content divisions or made redundant. It was only after the 2014 cuts that the total ABC staff numbers shrank – by 500 over the first two years of the Coalition government.[6]

The changes envisaged by BCG were immense, but they did not go as far as Dalton would have liked. He had argued for an immediate discontinuation of internal production, an end to studio production in Perth and reductions in Hobart that would see it produce only news. He argued against the television studio in Melbourne and for the sale of the existing Victorian facilities. Most remaining television production, if Dalton had had his way, would have ended up in Sydney. The BCG review considered Dalton's proposals, and its report noted that the ABC charter did not explicitly require production to take place in all states and territories. But the political realities won out.[7]

By December 2007, the production review steering committee was putting together detailed implementation plans, with an eye to having most of the efficiencies in place by the end of 2008, so that the ABC could point to them as part of its next funding pitch.[8]

Extraordinarily, the redundancies were carried out without any industrial action. Many of the technical staff had been with the ABC for decades. They regarded it as a vocation, or at least a lifelong job. Scott recalled in an interview after he left the managing director's job: "You would just try to be generous, try to be respectful, try to be compassionate . . . They probably imagined . . . that they would always work at the ABC, and then all of a sudden, through no fault of their own, that job is no longer available." There was a generous redundancy scheme, and many of the middle-aged staff had healthy public service superannuation balances, but nevertheless, as Scott said, "it was a blow for them". Some started their own businesses in the gig economy of television production. Others were forced into retirement. Recalled Scott: "There would be some who would be angry and bitter. I don't want to deny that."

The redundancies were announced in stages, rather than all at once, which may have helped to contain the fallout, Scott reflected. “We’d do one part, we’d consult with the union, we’d implement that, we’d bank the savings, then we’d roll on to the next. So we broke it up into parts. We didn’t spook the organisation. Often I think the big, terrible headline, the big job figure, frightens everyone. They feel personally threatened by it. They jump at shadows a bit. We just broke it down and managed it all, and we managed it all without any industrial action. We made nearly all the savings that BCG thought were there.”[9]

There was a ruthlessness to all this. An analysis of the anticipated attitude of key stakeholders to the changes assessed the federal government’s likely stance as neutral, and identified conservatism among journalists as one of the barriers to the changes. The internal documents make it clear that key moves were introduced with an eye to the notice periods the unions would have to meet to be able to take protected industrial action. Nevertheless, industrial action was expected in the latter half of 2008, and there were plans in place to weather the expected strikes – which never came.[10]

Scott might have avoided industrial action, but the internal battles continued. Dalton, frustrated that his more radical changes had been rejected, refused to commit to a minimum internal production guarantee, which he was philosophically opposed to. He wanted television to be “vertically integrated” as the news division had been, giving him control of its production resources, but Scott would not agree to that. David Cruttenden, who as director of the resources division did much of the heavy lifting of implementing the review, was continually frustrated by Dalton. He recalls: “Mark would not give Kim control over the resources. I remember him saying that Kim would kill our children and eat them.” Meanwhile, Pendleton continued to advocate for the ABC to remain an independent production house, keeping the rights to its content. Scott did not adjudicate or shut down the argument but let it run, Dalton versus Pendleton, at meeting after meeting.

The first program to use the new automated studios was *News Breakfast*, launched in November 2008 on ABC2 as a conscious effort to develop what Scott describes as “the muscle” for rolling news. Hosted by

Virginia Trioli and Barrie Cassidy, it followed the pattern of breakfast news shows the world over, mixing chat and breaking news with static bulletins and live crosses. Torney recalls that when she started producing *Insiders*, it took about ten production staff to create an hour's content. *News Breakfast* was three hours long and required only two production staff. Its initial audiences were small – around 200,000 per week in its first year. In June 2009, Joe O'Brien replaced Cassidy as co-host, with Cassidy continuing to provide political commentary. The next year, Michael Rowland replaced O'Brien. In May 2011, the program moved to ABC1, which gave it a boost. By the time the next annual report was compiled, it was reaching an average of 407,000 viewers every week, 83 per cent more than when it was on ABC2, and respectable when compared to the 662,000 capital-city average for *7.30*, which had taken a dip after Kerry O'Brien's departure.[11]

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Meanwhile, the push for savings went on. One significant source of efficiencies during this period was only visible to most of the staff and audiences when it went wrong – and then everyone was talking about it.

Traditionally, ABC television switched between feeds manually, a task often done by people employed part time, sometimes for as little as two hours per day. Their task was to switch between the national and local feeds and, in states east of the Dividing Range, manage the complexities created by different time zones. Apart from the innate inefficiency, the other disadvantage of this system was that if there was an emergency or a major breaking story, there was limited capacity to make unscheduled switches. Phone calls had to be made; people had to be dragged in to unscheduled shifts. Often, it was simply too much trouble. This had been a problem when there was only one television channel. Now there were two, and another two forthcoming. The number of potential switches required each day was predicted to quadruple.

David Cruttenden claims that it was he who first took the idea for a centralised, automated "channel playout" system to his boss, David Pendleton, in 2005. Pendleton got the power of the idea immediately and drove the project on the executive. A centralised facility based in Sydney

could be staffed twenty-four hours a day. Most switches between feeds could be automated, and there would be more flexibility in the event of emergencies or breaking news. There could also be huge savings. Russell Balding had given the okay to early feasibility studies. By the time Maurice Newman replaced Donald McDonald as chair of the board, the plans were advancing. Newman, as a businessman, understood the proposal and its potential when Pendleton presented it to the board. This was despite the fact that an investment of this sort, proposed as a joint venture with other broadcasters, was quite a radical thing for the ABC to contemplate. At first, Channel Nine was going to be a partner in the project, but that fell through – a story in itself. There were discussions with SBS, which revealed – in the words of one observer – "just how much the ABC and SBS hated each other". That didn't go ahead either.

In the end, the centralised service, MediaHub, was established in 2009 as a joint venture with the regional broadcaster WIN Television. The ABC's share of the capital investment was $20 million. This was an unusually adventurous enterprise for the ABC – both because it involved a large investment and because it pioneered the idea that different broadcasters could share core technology. The MediaHub building, in Ingleburn in southwestern Sydney, went up in record time.[12]

The timetable for migrating channels to the new system was very ambitious, because of the planned launch of ABC3, the new children's channel. This presented a hard deadline for the system to be up and running by December 2009 – just a few months after the completion of the building. ABC3 was launched using MediaHub, and ABC2 and ABC1 transitioned to the new system shortly afterwards. Those months were "the worst parts of my professional life", Cruttenden recalls. "I had people under me breaking down in tears under the pressure." He had wanted a few months of parallel running – the new MediaHub system alongside the old. He wasn't to get it.

Then, in January 2010, Cruttenden returned from leave – which he had needed to recover from the strain of the previous months – to find a memo from Mark Scott announcing that he was going to launch the new twenty-four-hour news channel that year – an election year. MediaHub would have to be ready to support this new channel too.

Its first big test came six months later, in June 2010, when Kevin Rudd was dumped as prime minister. Cruttenden took a call from Torney, who told him the news and said, “We’re going to need to go to rolling coverage.” At this stage, half of the nation’s ABC television stations were using MediaHub and half were still using the old system. Cruttenden raced home and began making phone calls as “all hell broke loose”.

Cruttenden, a technical man and not a journalist, knew from experience that when a big news story broke, “journalists get in a lather and it is just white noise . . . So we had people in MediaHub getting calls from Canberra saying things like, ‘Take the feed from Studio Seven.’” Under the old system, there were networks of understanding and familiarity. Staff in charge of switching content knew the names and numbers and even the nicknames of the various ABC studios around the nation. The MediaHub staff were working on an entirely different nomenclature, and, as Cruttenden puts it, “Nobody had each other’s telephone numbers . . . The migration staging had been so aggressive that things just hadn’t been bedded down.”

After making dozens of calls, Cruttenden switched on the television to watch ABC1. *At the Movies* was on, with Margaret Pomeranz and David Stratton. As he watched, the program froze, ran backwards for a while, ran forwards again, then froze again, this time for minutes. “Imagine for me, being in charge of broadcast operations. You know. A thirty-year career. I’ve never seen anything like this. And I’m looking at the screen with my jaw gaping.” *At the Movies* was being played out on tape, and in the confusion caused by the breaking news, someone had hit stop and spooled back.

The staff at MediaHub, watching what was going on in various studios, saw a media conference about the leadership spill and took that feed for ABC1. By mistake, they were broadcasting a live rehearsal of ABC News 24, which had not yet launched. The main content – Chris Uhlmann soberly discussing the momentous news – was the same as on the main channel, but the “pull throughs” – the news headlines running at the bottom of the screen – were still being experimented with. So it was that during one of the main news events of the year, the text at the bottom of the ABC’s live coverage included the words “Man bites dog. Dog bites man.”

Meanwhile, the feed for the time-delayed states west of the Dividing Range was, in Cruttenden's words, a "massive screw-up". Cruttenden was up until 6 a.m., contacting the master control rooms in each state directly, getting them to empty and repopulate the feeds. He recalls that "Kate Torney and Mark were incredibly gracious about it", but "everyone else wanted to kill me on that day". The people preparing ABC News 24 were so alarmed that they discussed withdrawing from MediaHub – but that was never likely to be allowed. After all, the ABC had invested $20 million of taxpayers' money. It had to work.

Most ABC audience members were oblivious to the June meltdown, but there were other stuff-ups that were much harder to cover up. On 22 September 2010, a news report about athletes suddenly switched to a newsreader staring in silence at the camera in Brisbane. He was on-air for an excruciating three minutes. On 14 October, a *News Breakfast* report about the rescue of miners after an accident in Chile was followed by an item about cricket. This was suddenly interrupted by a promo for *The Drum*. Virginia Trioli apologised to viewers, then remarked acidly and live on-air, "I'm very glad that the Chilean miners are not being rescued by us."

Then, on 19 October, there was a massive failure. MediaHub's computers froze and the backup failed. Three ABC channels went down. Only ABC News 24 – which had now launched – continued, because it was broadcasting live. On the other channels, programs froze for twenty minutes. ABC Sydney still had a "ghost feed" of ABC1 through an old manual booth, which was put to air nationwide – meaning other states were treated to Sydney content, including news bulletins, regardless of the local time. In Perth, toddlers watching cartoons were suddenly shown a documentary about whales. In Adelaide, a news story spooled, respooled and then jumped to a different story altogether. ABC2 died for hours before another manual booth was pressed into service.

The awfulness of MediaHub was the talk of the ABC in the second half of 2010. *Media Watch* devoted a whole program to the stuff-ups, with dire predictions about its future.[13] But, just months later, nobody was talking about it. Like all technology, it only drew attention when it didn't work, and now it was beginning to demonstrate its value.

In early 2011, with ABC News 24 in full flight, Tropical Cyclone Yasi made landfall in northern Queensland, and MediaHub came into its own. Cruttenden recalls: “We could do multiple things. We could break into channels, we could take live feeds, we could switch to studios, and all of a sudden, the true functionality of Media Hub shone through. And MediaHub went from being the greatest disaster of all time to being everyone else’s idea except mine.”

SBS began to use MediaHub in 2012, and National Geographic in 2015. At the time of writing, in 2026, MediaHub delivers 400 channels throughout Australia and internationally, including the ABC channels, WIN Television Network, Imparja Television, Seven Network, Nine Network, Network Ten and the ANC Group, including Sky News, Fox Sports News and Fox News US.[14] The ABC earns revenue from this – $8.5 million in 2025 – but the real benefit is in cost savings.[15] Before MediaHub, playout of media content cost the ABC around $7 million a year. Afterwards, with three more channels to juggle, operating costs were reduced by a quarter, and capital expenditure was reduced by 30 per cent, according to David Pendleton. But those figures are well out of date. The financial benefits by now would be much greater. MediaHub is generally acknowledged, within the ABC and in the industry, as “a great commercial story” that has likely earned and saved far more than the original partners spent on it. It had been conceived long before the production resources review, but the savings achieved were initially reported as part of that later exercise. And these savings, too, were ploughed into Mark Scott’s pet project – continuous news and ABC News 24.

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As Scott banked savings from the production resources review, there was great expectation and excitement in the news and television divisions about how the money would be spent. Both divisions had experienced the pain of staff leaving and fundamental changes to processes. As Scott recalls: “They were willing to do it because they thought money was coming back to them. But the money wasn’t available immediately, because you had to pay for the redundancies, so that was quite good in managing the expectations.”

Then came the 2009 budget and the announcement that the ABC would not receive funding for a new twenty-four-hour news channel, immediately followed by Scott's declaration that the ABC would "do it anyway". All the money saved was to go to this new venture.

Predictably, Dalton was furious – not at the idea of establishing the news channel, which he supported, but at what he saw as "television money" being diverted to the news division. He had pushed for the production resources review, worked hard on it, led the television division through it and achieved much of his agenda. He had expected the benefits to flow to his division. Scott acknowledges the controversy. "The television division had contributed just as much as news to the changing work processes, possibly even more. And the television division thought all that money was going to come back to them. Well, most of it went to news, and the new channel. I would say to Kim, 'Well, we created a television channel. It *has* gone to television.' And that would make him furious, because it wasn't the television division's channel. It belonged to news."

Dalton's division had been a big winner in the 2009 triennial funding round, with money for more Australian content and the children's channel. But he was the loser from the production resources review. Internally, he took to claiming the money from the production resources review had been "stolen". It was a theme to which he would return.

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12

News Escapes the Schedule: The Creation of ABC News 24

Mark Scott had been determined to launch a twenty-four-hour news channel of some sort since his earliest days in the job, but the idea had taken some time to reach its final form. At Kevin Rudd's 2020 Summit in 2008, Scott had proposed "a dedicated, free-to-air and commercial-free digital channel providing direct coverage of key events in the lives of modern Australians which will also be an important driver of digital TV take-up".[1] The vision was not so much rolling news, but a channel carrying news conferences, AGMs of major companies, literary festivals and academic talkfests, punctuated with regular news bulletins. This was also the idea encapsulated in the 2009 funding submission – a public affairs channel, rather than a live news channel.

Scott's floating of the idea at the 2020 Summit landed him in a fight with News Limited, which had its own plans to launch a public affairs channel on its pay television service Foxtel, in partnership with Sky News and Austar. Later that year, in September 2008, Scott gave an address to the National Press Club in which he used the term "market failure" to describe the role of the ABC. "What is the role of a public broadcaster when there seems to be so much media, so much content, so many choices for audiences? Do we still need an ABC? . . . Would Australians miss the ABC if it wasn't there? . . . Of course we would. Because, perhaps perversely in this era of media plenty, market failure abounds, particularly in those areas of great strength for the ABC." He went on to list areas of market failure, including local content, children's content and quality news and current affairs.[2]

It was a provocative speech, but it was made even more so by being mischaracterised by the ABC's traditional enemies at News Limited. If addressing market failure in these areas was the justification for the ABC being funded by taxpayers, why was it doing all the other stuff? Why were its websites competing with newspapers? Why did it screen light entertainment and quiz shows? And, of course, News Limited did not regard itself as having failed the market. Rather, it too was expanding on pay television and online, and that made public broadcasting less necessary. So went the argument. But of course, Scott had never suggested the ABC was *only* a market failure broadcaster, and in other forums specifically rejected that idea.

Three months later, after the ABC had lodged its triennial funding submission with the government, Prime Minister Rudd took the unusual step of speaking at the launch of News Limited's A-SPAN, or Australian Subscription Public Affairs Network, a news and current affairs channel modelled on the US C-SPAN (and shortly after launch, renamed A-PAC, an acronym for Australian Public Affairs Channel). The launch was accompanied by a cheeky video boasting that this new service was "at no cost to the taxpayer". It was a direct hit to the ABC's plans. Conroy was dismayed that Rudd had chosen to take part. In his view, it was part of the prime minister's compromised and compromising relationship with the Murdoch organisation and his ambivalence towards the ABC. I wrote at the time for *Crikey* that Rudd seemed to be deliberately undercutting the ABC in its constant internecine war with the Murdoch organisation. Ironically, or perhaps tellingly, the following week *The Australian* – despite all its criticism of the ABC – pronounced that Scott was its Media Person of the Year – a recognition of the profundity of the changes he was bringing to the ABC.[3]

In November 2009, the battle got nastier. The chief executive of Foxtel, Kim Williams, gave a speech directly attacking not only the ABC's plans for a public affairs channel, but also the planned children's channel. Pay television – Foxtel – could do all of this, he said, and therefore the ABC should not. "I'm not saying there should be no public funding of broadcasting – of course there should," he said. "What I am saying is that in the digital age, we need to be careful to ensure that public broadcasters like

the ABC don’t merely replicate what the private sector is now doing or inadvertently crowd out market-driven creativity and innovation. The ABC’s programming was once both unique and special – today it remains special, but it is no longer unique.”[4]

Scott countered by arguing that only about 30 per cent of Australians had access to Foxtel’s paid service. The free-to-air broadcasters were all launching multichannels, but none of them were for news. Scott recalls: “I remember thinking, if you were going to have many more free-to-air channels, one of them should be a news channel. And overwhelmingly, we were in the best position to deliver that, given our footprint, and given our brand.”

The idea of ABC News 24 was under attack not only from News Limited but also from within the ABC, by journalists who feared a watering down of quality and questioned how it was to be paid for. By this point, the Continuous News Centre (CNC) first proposed by John Cameron was getting up and running. In charge was a new recruit who would play an important part in the ABC’s immediate future, Gaven Morris.

Morris was not only, and perhaps not chiefly, a journalist. He was also a manager and strategist, deeply imbued in the changing nature of media. He had worked for the ABC as a politics producer on *7.30 Report*, and then as a reporter in Melbourne. He left the ABC in 1999 to work for Network Ten and then CNN, where he reported on the Iraq War, the Liberian civil war and the second Palestinian Intifada, among other stories. He later moved into management and became head of planning at Al Jazeera, where he helped to set up the international news channel Al Jazeera English.

At the end of 2008, he was recruited by Cameron and Scott to a new ABC job: head of continuous news. It was clear to Morris that the ultimate ambition was a twenty-four-hour news channel, and that it would be his job to lead the project. Given his experience at CNN and Al Jazeera, Morris thought it obvious that this was the way the ABC needed to go. He was frustrated by, and sometimes dismissive of, the reservations of conservatives among the well-established journalistic talent at the ABC.

Online news was naturally continuous, published around the clock and including text, audio and video. The CNC was designed to build the ABC’s capacity to do this across the organisation, shifting from a production model

built around set-piece programming to one of continuous flow, with the news-gathering efforts of the various programs feeding into a central pool and available to all.[5] A small team of producers and presenters would work in an open-plan newsroom, with the studio visible to visitors in the centre of the foyer of the Ultimo headquarters. Reporters would write and edit their items and file them with an introduction, which the newsreader could read from the studio floor to an automated camera. The content could then be fed out, sometimes rewritten but often as it was, across all outlets, including online in short video segments, and through the international Australia Network. The CNC was part of developing the muscle for rolling news and the dedicated news channel.

While all this was being set up, Morris was approached by "old ABC hands" who told him the ABC News 24 project was going to fail. "They thought this would be one of those flashes in the pan, and if we ignore it, it'll go away. And I remember, even in the weeks leading up to the launch [of ABC News 24 in 2010], it was very difficult to get journalists to participate." Torney recalls that most of the news division was, if not against the new channel, at least deeply sceptical. There were many logistical challenges in launching it, but the biggest one was cultural. She was the kind of manager who did not shy away from conflict. She recalls constant conversations with executive producers. Did they really believe the ABC could dodge this challenge? she asked. That in five or ten years' time, the 7 p.m. news bulletin would still be the most important thing they did?

Internally, ABC News 24 was derided as "Jetstar". It was seen as the budget carrier, the second-tier, less important imitation of Qantas – which was the 7 p.m. bulletin and the flagship current events programs. Because of this hostility, Torney and Morris at first ran ABC News 24 as a startup, isolated from the rest of the news division, while trying to bring the best reporters on board and convince them to be "thought leaders". The *News Breakfast* team were already convinced. Michael Rowland had been the ABC's correspondent in Washington, where twenty-four-hour news services were already agenda-setters. He understood the imperative. Trioli had been a radio presenter and couldn't understand why rolling news was proving such a challenge for the television culture. Torney recalls Trioli "telling people to get over themselves, that rolling news wasn't new". Philip

Williams and Lisa Millar were keen. Former correspondents who were now anchors, including Scott Bevan, Kim Landers and Ali Moore, were also among the "thought leaders".

Foreign correspondents and former foreign correspondents were mostly early converts, partly because they were aware of the role of twenty-four-hour news internationally, but also because they produced a great deal of content that was never screened. ABC News 24 would give them a platform for that content. On the other hand, it would also increase the pressure to start filing news immediately on arriving at a location. Again, the argument was about immediacy versus depth and quality.

Meanwhile, Kim Williams at Foxtel was briefing reporters – including me – that he knew what it cost to establish a new channel and that Scott's ambitions were mad. The ABC simply didn't have enough money.

In January 2010, Scott announced that the new channel would launch that year – in time for the federal election, expected to be around November. It was an ambitious timeline. The following month, he gave a speech at the Melbourne Press Club in which he put flesh on the bones. From this speech, it became clear that his plan for the new channel had become much more ambitious. Gone was the talk of static screenings of meetings and talkfests. ABC News 24 would, he said, offer "continuous access to news and coverage of breaking news as it happens". It would "leverage off our existing investment in local, regional and international journalists . . . If ABC News is not there, particularly when the story is big . . . we cannot be the news leader we should be."

He rejected the idea that the ABC was spreading itself too thin. The journalists were already employed. The rest of the money would come from savings. "We have already developed a respected and credible continuous news service through News Radio, and now we can do so on television as well." In a return of fire to Kim Williams, he noted that A-PAC's cameras were in the room recording his speech. So far, A-PAC was thin on content. In a pointed barb, Scott said he was always glad to contribute to the effort to see "less New Zealand parliament on Australian television".

Scott also used this speech to talk about other changes in the news division. He responded to a piece I had written for *Crikey*, in which I said that the ABC was not known for breaking news. Casting doubt on the broadcaster's capacity, culturally, to switch to a breaking-news mindset, I

had quoted an ABC source who said that the newsrooms were places "where the telephone never rings". I didn't know it at the time, but my article had stung both Torney and Scott. It had been discussed at executive level, and by the board. Scott rebutted my assertion, without naming me. He listed the stories the ABC had broken in recent weeks across the organisation – from the international to the very local, and not only in the news division.

The examples he gave included a *Four Corners* report on the scandalous culture of rugby league, an *Australian Story* piece on the kidnapping of Nigel Brennan in Somalia and a Victorian *Stateline* story about the rising number of attacks on people from the Indian community. There was also a story from the Bendigo newsroom on potential job losses in Maryborough if the Productivity Commission's recommendations on book imports were accepted, and a story from the Australia Network's Pacific correspondent, Sean Dorney, on the introduction of the Fiji military regime's new emergency regulations. Dorney had been rewarded for the piece by being deported. The list was an impressive mix of the international, national and local.

Despite this track record, Scott acknowledged there was an issue. When the ABC broke news, it was too often confined to a particular program or platform. At times, "our newsrooms have not followed up stories broken by our current affairs programs as assiduously as they should have". Sometimes the newsrooms "had neither the understanding, the contacts nor the brief to do so". Other times, they were not aware that a major story was about to be broken by one of the current affairs programs until it went to air. The news division was already addressing this, trying to make sure that breaking news could be used across the organisation.[6]

Torney set targets for original journalism and for breaking news. "I thought that was one of the things we should measure ourselves by," she recalls. But what counted as original news? *The Australian* was well known for slapping an "exclusive" banner on stories, even when it was not justified. Torney didn't want to take that approach. Rather, she wanted to make sure that people around the country could expect that when they consumed ABC News, they would get something new, as well as comprehensive coverage.

She tracked how *Four Corners* stories evolved. By the time a transcript of the program landed in the newsroom at 5 p.m. on Monday, it was too late for the rest of the organisation to think through how they could follow up and develop any breaking stories. Torney insisted that the newsrooms should be briefed much earlier. She also started the practice of placing cameras in ABC Radio studios, so that news-breaking interviews could be added to the pool of ABC News content and rebroadcast on television and online. All of this struck resistance. She pushed on.

Meanwhile, those charged with establishing the new channel understood that Kim Williams might be right. ABC News 24 would be, possibly, the leanest professional news channel ever established. At Al Jazeera, Gaven Morris had helped set up a news channel with a budget of around $130 million. Now, he had a tenth of that amount. In preparation, he visited the BBC in London and asked to be shown "the leanest, most efficient news channel operation you've got". They showed him BBC Persian, aimed at Iran. It was broadcasting only twelve hours a day. Recalls Morris: "It had a very neat but simple studio set-up and a small production team. And I thought, 'This looks good.'" He asked for the channel's budget. It was £16 million a year, or around $35 million Australian dollars – roughly twice what he had to spend on ABC News 24.

The hope of the new channel's champions was the new technology. The BBC still had floor managers and camera operators, and the ABC was breaking new ground in automation. But the automation had never been used for a live news channel. It was, recalls Morris, "a frontier experience . . . And as history will recall, it didn't go well in those first few weeks."

National politics intervened to make the task even more challenging. Scott had committed the ABC to having the channel up and running in time for an election expected towards the end of 2010. But in June, after Gillard replaced Rudd, she announced that the election would be held earlier than anticipated. The launch date for ABC News 24 was moved forward to July.[7]

ABC News 24 had already begun dress rehearsals, putting the service together without actually broadcasting the result. Torney recalls: "I don't think we went more than two hours without catastrophic disasters." Most of the problems were technical – nothing she had not encountered on the Australia Network or on *Insiders*. But they were now working with

software and technology that had never been used in a rolling environment, and they were producing a constant broadcast rather than an hour-long program. She and Morris lost sleep, staying up all night trying to get it to work. There were crosses to interview subjects or reporters that didn't work or dropped out. There was audio that wasn't there, leaving the presenter staring at the camera. Then there were the problems caused by the meltdowns at MediaHub.

The week before the launch, Morris said to Torney, "God, if it's going to be like this for the first month, we're dead in the water." Torney was thinking about how to manage expectations, not least Mark Scott's. How to establish a culture of constant evaluation and improvement, rather than blame? Two days before the launch, she lost her nerve. She rang Scott and said, "I just wonder whether or not we need another week." She recalls: "So I blabbed on for ages about all the problems, and then Mark said to me, in his calm manner, 'Do you think another week is going to make you feel better, or do you think you really need another week?' And yes, he was right. It was comfort that I was looking for. We stuck to the date." ABC News 24 officially launched on 22 July, with broadcasting having begun at 7.30 p.m. the night before. It was just five days after Julia Gillard announced the 21 August election date.[8]

A month later, Scott was upbeat in his report to the board, saying that the channel – despite the odd hiccup – appeared to be settling into its stride. "Judging from the attention which continues to be given by News Limited and Sky interests," he observed, "… we seem to be doing better than was anticipated. News Limited and *Media Watch* are keeping a very close eye on ABC News 24's performance and can be counted on to report any perceived shortcomings."[9]

There was, of course, a reason for Scott's comments, and for the scrutiny. The new channel was struggling. On Saturday 7 August, two weeks after launch, there was a major election campaign news story. Kevin Rudd and Julia Gillard came together in Brisbane for the first time since the "coup", in what was meant to be a sign that there were no hard feelings – that they had made up and were now working together. It was a carefully stage-managed event for the television cameras, held in a high-rise office tower in the Brisbane CBD and spectacularly awkward at a personal level,

with Rudd and Gillard barely able to look at each other.[10] Recalls Morris, “we didn’t have the technology to broadcast a live signal from the upper floors. Sky News did and had the live pictures. We totally failed. We couldn’t get a live signal out of it. It was the picture of the day, and it was our first major flop.”

The demand on resources was huge. David Cruttenden recalls Torney ringing him and “screaming down the phone” because something was happening in Darwin and she couldn’t get hold of his people from the resources division. They were not on twenty-four-hour call, he told her. There were industrial agreements. If she wanted people on call at 6 a.m., that would have to be paid for. The organisation had plenty of live outside broadcasting trucks but not enough truck operators. Recalls Morris: “We had some technical staff that had never really been exposed to the idea that we were going to be broadcasting anything live. We had reporters that hadn’t done long live shots before. So everybody was learning. We just didn’t have those reflexes or the technological capability to make it work at the start.” There were many minor missteps, but a few moments called the whole enterprise into question. These were relished by the new channel’s internal critics and, of course, by News Limited.

Morris remembers the early days of News 24 as “enormously dispiriting . . . an awareness throughout the staff of failing every day. I often went home feeling gutted and deflated because it wasn’t as good as it needed to be in the beginning, and we were getting pilloried everywhere. People were working so hard, and I wanted it to improve.” They limped through the election campaign. Some days were better than others, but the demands were far greater than had been anticipated and the problems continued, most prominently when live news really mattered.

Then, in January 2011, the Brisbane floods became a turning point. The ABC provided days of high-quality live broadcasts to audiences hungry for the content, with close integration to coverage on the web, which included interactive elements allowing people to both see and report hazards in their area. It showed what could be done. One step forward, one step back. On 11 March 2011, when the channel was eight months old, there was a huge natural disaster in Japan. An earthquake triggered a towering tsunami that smashed into the Fukushima nuclear plant, destroying its power and cooling

systems. The footage was dramatic – homes and cars being swept away, people gathered on the roofs of buildings. That night, the ABC switched to a feed from BBC News. It was riveting, and ABC News 24 topped the digital ratings.

But on the Saturday morning, as the Fukushima plant began to melt down and it became clear that this was one of the biggest stories of the decade, ABC News 24 was screening reruns. There was a round-up of the week's news from Queensland and a repeat of a three-year-old episode of *Foreign Correspondent* about Belgium's national identity problems. The latest headlines ran at the top of each hour, but in between was a lot of material that, in the context of thousands of deaths and imminent nuclear meltdown, could only be described as banal. What, the critics asked, was the point of a twenty-four-hour news channel? On Twitter, the criticism was scathing. Why did the ABC not take a feed from the Japanese public broadcaster, the Twitterati asked? "We do not have international streaming rights," Scott tweeted back. The ABC's agreement with the BBC included a cap on how much footage it could use. That had been quickly reached in those first few hours.

On the Saturday morning, Scott was at home, watching ABC News 24 and keeping an eye on his Twitter feed. Tweets addressed to @abcmarkscott were taking on an increasingly furious tone. Where was the news? What on earth was the ABC doing? "People on Twitter, they have a direct line to me, and they are not slow to let you know when there is a difficulty," he said to me in an interview at the time. Scott hit the phone. "I wasn't pulling my hair out, but I was – well, let's say I was aware of the problem. I am not temperamentally the kind of person who thumps the table or throws the furniture around. I am more temperamentally the kind of person who asks what went wrong and how do we fix it, and how do we make sure that doesn't happen again?"

He asked if the coverage could please be ramped up. And the station staff tried. But after the Brisbane floods and several other big stories, including the Christchurch earthquake, staff were owed hours, and holidays. "They were short staffed, and the resources they might have wanted to call in were not available," Scott says. "We learned about resources we need to have on standby. I'm sorry we didn't do better on that morning."[11]

In the days that followed, the critics piled on. It was a professionally humiliating experience. Torney recalls feeling she had to apologise to her colleagues. In a note to the board in August 2011, Scott was less sanguine about News 24 than he had been a year before. The demand for live coverage had been higher than anticipated, he said. It was a tacit acknowledgement of how the ambitions for the new channel had grown since the idea was floated in his earliest days. “We are currently broadcasting more live news and fewer replays of news programs than envisaged. We see the need to ensure the full news-gathering resources of the organisation are devoted to delivering for our audiences up to the minute, rather than, as has traditionally been the case, holding back stories, images and resources for our 7 p.m. bulletins.” He reflected on the competition with A-PAC and Sky News, “where the model is one of endless talking panels and a strong focus on Canberra press conferences and events”. And he acknowledged the difficulties of meeting the need for live news while maintaining quality. The ABC needed not only to report the latest events, he said, but also to “facilitate informed debate” and “help audiences understand the complexities”. *Four Corners*, for example, should stay on-air longer each year, rather than ending in early November as it had traditionally done.[12]

And yet, there were signs that ABC News 24 was succeeding. It was reaching 2.1 million people a week, or nearly 14 per cent of the five biggest cities’ populations, making it Australia’s most-watched twenty-four-hour news network. Half the Australian population had watched or visited ABC News 24 online. Its reach peaked during major breaking news events: 3 million viewers, or 20 per cent of the viewing audience, watched ABC News 24 during the January 2011 Queensland floods, and 2.9 million viewers (19 per cent) watched during the March 2011 coverage of the Japanese tsunami.[13] A-PAC, meanwhile, was reaching only 6.4 per cent of Australians.[14]

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Kate Torney’s efforts to break down the divisions within the ABC news division were not complete.

On 30 May 2011, *Four Corners* broke a big story. As well as proving that the ABC's flagship programs were still central to the public broadcaster's worth, it exemplified some of the changes that were engulfing the news division, including the complications of using externally generated content and the continuing problem of silos within the ABC.

The program, "A Bloody Business", was an investigation of the live cattle trade to Indonesia. As reporter Sarah Ferguson later said, the reporting sat right on the margin of acceptability for shocking the audience. The investigation had begun when animal welfare campaigners brought the ABC footage of brutality in Indonesian abattoirs. They had already tried to interest commercial channels, but the material had been judged too shocking and bad for ratings. The executive producer of *Four Corners*, Sue Spencer, gave the go-ahead for the story and urged the team to be uncompromising in their choice of images. As Sarah Ferguson later commented, only the public broadcaster would have done it.

This was external content, produced by an activist group, so could not be screened without checking. The *Four Corners* team travelled to Indonesia, visited the relevant abattoir and got their own footage. As Ferguson later recalled:

> As we got closer to the building, an open doorway framed the bloody scene inside . . . In the hot, fetid air, the floor awash with blood and animal parts, a large Australian steer roped around the ankles was thrashing its head on a concrete slope in the corner. Each crash of its skull echoing around the room. A metre or two in front of the flailing beast, the slaughter man cut the head off another animal before dragging the carcass across the floor and, with a thick clanking chain, hoisting it into the air. The quick rasps of knives being sharpened mixed with the gurgling sound from the dying animal's throat.[15]

The *Four Corners* team had already interviewed some of the Australian cattle holders whose animals were involved. They visited other Indonesian abattoirs and confirmed that what they had witnessed was not an isolated example.

"A Bloody Business" had an enormous impact. A wave of revulsion swept through the viewing public. But this was not mainly about those who watched the program at 8.30 p.m. on a Monday night. The ratings for this episode of *Four Corners* were some of the lowest for the year. Instead, short video grabs, repackaged by the Continuous News Centre, went viral on social media. In a sign that the technology was still not where it needed

to be, the *Four Corners* website crashed multiple times. Another 50,000 people watched the program on ABC iView as the outrage spread.[16] A week after the broadcast, the government suspended the cattle trade to Indonesia, with devastating impacts on beef producers.

In the ensuing debate, truckloads of correspondence landed on Mark Scott's desk. The Canberra press gallery had not been tipped off and were annoyed at suddenly having a national controversy to report when they hadn't been briefed. *Landline* also had not known the story was coming, although its rural reporters and producers, they would later argue, would have been best placed to develop the Australian angle and report on the impact on beef producers.

Later that year, Ferguson, producer Michael Doyle and Alan Sunderland appeared before a Senate inquiry into the affair. During ninety minutes of grilling, they were asked about every aspect of their decision-making. Had they been fair in their interviews with beef producers? Were they wrong to use footage from an activist group? Overall, the journalism stood up well.[17]

Torney had known there would be controversy, but she had not anticipated the banning of cattle exports or the resulting backlash. "We didn't have a planned communication plan or a contingency plan. We just knew that our journalism needed to be robust." As for *Landline*, Torney took on board the message that if there had been a more collaborative effort, the journalism would have benefited. "I think that's a lesson that we were coming to terms with at that time," she recalled later. "I don't think it would have changed *Four Corners*' coverage at all. I think that coverage was remarkable. But could we have perhaps had a really expansive follow-up action plan? I think in retrospect, that's right. And I think by the time I left, we were certainly doing that in a much more coordinated way."

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In the early days of ABC News 24, as media reporter for *Crikey*, I was trying to get to the bottom of the question many ABC old hands and their supporters were asking. How was ABC News 24 being paid for? And was it bleeding resources from "core" ABC news?

Everyone I spoke to in the industry assured me that it simply wasn't possible to launch a new television channel on the budget the ABC had made available. Scott, meanwhile, insisted that all the funding was coming from internal efficiencies, but he was cagey about explaining the full scale of the production review and the resulting redundancies. Meanwhile Morris argued that with the public already investing about $200 million in the ABC's news and current affairs capacity, it would be wrong not to invest in meeting audience needs for live and digital delivery. It was a simple question of value for money in his mind.

I pestered the ABC for answers on the figures. Alan Sunderland, then the head of policy for the news division, was dispatched to field my questions. He insisted that "not one dollar" had been diverted from other news services to pay for ABC News 24. He talked up how many existing resources were now able to be better used – content that had previously not gone to air, and journalists who were already in place. He agreed that the news budget had been under strain. But it was always under strain. He also agreed that ABC News 24 had used far more live-to-air coverage than originally planned, but he painted a cheery picture of reporters happy to do the extra live crosses because it was good for their profiles. News conferences and the like could be livestreamed for little or no extra cost, he said.

Not entirely satisfied, and with some reporters contacting me to complain about the pressure to do live-to-camera pieces immediately and constantly on arriving at a news scene, I made a freedom of information request, asking for details of the costs. Eventually the ABC released not the actual cost of ABC News 24 but rather the budgetary outlook that went to the ABC board on 15 April 2010. The board was told that there would be one-off costs of $3.5 million to establish the channel and ongoing operational costs of $15.6 million. Of this, $9.6 million would come from "ABC-wide operational efficiencies" – in other words, savings from the production resources review. The rest included the existing amounts already budgeted for *News Breakfast* ($3.6 million) and the Continuous News Centre ($2.4 million). That made a total of $19.1 million – less than the $26.7 million the ABC had said was needed for the new channel in its 2009 triennial funding submission. Yet it was clear that since the board signed off on it, ABC News 24 had become a more ambitious operation than the

funding submission had predicted, with more rolling news and more live crosses. I asked for the actual figures, as opposed to the budget. It quickly became clear that the accounting system did not allow for things to be parsed in that way. Once ABC News 24 was up and running, it was not possible to isolate its costs from the news operation in general. Or that is what I was told.[18]

In interviews for this book, Scott told me that the production resources review saved the ABC around $20 million by the time ABC News 24 launched. Some had already been spent on *News Breakfast* and the Continuous News Centre, but most of it – more than had been planned – went to ABC News 24.

In pure dollar terms, answering the question of whether ABC News 24 bled money from the core news activities is unanswerable. But the term "core" is deceptive. The production of news at the ABC had changed and continued to change. Soon it was wrong to describe the traditional programs as "core" and the new channel as subsidiary. It was all one effort, delivering content everywhere, all the time, a constant hungry beast.

The pace of reform continued. In 2012, Torney brought in Venture Consulting to review how the ABC was gathering news. The resulting insight was that the ABC had responded to audience demand for news on new platforms, but its approach to planning, commissioning and gathering news content hadn't kept pace. Duplication was a problem. The same story was sometimes handled several times by different programs.[19] In the wake of this review, a single planning desk was introduced, and the state and territory newsrooms were restructured. A central pool of news content was created that all output areas could access.

At the time of writing, the twenty-four-hour ABC News station – "24" was dropped from its name in 2017 – broadcasts a mix of news updates, live media conferences, parliamentary question time (when parliament is sitting) and repeats of programs such as *Australian Story*, *Landline* and *Planet America*. When there is breaking news, it can now cut into the schedule with live reports. When Covid-19 had the country locked down, the channel screened all the media conferences by the country's state premiers live, reaching millions of locked-down viewers. Daniel Andrews, premier of Victoria, whose citizens experienced Australia's longest

lockdowns, held a media conference every day of the lockdowns, reaching out to address people directly in their homes. It was an extraordinary feat of media management, and of leadership – made possible only by live, streaming news, accompanied by the constant Greek chorus of social media. Watching live news on one screen while using social media on another had become normal viewer behaviour.

Australians came to be able to rely on the ABC to report big breaking news as it happened. Today it is hard to argue with Scott's and Torney's judgement twenty years ago that if the ABC could not develop rolling news capacity, it would struggle for relevance in the daily news cycle – no matter how excellent the in-depth journalism on its flagship programs. But was a whole new channel necessary?

Scott's view is that the ABC had no choice but to launch a twenty-four-hour news service. In the modern world, a news service that is not continuous is hardly a news service at all. "If we hadn't launched ABC 24, it would have damaged our whole news brand," he says.

As for News Corporation and A-PAC, at the time of writing, ABC News has won the battle. Ownership changes in pay television meant that Foxtel became the sole stakeholder of A-PAC in 2012. In 2018 it was rebranded as Sky News Extra – part of the Sky News suite of channels and devoted mainly to livestreamed media conferences and parliamentary broadcasts. For most Australians, it remains behind a paywall, although in 2021 it and the rest of Sky News, including the line-up of conservative "after dark" commentators, were made free to regional viewers through deals with WIN and later Prime Television. As an alternative to ABC News, however, Sky News does not yet compare in cultural importance. In 2026, Sky News rebranded itself as News24.[20] There were suggestions the ABC's old trademark could prevent this move, but at the time of writing it has gone ahead without challenge.[21]

The question of whether, over time, rolling news and constant deadlines have come at the cost of depth and quality applies beyond the ABC. It is a question for the entire media industry. Morris says that as far as he was concerned, the "real point" of ABC News 24 and news online was the depth and the audience reach. "I didn't want *Four Corners* to be more digital. I wanted digital news to be more *Four Corners*. Our original journalism was

the most important public asset and needed a broader demographic audience than the audience that watched ABC1. If we could take Australia's best journalism, extend the programs to broader audiences . . . we'd succeed by staying in the deep end." He believes it is this approach that led to ABC News Online becoming, over time, Australia's leading news website.

For Gaven Morris a key moment – when he realised that the ABC had truly arrived as a rolling news service – was the bushfire coverage in the summer of 2019–20, which came to be known as Black Summer. The reporters on the ground provided content in real time to the twenty-four-hour station, as well as to radio, the ABC websites and social media. Their vision brought home the scale of the disaster. Regional news crews, once isolated from the rest of the news division, worked alongside their city-based colleagues and contributed local knowledge of the kind that Jon Faine would have given his eye teeth for in the Black Saturday fires of 2009. The whole organisation had come together to use their full potential. It was one of the most, if not the most, watched news events in the organisation's history. Recalls Morris: "And I thought, you know what? It might have taken us ten years to reach Nirvana, but it was worth the investment. We got there in the end."

The ABC won a Walkley Award for its coverage of the bushfires. It was a group entry, including reporters from across the organisation. The judges commented: "The breadth and depth of the ABC's exceptional multi-platform coverage showed the strength of the national broadcaster during a crisis. Comprehensive, reliable and at times lifesaving, it was a brilliant job well done."[22]

By now, anyone accessing the ABC app on waking in the morning, or diving into the website in the middle of the day, would find little to surprise them in the 7 p.m. news bulletin that night. Even *Four Corners*' main findings can be found on the website from early in the day. The hungry beast of ABC news has escaped from the schedule, and from internal brands and silos. It has moved from static bulletins to rolling, all-pervasive coverage.

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13

Preparing for Famine

In April 2010, facing a dip in the polls and under pressure from his senior colleagues, Rudd abandoned the attempt to introduce a carbon trading scheme – the central part of the Labor government's policy on climate change, which he had previously declared to be "the great moral challenge of our generation".[1] The backdown fatally damaged his public standing, adding to discontent in his cabinet about his management style. A few months later, on 24 June 2010, his deputy, Julia Gillard, challenged him for the leadership and won unopposed after Rudd decided to resign.

Rudd never accepted the "coup", as he described it, and became a bitter and destabilising force on the backbench. He also began to recruit support from News Limited, and probably leaked to them and to other media, although he disputes this. The Labor government's downward spiral had begun, and this affected the ABC in many ways.

Keen to establish her own mandate, Gillard called an early election in August 2010. As we have seen, this sped up the launch of the ABC News 24 channel, because Scott had guaranteed it would be up and running in time to cover the election. It also delayed the passage of Conroy's legislation amending the *ABC Act* to reintroduce the post of staff-elected director and legislate the arm's length selection process for ABC and SBS directors – although the process was now established as a matter of procedure. The election also delayed the tender process for the Australia Network, which is described in more detail in Chapter 19. Labor remained in power after the 2010 election, but in minority government, forced to negotiate for the support of Greens and independents.

Yet despite the government's troubles, or possibly even because of them, the last years of the Gillard government were characterised by activism on media, and in particular on the role of News Limited (later

News Corporation) in Australian politics. Partly, this was because News Limited was giving both Gillard and the minister for communications, Stephen Conroy, an especially hard time, particularly over the National Broadband Network, which was running into cost overruns and delays.

In August 2011, in a mid-year memo to the ABC board, Scott summed up the atmosphere. The operating environment in Canberra was "particularly challenging", he wrote, because of the "tense atmospherics hanging over the entire political discourse at this time". Scott was finding it hard to maintain a positive relationship with Conroy, despite the minister's general support for public broadcasting and the ABC in particular. Conroy was "overwhelmingly focused on the NBN and is attracting a remorseless attack at the hands of News Limited", Scott wrote. "He is in turn News Limited's strongest critic in the government over what he describes as their newspapers' slanted coverage." But Conroy was also angry with the ABC over a raft of planned program cancellations and reductions in coverage of local sport.

As for the Opposition, the former leader and still relatively new shadow minister for communications, Malcolm Turnbull, was a vocal supporter of the ABC's innovation in digital media, but "his influence on Coalition policy may be limited, given his relationship with his successor", Tony Abbott. The reality, Scott made clear, was that both sides of politics would be looking for budget savings, and the ABC was likely to suffer. The media environment had never been harder, with News Limited conducting an "increasingly targeted campaign" against the ABC. "I am not sure there is much we can do for our critics on the right and the left, other than to clearly articulate our editorial aspirations, be critically self-aware of our own performance and . . . ensure we deliver to the best of our ability."[2]

Scott had just begun his second five-year term as head of the ABC. The previous October, Maurice Newman had announced that Scott would stay on beyond the expiry of his original five-year contract.

With the exception of Newman's vocal opinions on climate change, awareness of which had permeated the organisation, the culture wars had receded from the ABC boardroom over the term of the Labor government. The board now spent more time on strategy and long-term thinking and less time debating the merits of particular pieces of journalism or allegations of

bias. The last of the culture warriors, Keith Windschuttle, reached the end of his term as Scott's second five-year term began. Peter Hurley also reached the end of his term. Skala, recognised by all as a useful contributor, was reappointed by Conroy for another five years.

Windschuttle's and Hurley's replacements, selected through the arm's length process, were Tasmanian businesswoman Jane Bennett and renowned Western Australian epidemiologist Professor Fiona Stanley. Bennett, the founder of Ashgrove Cheese, had long harboured an ambition to join the ABC board. She had worked with the Howard government on inquiries into rural affairs and had feared that this would rule her out. Having made it through the "intimidating" interview process, she regarded her appointment as "living proof" that the new process was working to take the politics out of board appointments.

Stanley, a former Australian of the Year, was, as the media reported, probably one of the most trusted people in the nation.[3] She was best known for groundbreaking research into birth defects and the lifelong consequences of poor maternal health in Indigenous communities. Like Bennett, she had no discernible party-political affiliation and had worked with governments of both colours.

Stanley and Bennett joined a board comprising Newman, whose term as chair was coming to an end, Skala, Cheryl Bart and Julianne Schultz. (Lynch had left to take up his new job in Kowloon.) This was a very different board from the one that had appointed Scott in 2006. It did not try to interfere in particular journalistic decisions, or to conduct political campaigns, but was interested in influencing direction and quality. In this way, it was an activist board. Bennett was to become a key champion of the ABC's role in regional Australia, and of a 2015 restructure that saw the creation of a regional division – a story told in more detail in Chapter 18. Stanley, meanwhile, led a major review of the ABC's science coverage, starting in 2013 and reporting in 2015, which, after Scott's departure, led to the creation of a science unit, bringing content-makers from radio, online and podcasting together.

The board's increasingly strategic focus, and its realism, were perhaps best reflected in the fact that from just before the 2010 election, it urged Scott and his executive to compose a crisis plan, based on the assumption

that there were likely to be serious cuts to the ABC's budget in the near future. A change of government would almost certainly result in cuts, but the Gillard government had committed to delivering a surplus, which meant a returned Labor government was also likely to be tough. Recalls Scott: "[The board] just wanted to make sure that we had thought through . . . if our budget was slaughtered, what would we do?"

The board challenged the executive to come up with a plan to deal with budget cuts of $100 million – around 10 per cent. The work done in response was nicknamed Project Chicago and kept under tight wraps. It has never previously been revealed.

"Project Chicago" was a coy reference to US president Barack Obama's chief of staff, Rahm Emanuel, later a mayor of Chicago, who famously said that governments should never let "a serious crisis go to waste". A crisis, he said, was "an opportunity to do things that you think you could not before".[4] Thus Project Chicago was not only about cuts, but also about rethinking priorities. As well as sketching out the possible responses to a 10 per cent funding cut, the executive also prepared for a 5 per cent cut, which was regarded as a more likely scenario.

They identified four main savings options. The first was to end all television production in Queensland, South Australia, Western Australia and Tasmania, including all state-specific news bulletins except for the 7 p.m. television news. This was expected to save $32.6 million and was included in the executive's plans for both the 5 per cent and 10 per cent scenarios. The pros were listed as big savings and much greater efficiency. The cons were obvious: backlash from state and territory governments and the "undermining of ABC's image as a national broadcaster". Another option was to cut $81.8 million of "tied" funding and return it to the general budget. This would include the money granted in 2009 for the establishment of the children's channel, for independent content production and for ABC Open. This would have the obvious disadvantage, "from a government and audience perspective", of cutting activities that the ABC had only recently argued should be funded. Another potential source of savings was the hoped-for but endlessly frustrated merger with SBS, or at least cooperation between the two broadcasters on back-office functions.[5]

Project Chicago was not, as had been feared, needed straightaway, but it became the template for how the ABC would respond to hard times ahead. Imagining a crisis did indeed make the organisation's priorities clear. Project Chicago clarified that, whatever the ABC claimed in its rhetoric, internal television production outside Sydney and Melbourne was expendable. And at least up for negotiation was some of the new spending on children's content, drama and documentary that the ABC had argued was so desirable only eighteen months before, in the 2009 funding submission. News and the capacity to continue to innovate to reach the audience were priorities, as was maintaining a level of "distinctive" new content.

Project Chicago dovetailed with another exercise that Scott launched simultaneously, known as Project 21. Where Project Chicago focused on cuts, Project 21 was a more wide-ranging review, conducted with the assistance of outside consultants LEK. It was an attempt to think forward ten years and ask what the ABC might need to be in 2021. In February 2011, the LEK consultants made a presentation to the board, outlining the project's "broad objective to predict future media consumption patterns and recommend how the ABC should respond".[6] Not all the board members were impressed. Some thought LEK's work "underwhelming", even "not worth the paper it was written on". Nevertheless, it informed Scott's thinking in his second five years and confirmed his consistent belief that the ABC must push towards a digital future, investing in new infrastructure even in times of cuts, and even if it came at the expense of content.

These two strategic projects dominated Scott's second term. In his first five years, he had driven the organisation through significant change and into the digital age. His broad general direction, if not every initiative, had largely been proved right. An able orator and a charming visionary, at least to outsiders, he had proved better at articulating the ABC's purpose and importance than any of his predecessors. At the same time, he had also made himself the chief antagonist of every commercial media outlet that saw a future in charging users for online content. With the launch of his second five years in the job, the obvious question was "what next?"

Project 21 began with an examination of how Australians interacted with the ABC, going beyond traditional metrics such as reach and share. Every hour of consumption was considered equal, whether it was spent on

an obscure corner of the ABC's website or watching ABC1. Most content consumption was still via traditional radio and the main television station during prime time, Project 21 reported, but the audience was moving quickly towards streaming content. Programs such as *The Movie Show*, *Media Watch* and *Good Game* had succeeded as vodcasts and downloads. Mobile devices were increasingly important. Looking ahead to the completion of the NBN and the introduction of 4G mobile telephone networks, the report predicted that these trends would only intensify.

Project 21 identified a problem with the ABC's audience. There was a hole in the middle. The ABC was serving the old and the very young, but not so much young adults and the middle-aged. The ABC was doing particularly badly among people aged between eighteen and forty when it came to television, and it was underperforming online.

The Project 21 report did not entirely foresee the impact of Netflix and other streaming services, but it predicted that smart televisions would expand video ondemand. On smart televisions, the ABC's four channels and ABC iView would soon be competing with dozens of online channels organised by the manufacturers. "Audiences will expect to consume any organisation's content across different devices, on the schedule and on demand," the report predicted. Brands such as ABC1, ABC3, local radio stations or Radio National would soon have little meaning for audiences. In future, the justification for the ABC's public funding would be the creation of content that was universally accessible, locally relevant and of high quality. The broadcaster would need to be innovative – able to take creative risks where commercial media had to invest in sure-fire formats, franchises and personalities. General, magazine-style content – the kind of programs produced internally in the BAPH states – would not be sufficiently distinctive, particularly if it appealed mainly to the old or to the very young.

A key conclusion of the Project 21 report, and the most challenging to the ABC's entrenched internal politics, was that the structure of the ABC was all wrong. A structure built around separate platforms – radio, television and online – had to give way, and instead the ABC should think in terms of genres of content, or "hilltops", that it could dominate. The report sketched out what some of these might be. One should be "ABC National Conversations", which would encompass *7.30*, some Radio National content, *Lateline* and *Q&A* in "a single branded space". Another

was Triple J, which had already busted out of the radio schedule to include live events, streaming and apps. Another was ABC Ideas, which would include not only other parts of Radio National but also television shows such as the science program *Catalyst* and the religion program *Compass*. Other "hilltops" would be ABC Arts, ABC Kids, and so on.[7]

Scott was broadly convinced by these arguments, if not by the exact characterisation of the "hilltops". Indeed, he was already halfway towards similar conclusions about restructuring when he commissioned the Project 21 work. Not all of his executives were of like mind. In radio, Kate Dundas thought the Project 21 process was "a mess". It didn't include anything about regional or local radio. Radio National might be included in a couple of the "hilltops", but who would manage the station as an entity and make sure the content could be produced? She resisted the pressure to abandon thinking chiefly about platforms – radio, television and online. "It felt like the outcome was predetermined," she recalls. "They had a plan they were trying to work to, and they did not listen to me, despite numerous meetings."

For Kate Torney in the news division, on the other hand, Project 21 coincided with work she was already doing, restructuring news gathering to create a single pool of content. The idea of restructuring around genres of content was less challenging to her existing way of working and to the identity of her division. After all, nobody was suggesting that the news division should be disbanded. News would clearly be one of the central "hilltops", and it had always been cross-platform, providing content to television, radio and online. She thought the Project 21 work was "really important. Sometimes a conversation-starter, sometimes a bit of a grenade, but with a solid fact base." In her view, it helped the executive to begin to think across the organisation. Why should a news program not call on, for example, the presenter of the television division's *Compass*, Geraldine Doogue, to provide reportage and commentary on matters of faith and religion? Thinking across the organisation could only add quality and depth.

Kim Dalton, meanwhile, was vehemently opposed to every aspect of the Project 21 approach, and to the suggestion that television should not remain a fundamental part of the ABC's structure with its own budget and identity. He expressed his opposition fiercely in meeting after meeting. His

concerns, and those of Dundas, included the essential skills involved in producing television and radio. How could they be accommodated if the platform-based divisions disappeared?

The Project 21 agenda was the final straw in Dalton and Scott's relationship and led to Dalton's departure. It was also one of the reasons Kate Dundas left the ABC. Yet when push came to shove, Scott did not force through the fundamental change to management structure that Project 21 envisaged. He was personally largely convinced by it, and made some significant moves in that direction. But, characteristically, he attempted to achieve consensus rather than impose changes opposed by his content heads. And in the context of the big funding cuts of 2014, he concluded that the time was not right for such a fundamental change when the organisation was already under great strain.

Some of the executive were frustrated by his lack of action. Recalls Torney: "We had invested a lot in terms of time and energy to Project 21. And not a lot happened with that. Why? Well, I think you take your lead from Mark, who had commissioned the piece of work." The perceived need for a restructure around content remained unfinished business when Scott departed the ABC. Not surprisingly, it was one of the things tackled by his successor, Michelle Guthrie, who pushed through her own restructure without Scott's concern for consensus and consultation.

Although the restructure was postponed, another outcome of Project 21 was the formation, in early 2012, of an Audience Strategy Group (ASG), comprising Scott, Pendleton and the directors of content areas, supported by staff, including researchers. Scott told the board in June 2012 that the ASG was "reviewing categories of content that are strategically important to the ABC", with a view to devising an organisation-wide approach, including to commissioning. A key priority was to be able to articulate why some content that did not rate highly was nevertheless justified on "metrics such as quality, impact and distinctiveness".[8] The ASG was to become a very important part of the ABC's future, and in many ways a determinant of its priorities and direction. It pulled the various priorities of the different divisions into a single strategy – more or less, despite continuing tensions over budget and priorities.

In the course of this work, terminology arose that, in the years ahead, would become fundamental to the ABC's thinking about its role. It was the notion of "overservicing" and "underservicing" audiences, and the idea that money spent on overserviced groups should be redistributed to underserviced audiences, or to efforts to attract audiences that were not currently using the ABC at all. Among these "underserviced" audiences were young families in middle and outer suburbs, including middle-aged adults and their teenaged children.

At the beginning of 2013, Scott presented the executive with his priorities for the year. He quoted the latest figures: Australians were now spending an average of twenty-three hours and eighteen minutes consuming online media per week – up by an hour and twenty-four minutes since 2011. Six in ten Australians who were online had a smartphone. Sixty-four per cent of Australians were online between 6 p.m. and 8 p.m. Forty-three per cent watched television via the internet. Almost half were now streaming video. The imperative for the public broadcaster to be more online and more converged had never seemed clearer.[9]

In late 2013, after a long period of heated internal discussion, Scott announced that production resources would be vertically integrated. He told the board that this would "make content areas directly accountable for managing and delivering the whole content-making process. It will further support the effective management of workflow and capital."[10] The last vestiges of the production resources division were disbanded the following year, with staff shifted to the content divisions or made redundant.

Scott might not have forced through a fundamental restructure, but he had nevertheless made big changes to the way the ABC operated. The organisation had developed some muscle for thinking and planning across the previously warring divisions.

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The board kept changing as the Project 21 agenda was considered. Newman's five-year term as chair expired at the end of 2011. He had hopes of being reappointed – he felt he was doing a good job and thought he got on well with Minister Conroy. Nevertheless, in September 2011, Conroy

told him he would not be reappointed. Newman recalls: “Stephen simply told me, ‘Sorry, mate, I think you’ve done a great job, but we’ve made a decision not to reappoint you.’ So, I accepted that. I totally respect [that] governments choose whoever they want.” He is cynical, however, about the process by which his successor was found.

Newman was not a fan of Conroy’s arm’s length process. He believed it made little difference to political appointments. “At the end of the day . . . the government gets who it wants.” He had heard that Gillard had a particular candidate in mind as chair: the recently retired chief justice of New South Wales, Jim Spigelman. “The prime minister wanted to have Jim, and Jim told me he was approached to throw his hat in the ring. Well, he did throw his hat in the ring, and – surprise, surprise – he became the chairman.” Other sources confirm that Gillard wanted Spigelman and that this was the deciding factor. At least so far as the appointment of chair of the ABC was concerned, politics was still part of the process.

Spigelman had long had his eyes on the job. As he was later to confide to friends, since retiring from the bench he had been approached with many opportunities to join corporate boards but had turned them down, “because there was only one board that interested me, and that was the ABC”.

Spigelman was regarded as one of the finest legal minds of his generation and had narrowly missed out on being appointed as chief justice of the High Court, which was a sore spot. Born in Poland to Jewish survivors of the Holocaust, he arrived in Australia as a three-year-old and was educated in the government school system. As a young man he had helped to organise the 1965 Freedom Ride, in which university students travelled through rural New South Wales to draw attention to racism. He had worked for Gough Whitlam as Whitlam’s private secretary when he was leader of the Opposition. After the 1972 election brought Labor to power, he had been Whitlam’s senior adviser and then his principal private secretary. Whitlam later made him secretary of the Department of the Media. Later, Spigelman went to the bar, before becoming NSW solicitor-general and then chief justice of the NSW Supreme Court. He also had a string of cultural roles behind him, including as chairman of the Film Finance Corporation Australia and the National Library of Australia. Spigelman was undoubtedly seen as aligned with Labor, but he was well qualified and there was support for his appointment from across the

political aisle. Scott says that Malcolm Turnbull rang him to say that Spigelman would be outstanding and that the Opposition would support his appointment.

Spigelman's appointment as chair of the ABC board was announced in March 2012.[11] Interviewed for this book, Spigelman said he came to the job with no particular agenda but a determination to tackle the persistent allegations of bias. He introduced a system of proactive, board-initiated reviews of ABC content by independent experts. At first, he chose the topics. Later, that became a board decision. The point of these reviews, Spigelman says, was to make it "more obvious that the ABC was conscious of its responsibilities". He insisted, against staff resistance, that the results should be made public.

Spigelman's own view on ABC bias, expressed in a speech he gave to the National Press Club in 2013, was that it lay not so much in party political preference but in the choice of subject matter.

> Journalists . . . tend to have a social and educational background . . . that may make them more interested in, say, gay marriage than, say, electricity prices. As a public broadcaster we must endeavour to engage with those sections of our community who are concerned with the latter.[12]

The last of Labor's appointments to the board was Simon Mordant, an investment banker, art collector and philanthropist. Mordant held numerous positions in the arts and cultural sector, including as chair of the board of the Museum of Contemporary Art Australia and member of the International Council of the Museum of Modern Art in New York, but he was equally well known for corporate deals and brokerage. He went through the selection process after being urged to do so by Spigelman, who told him the ABC needed someone with a finance background. Mordant was a friend of Malcolm Turnbull, and for that reason was mildly surprised when Labor appointed him in November 2012.

Inspired in part by Fiona Stanley's review of science coverage, Mordant in 2016–17 was to lead a review of arts content. This, too, was to emphasise a whole-of-ABC approach and the importance of ensuring that arts content was easier for audiences to discover on digital platforms.

As well, Mordant successfully pushed for the closure of the ABC's fifty retail outlets, which after a great deal of lengthy argument at board level,

was announced in 2015. Sales of DVDs and CDs had been declining, replaced by streaming services. Books could be ordered on the internet. There simply was no longer a good reason for the ABC to have bricks and mortar stores, competing on sales of toys and books with other retailers.

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As an activist communications minister, Stephen Conroy had instituted the Convergence Review, a wide-ranging examination of the future of media and communications in Australia focused on three areas: media ownership and control, content standards, and promoting locally produced content. The review's final report was due to be released in April 2012 – just before the budget in which the ABC's next round of triennial funding was due.

Conroy had warned Scott that the government's commitment to return to surplus meant the 2012 budget would probably be a shocker, and a terrible time for the ABC to make a pitch for more funding. Any spare money for public broadcasting was likely to go to SBS, which had largely missed out in 2009. With that in mind, Conroy and Scott agreed to use the impending Convergence Review report and its potential impact on the ABC as an excuse to delay the ABC's triennial funding submission until 2013. It was pure political strategy. In reality, the Convergence Review had little to do with the ABC.

The Convergence Review was already underway when the News Corporation telephone hacking scandal blew up in the United Kingdom, with evidence of industrial-scale illegal practices and unethical conduct. Even as it pressured the Labor government, News Corporation was on the back foot, although there was no evidence of criminality by its Australian outlets. Conroy took the opportunity to establish an adjunct to the Convergence Review to inquire into the media's ethics and the effectiveness of the various fragmented systems of standards regulation.

Former judge Ray Finkelstein and journalist and journalism academic Matthew Ricketson were appointed to conduct an inquiry encompassing all media outlets, but in the context this was seen by most as an attempt to hold News Corporation to account. The inquiry's report, released in March 2012, was scathing. Self-regulation measures such as the Australian Press Council

suffered from “serious structural constraints”. The statutory system governing broadcasting was “cumbersome and slow”, and legal proceedings were too expensive to offer realistic remedies to the victims of media abuses of power. Finkelstein recommended the establishment of a new body, the News Media Council, to set journalistic standards and handle complaints from the public. Its findings would be legally binding.[13] Predictably, the entire media industry united against the recommendations.

Conroy did not adopt Finkelstein’s approach. Finkelstein had recommended a system under which an editor could, ultimately, be jailed for disagreeing with a state-appointed regulator about what was in the public interest. That was not tolerable to Conroy – or to most journalists. Instead, Conroy put forward legislation under which media organisations would have to be members of self-regulation schemes, which would enforce industry-agreed ethical standards. If journalists were found to be consistently or deliberately in breach, they would lose their existing exemption under the *Privacy Act*. This would expose them to litigation and make most serious journalism practically impossible.

The legislation was introduced into parliament in 2013, in the dying days of the Labor government. *The Daily Telegraph* ran a front-page feature likening Conroy to Stalin and other despots who “believe in controlling the press”.[14]

There were benefits for the ABC in this furious response to the Finkelstein Inquiry and the resulting legislation. In 2012, the position of staff-elected director to the ABC board was reinstated, and the arm’s length process for board appointments – already being followed in practice – was enshrined in legislation.[15] This was done largely without controversy, because the ABC’s critics had their eyes elsewhere. Journalist Matt Peacock, a former London, New York and Washington correspondent best known for his investigations into the impact of asbestos, was elected to the board the following April. Then, in 2013, while the outrage of commercial media was still aimed at Conroy’s supposedly despotic agenda, even more significant amendments to the *ABC Act* quietly slipped through parliament, virtually unnoticed. Five words were inserted into the section that spelt out the functions of the ABC. As well as broadcasting services, its functions now included “to provide digital media services”.[16]

News Corporation and other commercial media had long argued that the ABC had no business competing against newspapers by publishing text on websites, creating mobile phone apps or participating in social media. It should stick to broadcasting in the literal sense of transmitting content over the airwaves, rather than the broader sense of disseminating material. These arguments were taken seriously by some on the right of politics. If acted on, they would have condemned the ABC to confining its activities to what was quickly becoming old media – a future technological backwater. There would have been no websites, no podcasting, no streaming of television content. The 2013 amendments settled this argument, safeguarding the ABC's ability to be a digital player.

Much of Conroy's activism in the media portfolio amounted to nothing. The Convergence Review was not implemented and is now rarely referred to. The legislation to regulate journalistic standards was withdrawn when it became clear that defeat in the parliament was inevitable. But the change to the ABC's charter stands. Once a mandate to provide digital services was in the charter, the popularity of the ABC's websites, podcasts and streaming services made it inconceivable that any future government would remove it. This moment in Australian legislative history is not widely understood or much discussed, yet it was of enormous significance to the ABC and the nation. Had it not happened, the trajectory of the national broadcaster over the next decade might have been very different indeed – towards irrelevance. So far as the ABC is concerned, it is arguably Conroy's most important legacy.

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The triennial funding proposal for 2013 – delayed by a year – went to the government in October 2012. Scott had crafted an approach designed to appeal to a government jaundiced about the quality of journalism. It coalesced around a $30 million bid for ongoing funding for a National News Initiative. This was to include a fact-checking unit that would check the accuracy of public statements by politicians and other public figures; a national reporting team, recruiting about fourteen reporters and producers to "break original, agenda-setting stories for radio, television, online and

digital platforms"; and "new bureaus and journalists in suburban and regional areas". The result, the submission promised, would be "richer, deeper journalism".[17]

Spigelman had made a case for this approach in a speech the previous month. The ABC, he said, was not simply there "to fill gaps in the commercial offering"; its role was "at a fundamental level . . . to ensure that all Australians have access to quality media services, perhaps particularly reliable news and information about international, national, regional and local matters". At a time when traditional media business models were in decline, this had never been more important.[18]

Scott and Spigelman met Prime Minister Gillard in Sydney at Kirribilli on 23 October. Scott later reported to the board that they discussed "the breadth of structural change facing the media industry", and the fact that it was "critical that the ABC be adequately funded to address areas of market failure, such as the reduced investment in quality journalism".[19] However, his report did not capture the colour of the occasion. Spigelman and Scott expected Gillard to like their proposals, with their focus on quality journalism and the ABC's role as a bulwark against News Corporation – not that they explicitly mentioned that organisation. In the lounge room of Kirribilli House, they ran through their pitch. Scott recalls: "You could tell she was engaged and persuaded. And then Jim says – and we'd planned this in advance – Jim just leaned over and said, 'Well, if you are really worried about quality reporting, give us $10 million and we can start now.'"

Within two weeks, $10 million had been approved, as a down payment on what was to come in the 2013 budget. Scott recalls: "There was outrage from News Corporation, of course, and from some in government. But we had it locked in. And Spigelman knew he had done well. He didn't let me forget it. He would say: 'You owe me $10 million. That $10 million is mine.'" Spigelman is sure that Gillard's struggles with News Corporation were part of her motivation. "I assumed that she regarded the ABC as one of few bulwarks of impartial reporting, and that shoring up its capacity was a significant thing to do."

When the budget was handed down, the rest of the funding was confirmed, along with money for the new Melbourne building and an extra $30 million over three years for expansion into digital services.

The aim of the new fact-checking unit, according to a planning document written in April 2013, was to "check the accuracy and factual basis of public statements by politicians and other public figures and groups. It will provide background context and verification on important issues."[20] Based in Sydney, it was to have an editor, a presenter, four other editorial staff, a web producer, social media researcher, and graphics and editing crew. It would have its own webpage as well as producing content for other news programs, at a total cost of $1.7 million per year. It was to land Scott in trouble even before its August 2013 launch.

On 29 May 2013, Scott was at Senate Estimates, answering questioning about the ABC's use of social media from Liberal senator Eric Abetz – always an ABC antagonist. Abetz was suggesting that ABC reporters on social media were showing bias in favour of the Greens. Scott – ever the optimist about social media – responded with some pride that the ABC was an "absolute leader" in its use. "We have hundreds of social media sites . . . We have literally hundreds of Twitter accounts and Facebook accounts that are providing a constant feed of updates through the day, every day. Probably hundreds of thousands of messages are going out on those accounts." Despite all this content, he said, only six breaches of ABC editorial policies on social media had been found.

It was a trap. Abetz had something up his sleeve.

He asked Scott if he would agree "that any serving member of parliament would want a 'race war' with Australia's Indigenous community".

Scott floundered. What was the context? And Abetz went in for the kill. "Why, then, on 5 May this year, would your recently appointed fact-checker, Mr Russell Skelton, have retweeted 'Abetz and Christian fundamentalists want race war. Begins in September'?"

It emerged that the original tweet was by the Indigenous academic Marcia Langton, but Skelton, the newly announced head of the fact-checking unit, had retweeted it. Skelton was a former Fairfax editor and foreign correspondent – a highly experienced journalist. He also happened to be married to Virginia Trioli, the host of *News Breakfast*.

Scott responded that Skelton had not been an employee of the ABC at the time of the tweets and that retweets were not necessarily endorsements.

“I am certainly not going to sit here and judge that behaviour as suggesting that any retweet done by any ABC staff or any journalist is necessarily or tacitly an endorsement.”

But Abetz had more. Could Skelton be seen as an impartial fact-checker when just the previous July he had tweeted: “Abbott’s extremism on display”?

Scott tried to get the debate back on track. He was happy to talk about what the fact-checking unit would do, but not to go through the Twitter history of all of its staff. Skelton should be judged on his work in the new role, not on things he might have retweeted before he took the job.

Abetz had still more. “What about last August, when Mr Skelton tweeted: ‘Mr Abbott was revealed to be the shameless opportunist that he is and he was red faced. Windsor nailed him to the floor’? Is that another clear exhibition of the absence of bias by Mr Skelton?”

Scott struggled to turn the discussion back to what the fact-checking unit was intended to do. The Labor members of the committee, Conroy chief among them, gleefully but unhelpfully suggested that Skelton was merely reporting facts when he (supposedly) described Abbott as a shameless opportunist.

Abetz kept going. “Can you tell me why Mr Skelton would have recently retweeted the accusation that Senator [Barnaby] Joyce is ‘a dense, opportunistic carpetbagger’, as well as another tweet suggesting that ‘the electors of New England were fools if they elected Senator Joyce’?”

Scott agreed to take the issues on notice but repeated the point that these tweets were made before Skelton was an ABC employee. Abetz responded that be that as it may, “All these tweets I have read out now appear under the Twitter account ‘Russell Skelton, Editor, ABC Fact Checking Unit, Sydney, Australia’. Can you point me to where Mr Skelton says, on his Twitter account, that just because he tweets something it does not necessarily mean that he endorses it?”

Scott replied, phlegmatically, “I expect it will be there imminently.”[21]

It was a damaging hit – soon amplified and gloated over by News Corporation outlets, but not only by them. In *The Sydney Morning Herald*, Paul Sheehan commented: “By the time Mark Scott left the Senate committee hearing into the ABC on Wednesday an unpleasant odour had

attached itself to the testimony and credibility of the ABC's managing director. The source of odour could be summed up in two words: Russell Skelton."[22]

Torney had watched the broadcast of Senate Estimates. "I remember thinking, this is quite a moment – are we not going to be able to employ people of Skelton's stature just because of his tweets?" That night she and Scott spoke, and over the next few days, Torney and Alan Sunderland conducted a thorough trawl of Skelton's social media history, assisted by Skelton, who was mortified by the fuss. Most of the problematic content was retweets, rather than things Skelton had written. Torney says that while there were some things she "wouldn't have been happy for an ABC journalist to tweet . . . they were perfectly reasonable for the role he had at Fairfax".

With the facts in front of him, Scott stood by Skelton, who went on to run the fact-checking unit until it closed in 2016. He attended morning news conferences and, Torney recalls, "very quickly became an editorial leadership figure". For three years, the unit's work was reflected in a television segment, *Fact Check*, hosted by John Barron. Overall, the fact-checking operation was judged a success – but not so central that it survived unscathed the cuts of 2014.

Nevertheless, the Abetz exchange was a sign – not the first, but certainly one of the most severe – that social media was a hazard for journalists, and that the optimism about it needed a check. The same year, a new editorial policies guidance note made it explicit that normal ABC standards of impartiality applied to the ABC's social media accounts. In their personal social media activity, ABC staff should make sure that "external activities" did not undermine their independence or integrity. "A thoughtless post or tweet can instantly compromise this perception of impartiality," the guideline warned. The guideline also required that the personal accounts of ABC staff should not include "ABC" or the name of an ABC program or station. The account @abcmarkscott became just @mscott.[23]

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On 26 June 2013, after months of leadership tension and polls predicting a landslide defeat in the forthcoming election, Gillard announced a leadership spill. Rudd was elected. His role, as he acknowledged in his memoirs, was to try to mitigate the extent of the inevitable forthcoming election loss.[24] Not surprisingly, Conroy, who was one of Gillard's staunch supporters, resigned as minister for communications, saying he could not work under Rudd. The relationship between the two men was poisonous.[25]

Conroy had been a key defender of the ABC. He had helped achieve the 2009 funding increase and steered through the changes to the board appointment process and to the charter. He knew how to broker deals within government and get things done, and he had employed all those skills on behalf of the ABC. He had backed Scott on most things and advised him on tactics. He did not interfere with specific journalistic content. Scott once observed that Conroy never rang him to complain about anything on-air, although he did once call to make sure that *Dr Who* would be programmed shortly after it screened in the United Kingdom.

Conroy had not supported Scott on everything. In particular, he had blocked any suggestion of a merger between SBS and the ABC. He also opposed Kim Dalton's push to end or greatly reduce state-based and regional television production. But he had been a doughty defender of the organisation, and an ally.

Conroy was replaced as minister for communications by Anthony Albanese, who held the position for only seventy-nine days before the Labor government, riven by its self-sabotaging leadership changes and internal hatreds, was comprehensively defeated at the September 2013 election. A key issue in the 2013 campaign – and a harbinger of trouble to come at the ABC – was the NBN. Broadband internet speeds and how best to deliver them were at the centre of politics in a way that is difficult to recall from the perspective of the present day, when streaming and rapid internet is taken for granted, at least in urban areas.

Labor had pioneered major public investment in a network built based on delivering fibre to the premises (FTTP) to 90 per cent of the Australian population. The NBN Co. had been set up to build and run it. The Coalition's proposal, advanced by Turnbull as shadow communications minister, was for a cheaper and quicker system relying on multiple

technologies, including existing cable television and telephone lines, and fibre to the node (FTTN) hubs in suburban streets. This was a passion project for Turnbull. He had travelled the world looking at alternative systems and had reached the conclusion that most Australians would only want speeds of 50 Mbps. He regarded Labor's running of the NBN as a "train wreck" – over budget and behind schedule.[26] The differences between the competing systems were hotly debated. Most tech nerds, and large parts of industry, regarded FTTN as outdated technology that would hold Australia back and favoured Labor's approach, despite its problems and cost overruns.

In the lead-up to the election, this controversy was being reported by ABC technology journalist Nick Ross. In February 2013, Ross published a lengthy article for the ABC's technology and gaming portal – a site read mainly by dedicated nerds, and an example of how, at that time, normal ABC discipline did not always extend to obscure parts of its online presence. Ross's article ran to more than 10,000 words – an extraordinary length – and was savage about the Liberal Party's policy, stating that Labor's plan was undoubtedly superior.

Scott was later to tell a Senate Estimates hearing that he could not recall any other article being published at that length. "It is unprecedented in its scale," he said. The article had not been upwardly referred or, apparently, subjected to much editorial oversight.[27]

Turnbull responded sharply on Twitter. Ross was, Turnbull claimed, writing "NBN propaganda" that was "an embarrassment to the ABC". Meanwhile, the technical community, which was mostly strongly in favour of FTTP, rallied to Ross's cause on social media. On the other side of the debate, *The Australian* weighed in, claiming that Ross had been disciplined for bias, which was not true.[28]

Media Watch reported the controversy as yet another example of the difficult distinction between analysis – which according to the ABC's editorial policies, senior and specialist reporters were expected to do – and expressions of opinion, which were forbidden. Presenter Jonathan Holmes was sympathetic to Ross and alert to the difficulties of the distinction. "There's no doubt that it would have been safer if Ross did what ABC journalists often do . . . set out what the government claims about the costs

and benefits of the NBN, and the Opposition's claims for its own policy, and 'leave it to the reader to judge'. But to many media critics, that's just a cop-out. It's what New York University's Jay Rosen has called 'he said, she said journalism' – and he's been railing against it for years . . ." Holmes found that Ross had delivered analysis based on reporting work, using hundreds of reports and other sources. Nevertheless, Holmes concluded that Ross had stepped over the line into advocacy.[29]

What nobody knew at the time, other than Ross's close confidants, was that he had been summoned to a meeting with his boss, the head of current affairs, Bruce Belsham. According to Ross, Belsham warned him that the Coalition would likely win government later that year, and that Turnbull would become their boss. He should be careful.

A couple of months later, in May 2013, Ross had another article ready to run. Again, he was called to a meeting with Belsham. This time, Ross recorded the meeting without Belsham's knowledge. Belsham was recorded as saying that he was under "internal and external" political pressure over Ross's coverage of the NBN. He couldn't publish the new story, he said, because "the Turnbull camp and my superiors will come down on me like a tonne of bricks". Before it could be published, Ross should first write a piece critical of Labor's approach. "We've got to give you some kind of insurance policy, you know," said Belsham. Ross should write "an article where you are hard-headed about something to do with NBN failings, or, you know, potential failings". Belsham described this as "realpolitik".

Ross stopped reporting on the NBN. In 2016, he resigned from the ABC and released his recording of the meeting with Belsham to the left-wing independent news site *New Matilda*, which ran it on the front page.[30] It caused shockwaves. Here was the ABC apparently caving to political pressure.

Internally, nobody thought that Belsham – a respected journalist of integrity – was really trying to nobble the reporting of the NBN for reasons of political expediency; but of course, that is what it looked like. The ABC released a statement stating that the "personal counselling" given to Ross "was extensive and delivered at length over a number of conversations. At times, those exchanges used unguarded and informal language, as is commonplace in private conversations that are intended to air issues fully,

frankly, robustly and in confidence." It was not unreasonable to ask Ross to critically review the Labor Party's policy, the statement said, given he had just published such a long article on the Coalition's policy. It was:

> the responsible thing to do . . . the notion that Nick Ross has ever been "gagged" by anyone at the ABC is nonsense. The ABC does not "gag" the coverage of any issues or topics of public importance. As our record makes clear, the ABC covers all issues of public importance thoroughly and independently.[31]

By the time this story broke, Mark Scott was in his final days as managing director. He was quizzed on the controversy in his last appearance before Senate Estimates. He reiterated that the only concern had been editorial policies. The ABC had a responsibility to air "a plurality of viewpoints and perspectives", and "there were conversations with Mr Ross to that effect". Scott told the senators that Belsham was an experienced manager and reporter, a former head of *Four Corners*. To suggest that he lacked integrity or could be intimidated was ridiculous. "Mr Ross himself had a view, but it was not the responsibility of Mr Ross to simply tell his view; it was to report the range of views, and that is what Mr Belsham was encouraging him to do."

Scott was asked whether Turnbull, either in opposition or in government, had ever approached him directly about the ABC's coverage. He replied: "I am not sure about 'directly', but he certainly did mention it from time to time. If you really want me to document the number of times that politicians have mentioned or complained to me about coverage, it would be a long list of names . . . The main thing I recall about Mr Turnbull's criticism of the ABC was that he thought we should have used our foreign correspondents more around a range of policy matters, to do international comparisons of big issues in the lead-up to the last election. And he could not work out why we did not use them that way."[32]

This was a very mildly expressed version of the truth.

In fact, in his first meeting with ABC management as communications minister, Turnbull made no secret of his disgust with the way the public broadcaster had reported on national broadband policy. As well as Ross's work, his critique included an article by reporter Emma Alberici, published just after the election. The coverage, Turnbull said, "showed contempt for me and the Australian public".[33] He wanted the ABC to consider

commissioning public explainers of big issues, including debt, cyber security and the NBN. There is no evidence that Turnbull ever directly contacted reporters to push these views – but at the level of ABC management and the board, he was vocal and often on the phone. Perhaps inevitably, that had an impact, particularly after Scott had left.

In an interview for this book, Turnbull emphasised his support for independent journalism and for the ABC in particular. It is hard to argue with his record on this. He was, for example, instrumental in the establishment of *The Guardian* in Australia – an outlet which, as he says, was never likely to recommend a vote for a Coalition government.[34] He did so because he wanted more independent journalism in Australia, and more diversity. After he left politics, Turnbull became a vehement critic of the Murdoch organisation's dominance and took over from Kevin Rudd as head of an organisation lobbying for a royal commission into media concentration and the Murdoch influence on politics. In his memoirs, he described himself as "thoroughly pro-ABC".[35] His criticisms of the ABC, he told me, stemmed from a concern about the quality of the journalism, not political partisanship.

All that may well be true. Nevertheless, while Turnbull was in government – first as minister for communications and then as prime minister – he cast a dense shadow over the ABC. Partly this was his personality. Partly it was his conviction that he understood media, and the ABC in particular, and that management should listen to his advice.

The Ross controversy raged briefly and intensely, and then died. Ross had crossed a line between analysis and opinion. But the episode is most significant because of what it revealed about the atmosphere at the ABC as it prepared for the change of government. This would later provide the backdrop to one of the biggest crises in the organisation's history, when the Coalition-appointed chair of the board, Justin Milne, was forced to resign in 2018 amid allegations of political interference by Turnbull. The Ross affair demonstrated that years before that crisis, program-makers were already being counselled in the context of concerns about what Malcolm Turnbull would think and do.

On the eve of the election, in a live interview with SBS from the Penrith Football Stadium, Abbott, in answer to a question about his intention to cut

spending, said, “No cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS.” Scott, rightly, did not believe him. Turnbull was later to write in his memoirs that he, too, was “surprised” by Abbott’s statement, as was the treasurer-to-be, Joe Hockey. Turnbull and Hockey had already discussed “undertaking a rigorous efficiency review of the ABC and making savings where we could without diminishing the quality of the services”.[36]

By the time the government changed, the ABC board comprised Scott, Spigelman, Steven Skala, Cheryl Bart, Jane Bennett, Fiona Stanley, Simon Mordant, Matt Peacock and Julianne Schultz, whose term expired shortly afterwards. Labor’s arm’s length selection process had yielded an impressively qualified bunch. While Spigelman was clearly associated with Labor, and Peacock had been elected with the support of the staff unions, there was little sign of political partisanship among the rest. The main criticism of the board at this time was that it lacked media and, in particular, journalistic experience. After Schultz left, the only members with journalistic experience were Peacock and Scott himself.

Nevertheless, it was a credible bunch of determined people who braced themselves for the advent of a new government and a new minister for communications: the erudite, egotistical, brilliant and stubborn Malcolm Turnbull.

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14

The Kids and the Content

Perhaps a big, complex organisation such as the ABC can never have an unalloyed good news story. There are too many challenges, too many agendas, too much that the public broadcaster is expected to do, and do well, and never enough money. But the creation of what was conceived as a dedicated children's multichannel – ABC3 – and became an expanded children's content service across two channels, apps and a streaming service, is as close as it gets. Even though promises were broken. Even though some of those most responsible for advancing the idea felt betrayed.

The story of what was initially called ABC3 is also an exemplar of what it means to cut the ABC budget – the reality of the losses. More broadly, it is an example of the struggles that take place over the ABC. Just as journalists are passionately sure that their work is essential to the organisation's worth, so are those who commission Australian drama, documentary and children's programming. Managing the ABC sometimes means choosing between these priorities. The resulting decisions never please everyone. Yet the ABC moves on, a large part of Australia's cultural community rocking or floundering in its wake.

For decades, parents had sat their children in front of the lounge-room television and turned on *Play School*, knowing the kids were safe with Big Ted and Jemima. In the early twenty-first century, a new generation of parents, knowing that the internet had become a dangerous place for children, became used to throwing their smartphone or tablet onto the back seat of the car to keep their children quiet and entertained. They knew they would be safe with ABC Kids on the app, iView or YouTube.

The idea of a dedicated children's channel with high levels of Australian content came not from the ABC but from the Australian Children's Television Foundation (ACTF) – the government-funded not-for-profit

founded by Patricia Edgar in 1982. The ACTF's founding coincided with the creation of the Australian children's television production industry, largely as a result of the imposition of minimum children's content quotas on commercial television channels. Edgar had successfully argued that quality Australian children's content could not be created without government-funded institutional support.

The ACTF had started by providing script development services but had soon become a production house and an advocacy organisation. Landmark children's television series such as *Round the Twist*, *Yolngu Boy* and *Li'l Elvis and the Truckstoppers* owed their creation to the ACTF, and to Edgar in particular. But its success, indeed dominance, created opposition. During Edgar's last tumultuous years as director, the increasingly active independent production sector saw the ACTF as government-funded competition. Edgar left the ACTF in 2002 after an extraordinary, nation-changing twenty years at the helm and was replaced by Jenny Buckland, who had joined the organisation years before as a lawyer before rising to general manager.[1]

As Janet Holmes à Court, as chair of the ACTF, was later to say, at this time "there was general criticism of the ACTF as being its own little fortress. Everything we did was an in-house production . . . we weren't regarded by the film and television industry as very easy to work with."[2] Buckland set about building bridges. As part of that, she tried to get a meeting with Sandra Levy, then director of ABC television.

The amount of Australian children's content on the ABC was at its lowest ebb. For children, there was the evergreen *Play School*, which was internally produced. Edgar had engaged in pitched battles with those she described as the "*Play School* mafia", accusing them of opposing innovation in children's programming both at the ABC and in general, and of protecting internal ABC production at the expense of innovative outsiders, including the ACTF.[3]

There was also the wildly successful *Play School* spin-off, *Bananas in Pyjamas* – another internal ABC production. The bananas were great for publicity: large yellow and blue striped reminders to politicians that there was more to the ABC than its journalism. Their visages were stamped on backpacks, t-shirts and pillowcases – all of it earning money for the ABC –

and they featured at every annual ABC showcase in Canberra. There were numerous photos of Mark Scott and various politicians standing with cheesy smiles, framed by B1 and B2.

Buckland thought all this was “slightly pathetic” and believed it concealed the ABC’s weaknesses. The bananas had been created in the early 1990s, part of a worldwide wave of merch-friendly, character-based children’s content, dating from the previous decade, that included the British *Postman Pat* and *Thomas the Tank Engine* franchises, and later *Bob the Builder.* Most of these, including the bananas, were for young children. Meanwhile, there was little original content on the ABC for school-aged kids and teenagers. Thanks to quota requirements, the commercial broadcasters were commissioning far more children’s content than the ABC, which was not subject to quotas.

Buckland could not get a meeting with Levy. That was in 2003. The next year, the Howard government made further cuts to the ABC budget. The children’s current events program *Behind the News* was axed, although it would be revived a couple of years later. The ABC also lost a nascent children’s digital service, FlyTV.[4] Things were dire.

Meanwhile, Buckland had been watching the development of dedicated children’s multichannels at the BBC. Multichannelling was still heavily restricted in Australia, but she correctly thought that would have to change, and she could see the potential. She engaged Ian McGarrity, formerly deputy head of ABC television, head of SBS television and chair of Digital Broadcasting Australia, to do a feasibility study. The resulting document was submitted to the Howard government and communications minister Helen Coonan in early 2006, as part of a response to an inquiry into the future of digital television. It made a powerful case. There were 4 million Australian children, it pointed out, and they were “digital natives, early adopters and fluent users of new technologies”. A dedicated digital children’s channel would drive Australian families to adopt digital technology, helping the government to achieve its ambitions to shut off the analogue signal.

More importantly, it would help kids. The late afternoon and early evening hours were increasingly being used to screen adult programs to hook audiences into the all-important ratings driver – the evening television

news bulletins. Cynically, the commercial channels were meeting their quota requirements by screening children's content earlier in the afternoon, when most children were still at school or at after-school activities. Much of the content was cheap and poorly made – magazine-style programs, with only the minimum required quantity of Australian children's drama. Meanwhile, the advent of pay television, specifically Foxtel, had given access to many dedicated channels of overseas-produced children's content, but only to those willing and able to pay.

The result was that despite its inadequacies, the ABC was still, in Buckland's estimation, the market leader among free-to-air broadcasters, and the most likely to lead the industry towards something better. The ACTF submission argued for the creation of a "distinctive, comprehensive, children's public service channel which is predominantly Australian and available to every family in Australia that can receive free-to-air television". It proposed several ways this could be done. The quickest and cheapest would be a digital multichannel run by either the ABC or SBS. Another option was a children's channel produced by a commercial network and funded by the government. Alternatively, the government could fund a stand-alone effort, perhaps run by the ACTF.[5]

At this stage, the ACTF did not have a preferred model. Buckland thought the ABC was the natural home for a dedicated children's channel, but she had drawn the conclusion that the organisation was not open to the idea. That changed when Kim Dalton became director of television at the beginning of 2006, replacing Levy. Buckland knew him, slightly, from his brief, unhappy period at the ACTF. Unlike Edgar, she had not fallen out with him. In his first few weeks at the ABC, she went to see him and presented him with the document that had already gone to the government. He was, she recalls, immediately interested but cautioned that a new managing director was soon to be appointed. He could not commit to such a project before the new boss was in place.

On the ACTF board at the time was Shane Stone, a former leader of the Country Liberal Party and chief minister of the Northern Territory. Stone was an enthusiast for the children's channel but deeply suspicious of the ABC. He favoured a model in which the ACTF would run the channel and the ABC would be obliged to screen it. Buckland recalls: "He thought, the

money will go to the ABC, and it'll all be hunky dory for a couple of years, and then it will disappear into other areas. It pains me to say it, but he was right."

Nevertheless, Stone helped the ACTF to organise a lobbying trip to Canberra, including a cocktail party at Parliament House, in late 2006. The idea was getting traction with the government, including with communications minister Helen Coonan. Another ACTF board member, Terry Bracks – wife of the Victorian premier Steve Bracks and a former ALP staffer – was helping to lobby the alternative government. A couple of days after the Canberra cocktail party, Mark Scott rang Buckland, prompted by Coonan. Buckland recalls: "He said, 'We know that you've been to Canberra. We know that you've got a lot of traction with this idea of a children's channel. We would really like to talk to you about that.'" Scott, of course, had already raised the idea of a children's channel in his earliest strategy meetings with staff.

Unbeknownst to Buckland, the idea of an ABC children's channel had landed in the middle of the raging battle for control of the ABC's digital channels and websites. As described earlier in this book, Dalton and the other content heads wanted them returned to the content divisions, rather than in Lynley Marshall's media and digital services division. Marshall had plans for a leanly budgeted digital channel carrying kids' content, and there had been previous attempts to create something like this dating back to Jonathan Shier's time. Buckland got the impression Marshall was not pleased with the competing proposal. But when Scott sided with the content heads and returned the digital assets to their divisions, Marshall's division was abolished. The first multichannel, ABC2, was now under Dalton's control. If there was to be a new children's multichannel, that would be under his direction as well.

Dalton, Scott, Buckland and Janet Holmes à Court met and agreed to form an alliance to lobby for an ABC children's channel. Thanks to his connections, Dalton was able to rally the independent production sector to the cause, despite the tensions with the ACTF. Meanwhile, the ACTF had excellent relationships in the education sector and with parents' groups. It was a powerful alliance. As Dalton recalls: "Every time a government minister talked to someone in the creative industries, or in education, or concerned with children, they were hearing about the children's channel. It

became an undeniable idea." There was no formal partnership agreement behind the alliance – something Buckland now regrets.

As detailed in Chapters 5 and 6, funding for the children's channel was a Howard government election promise in 2007. Labor failed to match that commitment, but Scott successfully made the children's channel a central part of his pitch to the 2020 Summit in the early days of the Rudd government, and the government committed to funding it. By the time of the 2009 triennial funding announcement, the idea had near universal support. In its funding submission, the ABC committed to a children's service that would aim for 50 per cent Australian content. The 2009 budget included $136.4 million in new funding over the next three years for an "advertising-free, digital children's television channel" and the rest for increased drama production more generally.

Significantly, and counted by both Scott and new minister Stephen Conroy as a big win, this increased funding was to be part of the ABC's base operational funding, rather than tied to particular projects and expiring at the end of the triennium. Labor was opposed to tied funding, given its implications for the ABC's independence. What Buckland did not fully appreciate at the time was that this meant that once the triennium expired, the ABC would be able to allocate the money elsewhere.

Nobody was thinking about that when the 2009 budget was handed down. Instead, the ABC and the ACTF held a party. Maurice Newman spoke, then Holmes à Court, who congratulated Newman, Scott and Dalton on breaking down the "fortress" of the ABC and opening it to outside content creators and new partnerships.[6]

The idea of the new children's service had by now developed beyond its ACTF roots. Dalton wanted to spread the content across two channels. ABC2, the multichannel launched in 2005 and freed from genre restrictions in 2006, had first been chiefly a catch-up service, broadcasting repeats, and then a home for alternative or fringe content. It carried live gigs by young musicians and comedians, launched the Indigenous Music Awards with Triple J, screened live from Opera Australia and the Australian Ballet and explored content appealing to young people, such as the online gaming program *Good Game*. The ABC used it as a safe place for experimentation. But over time, ABC2 had become both a blessing and a burden. It

represented hours of schedule demanding to be filled. Once ABC iView, the streaming service, was launched in 2008, the justification for airing repeats declined.

Now, the new money for children's programming allowed a different solution. Programming for preschool-aged children would be aired on ABC2 during the day, under the brand "ABC Kids". In the evening, ABC2 would be for youths. The new channel, ABC3, was to be aimed at children aged between six and fifteen years old.[7]

ABC3 was launched by Prime Minister Rudd in a televised ceremony on 4 December 2009 – just months before he was replaced by Gillard. Rudd high-fived teenagers on a catwalk erected in the foyer of the Ultimo headquarters, answered questions texted in by children, and sang a snippet of the *Play School* theme song before pressing a button on a giant remote control to officially launch the channel. In a speech to ABC staff, he said: "Every now and then in Australian life, there are good days – and this is one such day. Encouraging a child's imagination to roam and run free is part and parcel of creating a creative Australian."[8]

Among the first new programs on ABC3 were *My Place*, a drama based on an award-winning picture book by Nadia Wheatley and Donna Rawlins; *CJ the DJ*, an animation about a teenager who loves music; and *Prank Patrol*, an action series based on a Canadian show. Within months, there was also the teen drama *Dance Academy*, which was to last for three series and a total of sixty-five episodes. Then came *Dead Gorgeous*, a supernatural fantasy, and documentaries such as *Be the Creature*. There was also *Behind the News*, which had been relaunched in 2005 and was now produced in Adelaide as both a television program and a website.

As Dalton had promised, ABC3 had 40 per cent Australian content when it launched, with the intention to lift that to 50 per cent. Meanwhile, on ABC2 there was *Giggle and Hoot*, a "wrap-around" program in which shows were introduced by Jimmy Giggle and his best friend, Hoot the Owl. Across ABC2 and 3, there were now thirty-two hours a week of children's content on ABC television.[9] Most of these programs were produced by the independent sector and attracted funding from organisations such as Screen Australia.

The next few years were transformative, golden years for Australian children's television. The new commissions fuelled enormous creativity in the independent production sector. *Bushwhacked!*, an adventure program following wildlife around Australia, premiered in October 2012. *MY:24* featured young people talking about a day in their life and was supported by educational resources for schools produced by the ACTF. *Behind the News* was extended to a daily format. The flow of programs continued. Recalls Buckland: "Suddenly, you'd have this bunch of producers doing children's content. People of the highest calibre thinking, 'Why not produce a drama for children?' And the standard really lifted." Within three years, the ABC was delivering on its 50 per cent Australian content promise on ABC3.

It didn't last.

In December 2012, Dalton left the ABC, forced to resign by Mark Scott. It had been a long time coming. Some thought it should have come earlier. Some, admiring Dalton's courage and flare, thought it was a measure of Scott's unwillingness to tolerate those who challenged him. The two men had never gotten on. Dalton was fiercely critical of Scott behind his back and did not hide his hostility face to face. "Mark found me incredibly aggressive," Dalton acknowledges. Dalton could be a difficult man to work with. The points of disagreement were, so far as Dalton was concerned, what he saw as Scott's lack of decisiveness and his failure to take on Pendleton and support Dalton in his attempts to change how the ABC commissioned Australian content. Scott, on the other hand, continued to find Dalton a barrier in his attempts to get the ABC executive to work as one, rather than as feudal lords over their divisions.

Executive meetings had become increasingly heated. There had been many sources of tension over the years, but the breaking point came over Project 21 and the fundamental restructure it proposed, moving away from platform-based divisions such as television and radio.

In December 2012, Scott wrote a letter to Dalton, which he never delivered – but it formed the basis of the conversation that led to Dalton's resignation. Scott wrote that platforms – television, radio and online – would soon no longer be the most logical way of organising the ABC. The organisation needed to be able to move resources around in ways that benefited the audiences, rather than being restricted by traditional fiefdoms.

Scott acknowledged Dalton's role in creating ABC3 and reviving television drama at the ABC. But now he had become a barrier.

Scott wrote:

> You think the threat to television audiences is overstated . . . Your view is that online and mobile content opportunities are fundamentally ancillary to traditional television activity. You also think the opportunities for operating cross-divisionally are minimal and have opposed the idea of cross-divisional content commissioning and any suggestion of reallocated budgets and the locus of budget decision-making. In my view, this will not take the ABC where it needs to go. The person filling the role of Director of TV at the ABC now needs to be someone who can lead the ABC into a genuine audience-focused role that may see the diminution of platform primacy.

He made clear that there was no other role "suitable" for Dalton. He would be finishing with the ABC.[10]

Nice words were said in the official media release announcing Dalton's departure. Scott described his "remarkable legacy of achievement, including the creation of a host of new services, quality programming and different ways for audiences to engage with the ABC". He praised his commitment to Australian drama and particularly Indigenous content such as *Redfern Now* and the telemovie *Mabo*. Audience share was up on all ABC channels, Scott said.[11]

After he left the ABC, Scott reflected on the members of his executive whom he had "let go" – a euphemism for pushing out. There were only two: Sue Howard as director of radio, and Dalton. Others, such as Kate Dundas and John Cameron and Kate Torney, left of their own accord and for their own reasons. The core issue behind both forced departures, Scott said, was an unwillingness to think of the ABC as a whole, as the hero brand, rather than defending their own fiefdoms.[12] In an interview for this book, Scott said he and Dalton had a fundamental difference in opinion about the speed of change in television and the appropriate response from the ABC. He described Dalton as not "getting" the need for rapid transition to a mindset beyond broadcasting. Dalton was fiercely combative and courageous in defending his division and enabling it to produce high-quality television – but in Scott's view, he was less focused on how audience consumption was changing.

Dalton disputes this. He told me he was entirely on board with a digital strategy and responsible for the television part of it. He cited his push, with

Cameron and other content heads, for digital assets to be returned to the content divisions in the early days of Scott's term, along with his championing of the streaming service iView and the development of the multichannels. But it is true that he opposed Project 21 and what he understood to be its underlying premise: that people would no longer want to watch long-form, high-quality television, and that the ABC should no longer be structured around the craft, skills and imperatives of the production platforms. And it is true that he was fiercely defensive of a dedicated budget for television.

Dalton had been director of television at the ABC for seven years – longer than he had stayed in any other job. "I've never been a maintenance person. When I've done senior jobs in places, I've gone into places and changed them and usually grown them, and usually been fairly entrepreneurial, and then moved on." At the ABC, there had been the wins of increased funding and commissioning, but also "just the grind of doing a job like that . . . the amount of time you're allocating to being defensive and protecting your flock and protecting your work. I was successful at it, but at a cost, I suppose. And you eventually get tired . . . I think my strengths are about facilitating and supporting creative talent, and the ABC's a very hard place to do that."

He acknowledges that "Mark wanted to take television in a direction I didn't agree with". There was a "strategic misalignment". What were the elements of Scott's direction he disagreed with? "It was about breaking down what [Scott] thought were silos . . . in what he saw as a world where platforms such as TV would slowly disappear, and . . . audiences would be looking for – I don't know – areas and groupings of content. He thought they'd be less interested in where they got it from." This was the Project 21 agenda. Says Dalton: "I just used to argue that there's an audience out there who still want to watch free-to-air television, and they want to watch the ABC, and they want to watch quite traditional forms of storytelling, across a whole range of genres. And there's a very particular skills base to produce that, and a very particular set of competencies and expertise, and that's core television production."

Dalton does not hide his contempt for Scott's approach or for the LEK report that lay behind Project 21. "He spent millions of dollars having a consultancy report on this [restructure], and I looked at it and I told him it

was a load of poppycock. You're going to get rid of the television division, but he wouldn't get rid of the news division. You would never say that at the ABC, because you would be taken out and shot." The latter point, at least, is almost certainly true.

For a brief interregnum following Dalton's abrupt departure David Anderson was director of television. Then, shortly before the 2013 election, Richard Finlayson was recruited from SBS, where he had been chief operating officer; before that, he had been director of program acquisitions at the pay television organisation XYZ Networks, a joint venture of Foxtel and Austar.

Almost before Finlayson got his feet under the desk, Buckland noticed a change in atmosphere around children's commissioning. Dalton's departure had roughly coincided with the end of the triennium for which funding had been granted. Now that extra money was part of the ABC's core operational funding, and it was being reallocated, part of the hard-nosed review of how money needed to be spent that had resulted from Project Chicago and Project 21.

Finlayson, meanwhile, was adjusting to a much bigger and more complex organisation than he had worked in at SBS. He had enjoyed his time there – the culture, the autonomy that came from running his own division in a small organisation, and the "sense of noble purpose" that came from public broadcasting. He was planning a move back to the private sector when he got a call from recruiters about the ABC job of director of television. He said no at first, but was encouraged to meet Scott and was impressed. "He's a very easy person to get along with. He's clearly very passionate about the purpose of the public broadcaster . . . He told me a great story on what the possibilities were of change and growth, and I bought that."

Finlayson sought Dalton out and had coffee with him to pick his brains. Dalton's main message was: "It's a fight. Every day someone's going to want your money, and it's your job to fight and keep that money in television." Finlayson was used to a collaborative culture at SBS. "I like to think I'm a team player." But he soon came to a better understanding of the tensions between Dalton and Scott. "I quickly found that to my surprise, Kim was right. Everybody was after the money." Nevertheless, he understood the need for change and flexibility. He continued, as he saw it,

to attempt to contribute to the organisation as a whole, although he was always careful to avoid, as he puts it, “decisions that might see a whole bunch of resources head off to elsewhere in the organisation”. When he started, he thought the television department relatively well resourced. That was before the two waves of funding cuts in 2014, after which he was instructed to cut $25 million. That left him constantly strategising, trying to keep commissioning new content as funding disappeared.

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In early 2014, Finlayson, at Andrew Denton’s recommendation, recruited Jon Casimir as the new head of television entertainment. Casimir had been a journalist at *The Sydney Morning Herald* before being lured into television production by Denton, working on Denton’s popular *Enough Rope* chat show. In the independent production sector, he had been a key part of the creative talent behind ABC shows such as *The Gruen Transfer* and *Hungry Beast*. Taking a job at the ABC, Casimir said at the time, was like moving from a de facto relationship to a marriage, because he had been making ABC programs for more than a decade.[13] In an interview for this book, he said he felt a sense of public duty. The ABC was important. “It’s almost like, ‘Your country needs you’. So if you are asked, you should not say no.” But almost immediately after he joined, the Abbott cuts hit. One of his first jobs was axing *Spicks and Specks*, which had been rebooted early in 2014. Meanwhile, the imperative was to try and attract younger audiences – all on a diminishing budget.

As we have seen, the Audience Strategy Group had begun to talk about underserviced and overserviced audiences. Two examples of overservicing in the ASG’s sights were the historical dramas *The Miss Fisher Murder Mysteries* and *The Dr Blake Mysteries*. This was expensive, externally produced content – popular, but with notably middle-class and older audiences, who were already considered “overserviced”. What about the younger, multicultural suburbs of southwestern Sydney, where the ABC had much lower penetration? Did their residents watch Phryne Fisher? Could they connect with Dr Blake?

Finlayson was on the watch for programming that would appeal to a broader audience and that could use new funding models, such as partnerships with streaming companies. The results included *Glitch*, a supernatural drama series developed by producers Tony Ayres, Louise Fox and Matchbox Pictures. It was co-commissioned with Netflix and made available simultaneously on the main channel and on iView. Another was *Cleverman*, a six-part series reimagining stories of the Aboriginal Dreamtime. In 2016, this quintessentially Australian show premiered simultaneously on the ABC and on Sundance TV, a US pay-TV channel. As part of the directive to produce more "distinctive" content, there was also budget for programs that dramatised the modern Australian literary canon – a long-term ambition of Scott's. This led to miniseries such as *The Secret River*, which swept the awards pool and was the ABC's highest-rating drama in 2015. Based on Kate Grenville's landmark novel, it explored the colonisation of Australia and its impact on the original inhabitants. In 2016, there was *Barracuda*, based on Christos Tsiolkas's novel, and in 2017, *Seven Types of Ambiguity*, a six-part series based on the novel by Elliot Perlman. The difficulty, as ever at the ABC, was to strike a balance between serving the loyal, rusted-on ABC audiences and seeking new ones. The discussions internally were constant. Another six episodes of reliable favourites such as *Doctor Blake* – which was the highest-rating drama in Australia at the time – or a few groundbreaking projects like *The Secret River*?

And now there was a sign of the future. Because *Glitch* had been co-commissioned with Netflix, the ABC had only limited rights. In October 2016, *Glitch* disappeared from ABC platforms, while reaching international audiences through Netflix. The same pattern was followed for the two subsequent seasons.

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Through all this, ABC Kids continued to be a big success – the number one destination for preschoolers in 2015–16, reaching 70 per cent of them thanks to iPads and mobile phones. In 2016, *Play School* celebrated its fiftieth birthday. For older children, there were great new series on ABC3,

such as *Nowhere Boys*, which won an international Emmy, and *Tomorrow When the War Began*, based on the novels by John Marsden. But only close readers of the ABC's annual reports would have spotted that in 2013–14, only 25 per cent of ABC Kids content on ABC2 was Australian, including *Play School*, *Giggle and Hoot* and *Bananas in Pyjamas*. The content on ABC3 was still over 50 per cent Australian, but in subsequent years that dropped too. By 2016, the ABC was reporting that Australian children's content on all channels was just 36.3 per cent. The 2009 commitment to 50 per cent Australian content had been quietly dropped.[14]

The ABC suffered devastating cuts in 2014 – the first full year of the Abbott government – and new Australian content declined as a result. But the diversion of funds from children's content had begun before the cuts. The story of this diversion was mostly missed by those who, in theory, hold the ABC to account. In particular, at the time the cuts were being made, it was missed by Senate Estimates. The significance, of course, was the expectations that had been raised by the campaign to establish ABC3, and the promises – explicit and implicit – that had been made about Australian content more generally in the 2009 funding submission.

Instead, public debate about children's television on the ABC in 2013 was largely silly, and mostly about *Peppa Pig* – a British animation that was at the time the most popular program on ABC television. In December 2013, the right-wing News Corporation columnist Piers Akerman blasted the ABC for its supposedly left-wing bias and named *Peppa Pig* as a major offender. "Even the cartoon character *Peppa Pig* pushes a weird feminist line that would be closer to the hearts of Labor's Handbag Hit Squad than the pre-school audience it is aimed at," he wrote.[15]

The ABC's Annabel Crabb had a lot of fun with that. Writing in *The Sydney Morning Herald*, she remarked that it was shaping up as a "grim Christmas" at the ABC. Akerman, she said, had opened up "a radical new front. He got the pig involved" in the culture wars. Crabb speculated on what had ignited Akerman's concern. Was it "Peppa's ungirlish love of puddle jumping, her casual insubordination to her father, and the sinister presence of Miss Rabbit, who has about 100 jobs, is unmarried, and sometimes babysits for her sister, Mrs Rabbit? Mrs Rabbit has only four children, which for a rabbit seems so suspiciously low . . . she might just as

well be a brand ambassador for birth control."[16] Political journalist Lenore Taylor had a more jaundiced take, seeing Akerman's article as the high-water mark of a "barrage" of opinion pieces attacking the ABC for bias in News Corporation newspapers. She tied this to the advent of the new Abbott government.[17]A few months later, when the 2014 cuts were announced, Scott again faced questions at Senate Estimates about *Peppa Pig*. Would Peppa be cut? Scott made some general comments about the ABC having to work within a smaller funding envelope. In response, the new minister for communications, Malcolm Turnbull, tweeted that Peppa was safe. "Contrary to media rumours, Peppa's is one snout we are happy to have in the ABC trough." And he told News Corporation that he expected the ABC to meet the cuts through efficiencies. "If Peppa were at risk, and she is not, then I would lead the charge to save her bacon."[18] Peppa came up again when the second wave of cuts was announced, in November. Nationals senator Bridget McKenzie was unconcerned, describing Peppa as "a foreign imported pork product" who was less of a priority than "your charter obligations to reporting local weather, local news, community events and emergency services to the 30 per cent of Australians who live outside capital cities"[19] – yet another example of the many things the ABC was meant to be doing, even as the funding diminished.

But with all the fuss about the imported pork product, nobody in government noticed, or thought to ask, about the fact that the ABC, which four years earlier had gained funding on the basis of a children's channel with 50 per cent Australian content, was quietly dropping that commitment.

Buckland noticed. Gradually, the word was spreading in the independent production sector. Less was being commissioned by the ABC. She was told that the Australian content target for ABC3 was now 25 per cent. Buckland still thinks the ABC should provide a comprehensive public broadcasting experience for children, but queries whether it really wants to. "What the whole episode demonstrates is that children's television is constantly sidelined within such a large organisation, and management's vision for the children's audience lacks commitment and ambition. There's also very little scrutiny or accountability, because the issue is so easily trivialised by the ABC, politicians and journalists."

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It was left to Kim Dalton to open the lid on what happened at ABC television after he left. In May 2017 – after Scott had left the ABC – Dalton gave a speech and published a paper about the ABC and Australian content. It was a typically forthright effort. He not only talked about how money had been repurposed. He questioned one of the foundation stones of the ABC: its independence from government and from broader public policy. Dalton said the ABC was using the notion of independence to be opaque in its operations and allocation of resources. The independence argument meant that the ABC had for years been able to ignore other elements of government policy meant to foster cultural life and screen culture, he said. Dalton asserted that since the 2012–13 financial year, the ABC's children's budget had been reduced by 50 per cent, or more than $20 million, "an amount that is disproportionate to cuts the ABC received from the Abbott Coalition". The ABC's independence, he said, had become "the licence by which it . . . refuses to commit to any outcomes, transparency or accountability around Australian content and Australia's production and creative community".

The trends Dalton identified in this speech were correct, but the figures he provided vary from those provided by the ABC in answers to questions at Senate Estimates in 2019, during detailed examination of how the ABC had moved money around. The ABC's figures show that it did not start cutting the budget for drama until after the Abbott cuts, and then the cuts were deep indeed. In 2012–13, the spending on drama was $44.4 million. By 2016–17, it was just $27.5 million. The cuts to children's content did indeed begin before the Abbott cuts, and then continued. The funding was at $20.2 million in 2012–13. Given the commitments made in 2009, it should have been substantially higher. By 2016–17, funding for children's content was just $13.5 million.[20]

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In an interview for this book shortly after Dalton published his essay, Scott acknowledged that money was reallocated from children's television

content, including before the Abbott cuts. He argued that the ABC was entitled to make these reallocations given this money was now base funding. He also acknowledged that he cut content more deeply than budget cuts alone made necessary. The imperative was to invest in "technological infrastructure", to make sure the ABC could meet its audiences in all the new ways and places they were accessing content. Previously, the ABC had funded innovation through internal efficiencies. After the Abbott cuts, there was no margin for that to be done. The ABC exercised discretion and its own judgement on funding priorities. Or, as Scott put it to staff, it remained in charge of its own destiny.

Dalton always thought that the ABC should be subject to quotas on Australian content, as the commercial stations have been. Buckland suggests that the ABC charter should be amended to specifically mention children as an audience to be served, and that funding for that should be quarantined. Both of them, and several other critics of the ABC, think it should be required to heed the broader framework of Australian cultural policy. They agree with Dalton that the ABC sometimes uses the need to protect its independence as an excuse for opacity.[21]

Against this, there is the importance of ABC independence and of its journalism. Setting quotas for children's content or drama – or, for that matter, levels of local news in the regions – would be politically easy and popular. But if, at the same time, total funding was either cut or not increased to levels sufficient to meet the new requirements, then inevitably the ABC would have to cut elsewhere. It is not hard to see how it might work. At a single legislative stroke and at no political cost, a future government could rid itself of much of the ABC's pesky and expensive journalism. Dalton argues that if there were quotas or charter requirements, funding would necessarily have to follow. But, as we shall see in Chapter 19, which deals with the ABC's charter requirement for international broadcasting, history suggests that is a very optimistic point of view.

There is a story in children's content that sums up some of the dilemmas and choices the ABC has to make in bringing content to screen. In October 2018 a new Australian-produced animation, *Bluey*, premiered on ABC Kids. Bluey was a six-year-old blue heeler puppy who lived with her father, Bandit, her mother, Chilli, and a younger sister, Bingo.

Bluey was created by Joe Brumm and produced by Ludo Studio – both established but not particularly well-known players in children's television. This was not an "imported pork product" but our very own home-grown blue heeler.

Bluey was commissioned by the then head of children's content at the ABC, Michael Carrington, who had returned to Australia in 2016 from a stellar career in the United Kingdom. He had been shocked to find the television division, which had been regarded as punching above its weight internationally, "diminished" and suffering from poor morale. He knew they had to move fast. Television audiences were shrinking. His previous experience told him that YouTube was becoming increasingly successful in drawing children. Meanwhile the budget cuts meant that preschool content was not being commissioned. *Play School* and *Giggle and Hoot* were "rolling on", but the priority was primary-school audiences, with series such as *Nowhere Boys*. Even there, the commissioning budget was thin.

Then Brumm pitched *Bluey* to him. Carrington recalls: "I remember my tummy having butterflies. I knew that we had something incredibly special. It had heart. It had emotion. It had family . . . It had so many different elements. For me, it was a hugely important foundation to build something on. So that's how I pitched it internally. This was going to be the new *Peppa Pig*. I had to believe that, because it was going to be very expensive and we hadn't been commissioning preschool content."

David Anderson, who was director of television at the time (Richard Finlayson having left early in Michelle Guthrie's tenure) recalls Carrington telling him *Bluey* would work. Others were concerned that a relatively old-fashioned, 2D animation would not cut through, but Carrington's expertise was universally respected and won the day. Says Anderson: "It almost starts like a joke . . . a little-known producer walks through the door and says, 'Have I got something for you!' – and it's a 2D animation about a puppy. I was advised that we thought it would work. We thought it would bring joy to people. Who knew it was a unicorn from that moment?" Hindsight, he remarks, is a wonderful thing.

Animation is expensive – at least as expensive as producing high-end drama. Recalls Carrington: "I had to start racking my brain how we were going to make it. It was going to cost millions." Serendipitously, there was a major children's animation summit in Australia in 2017. It was an

opportunity to try and interest international buyers. Carrington found some development money – enough for Brumm and Ludo to make a pilot. It was a sensation. After the pilot aired at the summit, Ludo and Brumm had their choice of international partners. The BBC was interested in commissioning the show.

The ABC was still included in the deal, largely because of the relationships of trust that had developed between Ludo, Brumm and Carrington, and their gratitude to the ABC for backing the idea and funding the pilot.

The ABC has never released the details of the funding package that resulted in *Bluey* being created. There were multiple sources of money, including Screen Australia and Screen Queensland, and the ABC licence fee. Ludo itself invested. The biggest single source of finance, generally believed to be at about 30 per cent of the total cost, was the BBC, which took all the rights – licensing and merchandising.

According to Carrington, there were internal discussions about trying to retain some merchandising rights at the ABC – but the organisation had seen a decline in revenue from CDs and DVDs. The ABC Shops were closing. “It just wasn’t the right time.” The ABC commercial team did not have the budget to compete for a financial investment of the size required for *Bluey*, nor the global infrastructure to commercially exploit merchandise at scale. That was left to the BBC.

Bluey became bigger than *Peppa Pig*. Much bigger than the bananas. Soon, giant models of Bluey were featuring in those cheesy photos of ABC executives and politicians. Australian children and their parents spent 43.9 billion minutes – the equivalent of 83,523 years – watching *Bluey* in 2024, making it the most successful Australian show ever. Internationally, the program won awards and was sublicensed all over the world. Disney made *Bluey* the first non-Disney owned brand to feature at its US theme parks. Then there was all the merch – books, plush toys, pencil cases, drink bottles and so on. The revenue all went to the BBC.

Precise figures on how much the *Bluey* rights are worth are not available, but BBC Studios posted a record total revenue of £2.2 billion in 2024–25, explicitly crediting *Bluey* as a primary driver. One conservative estimate puts the BBC’s annual *Bluey* income at around $1 billion AUD.[22]

To put that in perspective, the total government funding for the ABC in 2025 was about $1.1 billion.

The ABC contributed faith in the project, commissioning expertise, and a licence fee. Without those things, *Bluey* might never have happened. There is no world in which the public broadcaster could have financed the whole thing, or even most of it. The ABC does not and never has employed animators. When *Bananas in Pyjamas* became a cartoon in 2011, it had to be outsourced – to Southern Star Entertainment. As Dalton had advocated, the ABC was mostly a user of rights, not an owner of them.

But what if the ABC, in 2018, had been less constrained by inadequate funding, less rigid in its decision to spend its limited money on content for teenagers and young adults and not for preschoolers? More commercially minded, less battered by cuts and austerity? Let us imagine an alternative universe in which the ABC had obtained the licensing and merchandising rights – or even part of them. The money awarded in the 2009 budget to create ABC3 and increase the amount of Australian content on ABC Television was $136.4 million over three years. *Bluey* would almost certainly have recouped all of it, with a lot of change left over.

Many ABC insiders and many within the cultural community think that the deep cuts to drama and children's content after 2014 were a mistake – a black mark on Scott's record. For Scott, there were other imperatives. It is impossible to judge his record without understanding what they were.

So what was this "technological infrastructure" which from 2013 onwards and particularly after the devastating cuts of 2014, caused the ABC to divert some of its spending on Australian television content?

It was many things, most of them falling into the category of unseen investment – making sure that content could still reach audiences as their behaviour shifted.

From 2013 onwards, audiences began to abandon traditional platforms in increasing numbers. Enormous shifts were underway. The ABC's streaming service, iView, had been created years before with virtually no budget, and had to constantly innovate to avoid becoming a relic. Websites that had been created to display on desktop computers now needed to work on mobile devices. ABC content had to be readily available on other platforms, such as YouTube and Facebook.

Scott summed up some of the challenges in a strategic forum for senior staff in 2014.

In television, the ABC was now third in reach after the Seven and Nine networks – but this meant it was claiming a bigger slice of a smaller pie, because the audience was moving away from traditional television. The ABC was doing well online – its monthly reach was the highest on record, at 3.65 million, largely driven by ABC News Online. On election day 2013, more than 50 per cent of traffic to ABC Online came from mobile devices – and yet only a year before, the ABC News website had not been available on mobiles. 73 per cent of Australians aged between fifteen and sixty-five now had smartphones, projected to increase to 93 per cent by 2018 – and for about half of those phone owners, accessing media was their main use of the device. Scott quoted Benedict Evans, the US-based technological and media analyst, who said "mobile is eating the world".

iView was growing at astonishing speed, but more than half of the "plays" were on Apple mobile devices. Functionality for Android had only just been launched. The ABC was barely keeping up. "We can't stand still," Scott told staff. "[There is] no future in doing what we've always done, in the way we've always done it . . . every year is now a fasten-your-seatbelts year." In Scott's view, the ABC's early success in innovating with podcasting, vodcasting and streaming hid a dangerous underinvestment in technology that needed to be urgently addressed. In an interview for this book, he compared the ABC's digital estate at that time to a house with many rooms, with no way to make your way from one room to the other, or even to know that there was more to the house than the room you were in. "Our audiences expect convergence from us," he said to staff in 2014, "because they are already converged. We're keeping up with them – catching up would mean we were too late." Failure to innovate would be a path to irrelevance. This was the kind of spending that audiences didn't notice. Either the ABC worked on their devices, or it didn't. Nobody thought about digital infrastructure unless it didn't work. Cuts to programs, on the other hand, were always visible and controversial.

There were other problems, which were internal. Because in 2013 and 2014, when the audience was on the move and the imperative to redirect resources to digital infrastructure was becoming increasingly urgent, the ABC's digital assets were both rather wonderful, and rather a mess.

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Swamped by Change

Two projects illustrate the wonders and the horrors of how the ABC dealt with the tsunami of change in how audiences accessed content.

The first was the creation and development of the streaming service ABC iView – a high-profile success story and a tribute to innovation and far-sightedness. The launch of iView in July 2008 put the ABC ahead of the pack, before Netflix and other major streaming services had hit the Australian market, and before the commercial networks or SBS had developed their own on-demand services.

The second is a much less happy tale, barely known or talked about outside the ABC but bitterly remembered by its veterans. It concerns the development of the ABC's web content management system (WCMS), which was an expensive trauma in slow motion. There is little sign that the ABC's critics or even the ABC board – changing in membership and character over the period – fully understood what a massive sink of money, executive time and corporate effort it became – or how it encapsulated the ABC's pathologies and capacity for self-harm.

When conducting interviews for this book, I asked the members of the ABC executive to nominate their worst memories of working for the ABC. There was a surprising degree of consensus. It was not the controversies and dust-ups over particular pieces of content, nor the attacks by News Corporation, nor the niggling of the senators in Senate Estimates. Rather, they recalled the steering committee meetings for the development of the WCMS in 2013 and 2014. Talking about those meetings, executives long out of the job paled. Their hands shook. A couple wept. Kate Torney described it as "Living *Utopia*" – a reference to the painfully accurate ABC television show created by Working Dog Productions, which premiered in

2014 and showed a statutory authority becoming a place dreams go to die. Many senior ABC staff could not bear to watch it.

Some saw this saga as an exemplar of Scott's weaknesses as a manager. In driving the organisation to overcome its innate conservatism and join the race into digital, Scott wanted his executive to work out issues together and own the results. In the process, he allowed enervating fights to continue for months. His critics – most of his executive from that time, in fact – think that on this occasion, he was wrong. They needed him to stride into the conflict and knock heads together. The process was reviewed after Scott left and found to be flawed – an object lesson in how not to do things. It recommended "fundamental changes" to the way the ABC approached large capital projects. Significantly, the review's report was written by David Anderson – the man later to become ABC managing director in Scott's wake.[1]

The WCMS saga began in 1995, when the ABC first began publishing content online, when this was still a novel thing to do. Web publication was seen by most mainstream media as little more than publicity for the main product, which was a physical newspaper or a scheduled broadcast. The ABC built its own content management system which, for reasons lost to history, was called Wallace. A content management system is software that helps users to create, manage and modify online content without the need for technical knowledge. It is the interface between content creation and distribution technology. A good WCMS was essential for program-makers, who were not necessarily computer nerds, to be able to publish to the web. It became even more important when Scott, in his early days, agreed to return the websites to the content divisions, rather than keeping them in a separate digital division. Being able to publish content to websites had become a mainstream media worker's skill, not a speciality.

By 2007, Wallace was groaning under the pressure and becoming increasingly cumbersome to use. Once most digital assets were returned to the content divisions, there was a huge upswell in innovation – what Scott referred to as an era of a thousand flowers blooming. There were other, smaller content management systems in use as well as Wallace, and many disparate, disconnected and sometimes incompatible digital products. It was time to update and consolidate. The ABC began an international search for

a provider to build a new WCMS. The requirements were testing. The news division would need to constantly update online content, and the new WCMS must not crash when big news broke. It had to be scalable – usable by program-makers across the country and even overseas. It had to be robust enough not to break because some overstretched reporter in a rural office or an overseas bureau pressed the wrong button.

The ABC at this time had a large IT division, dealing with internal-facing things such as broadcast technology, email and accounting. This was under Pendleton's control. Then there was the smaller innovation division, created when the main digital assets were returned to the content divisions. The director of innovation was Ian Carroll, an immensely respected producer and journalist who had been an early mentor to Scott as he got to know the ABC. Innovation was responsible for impressive, award-winning digital storytelling, sometimes with external partners, and was also the home of *The Drum*, health and science websites and other digital products. To the extent that there was an overall responsibility for the ABC's audience-facing digital presence, it resided with the innovation division, and so the new WCMS started there. The job of finding a new WCMS provider was given to Craig Preston, the division's head of technology.

All the content divisions were asked to exhaustively list what they would need the new WCMS to do, but this was a rapidly moving target. Their long lists of requirements became outdated almost before they had been written. For example, in 2007, when the process began, individual television program websites were very important. But then YouTube rapidly took off, iView launched, and most program websites gradually became little more than promotional brochures or places to put specific content, such as lengthy responses to stories that were too dull to make the main program.

It was unthinkable in an organisation like the ABC that the content divisions would *not* be asked what they wanted. But as Preston drily comments, "Henry Ford used to say he never asked people what they wanted from cars, because if he had, they would have just asked for faster horses." He recalls internal resistance to the WCMS project as "substantial and continuous". Nevertheless, specifications were devised, and the procurement process began in late 2007, with a view to choosing a new

provider by the end of the following year.[2] Preston and others travelled the world investigating options, and hit upon the German provider CoreMedia, which had already done work for international media companies.

In 2009, the ABC board approved expenditure of $31.2 million for the new WCMS, and work began. In August 2010, the industry press reported that the ABC's "biggest ever technology project" would be deployed within the next month. In fact, it was not until March 2011 that the news division and Radio National started using the new WCMS. This was phase one of the project more or less complete. Phase two was to be the migration of the rest of the ABC to the new system.[3]

The new WCMS was greeted with enthusiasm by the news division and Radio National. Once teething problems were over, it worked well and lightened workloads. Many time-consuming jobs, such as allocating keywords, posting links to other relevant content and making changes across websites, were now much easier, or even automated. It was a huge relief after struggling with the outdated Wallace. But phase two was to be another matter entirely. Preston left the ABC in October 2012 – in part because he was exhausted. He recalls thinking that the stress of the internal battles might lead him to an early grave, and that "at least then I would feel better". Another factor was a new director of innovation, Angela Clark, who took up the role in 2012. Carroll had died of pancreatic cancer the previous year. He was briefly replaced by Bruce Belsham, and then Clark was hired.

Clark brought a very different set of skills to the job. Unlike her predecessors, she brought real expertise in the technology, but she was not a career journalist like the previous heads of her division, and she was a foreigner in the ABC culture. She was also determined, a disruptor and combative. Before coming to the ABC she had been one of several tech entrepreneurs at the time trying to work out how to make money from digital media startups. She was the founder and managing editor of Streetcorner.com.au, a hyperlocal news network in Sydney, but also had a corporate background as managing director of the advertising company JCDecaux and CEO of the Macquarie Radio Network.

Clark arrived with the belief that the WCMS was nearly complete, and that her job would be to "focus on supporting the ABC's journey in new forms of news and storytelling". She was particularly excited about a new

project, ABC Splash, an education portal that had been funded by the federal government to the tune of $19.9 million and was under development with partners including the state libraries and the Powerhouse Museum in Sydney.

The job was to turn out very differently from what she had imagined. First, she tried to get a list of all the ABC's websites and digital assets – and found that no such thing existed. The "thousand flowers bloom" era had resulted in wonderful creativity and a profusion of websites and apps. The innovation division later estimated that the ABC at this stage had more than eighty-five websites and thirty-nine different apps. Some had been built internally, others outsourced. Some program websites had been built by the independent production sector but carried the ABC brand, with ownership unclear. Some of these digital efforts were enormously innovative, even award-winning. But only a few websites, including News, Kids, iView and Radio, were attracting significant traffic.[4] Alongside these were many others, as Clark puts it, "floating around like space junk". Different platforms and programming languages had been used, and some sites were ageing rapidly. The difficulties and costs of adapting these to meet the needs of mobile devices, or even to make simple changes, were multiplying. There were also dangers when it came to compliance with ABC policies, with some sites resembling a kind of wild west of idiosyncratic web publication, under the ABC brand. The WCMS, supposedly nearly finished, was meant to be the solution to at least some of this – but a nasty surprise awaited.

When Clark met with the CoreMedia team, she found out that the templates developed in phase one, which were meant to have been adaptable for use by the whole organisation, were in fact not suitable for television or the rest of radio.[5] Worse, all but 10 per cent of the $31.2 million budget approved by the board for the project had already been spent. There was no money for new templates.

When Clark brought this to Scott's and Pendleton's attention, it was a shock and very bad news indeed. Outside consultants were brought in to review her conclusions and confirmed that Clark was largely right. It was a disaster. Hanging over Scott and Pendleton was an awareness that in Britain, the BBC was caught up in an IT disaster; it had cancelled a project

after spending more than £100 million, to avoid throwing good money after bad. It was a major public scandal.[6] What was to be done? Some on the executive remember that shortly after Clark started, she marched into a meeting and said the whole thing should be junked, the investment written off, and they should start again. Pendleton was staggered. Doing that, when millions had already been spent, was simply not possible in an organisation spending taxpayers' money. Clark disputes ever saying that "the whole thing should be junked" but agrees that she on more than one occasion recommended that it might be "better off to start again", which would have meant writing off the money spent so far on the ABC's balance sheet – which would, of course, have drawn public attention to the project, just ahead of the period in which the ABC was cutting spending on content and justifying those cuts by the need to spend on innovation and technology.

Pendleton saw himself, and was seen by Scott, as the person who got things done, delivering projects on time and on budget. He had proved his worth time and time again, through the Toowong studio evacuation and its aftermath, the new Brisbane headquarters, MediaHub, studio automation and more. He was the reliable bulwark. He preferred to be left alone to get things done and did not respond well to being challenged. Clark was mercurial, brilliant, creative and, in the words of another member of the executive at the time, sometimes "chaotic" in how she presented ideas and information. She was fierce in debate, rarely letting a point go and rarely retreating. Inevitably, she and Pendleton clashed.

Overlaying the personality difference was a fundamental conflict of methodology. On one hand, there was so-called "agile" project management, preferred by many people in digital technology because things move so quickly. Agile project management – which has now become the standard but was not then – breaks projects down into phases. After each stage there is reflection and adjustment. The process is iterative and open-ended – a continuous process of evolution. This was Clark's preferred way of working. But Pendleton and the ABC IT people worked in "waterfall" project management, which was comparatively rigid and sequential. In waterfall, each phase is completed before the next is begun. The advantages are that you can budget more predictably – as the ABC had to do – and there are clear aims, clear accountability and a clear endpoint.

Boxes can be ticked and the project signed off. The disadvantage is that waterfall project management struggles to accommodate change, and everything in new media was changing.

In February 2013, the ABC board was presented with the problems facing phase two and considered its options. The board signed off on another $10 million of spending to allow new templates to be developed. In October 2013, another $1.2 million was approved. The total funding approved for the WCMS was now $42.6 million.[7]

Clark, unlike Pendleton, was not at the February board meeting. In December 2012 she took maternity leave, expecting to resume management of phase two when she came back. But when she returned in May, she found that Pendleton had taken control and had no intention of relinquishing it. A steering committee had been established including all of the content division heads and other members of the executive. Each division had its own technical staff, who were advising their bosses – most of whom were not technical experts – on what the WCMS needed to deliver for them. And they didn't all agree.

When Clark returned from leave, she began to interrogate and critique this process. She and her staff were convinced there were better, more efficient and agile ways. The content directors were at times persuaded by Clark and at other times by Pendleton, and key matters were decided by vote. The steering committee meetings became nightmares of conflict and confusion.

Recalls one participant: "I'm not sure Scott ever told [Clark] that David was in charge." In fact, Scott had made a clear and very deliberate decision to hand the project to Pendleton, and Clark knew and accepted this. As Scott saw it, this was a project that had to be completed rather than rebuilt or reconceived. But he did not tell Clark to butt out of it altogether. He and other members of the executive thought she was probably in many ways right about the need for an agile approach, and it didn't hurt for Pendleton to be challenged. Scott recalls: "I always felt we needed to listen to her: she was very smart, very insightful about the technology." But she had no sense of compromise or strategic retreat. Meanwhile, the entire executive was expected to be intimately involved in the process and to take collective responsibility.

Clark did not back off. She questioned particular decisions and the process as a whole. Often, her division would circulate complex technical papers critiquing decisions just hours before a steering committee meeting. She would also question the minutes of the previous meeting, disputing the decisions recorded. In April 2014, it was agreed that steering committee meetings should be audio recorded, because there were so many disagreements about what had been decided.[8] The content directors were torn between Clark and Pendleton, while also trying to heed the advice of their own advisers and dreading the possibility that the whole expensive exercise might once again fail to deliver. They had had many battles with Pendleton over budgets, and they were not against questioning his approach and his power – "keeping him honest", as one puts it. This meant that Pendleton, in the middle of one of the hardest tasks of his career, felt betrayed and unsupported as he wrestled the project towards completion. The resentments went deep and the difficulties were intense. Every Monday, Pendleton would meet with Scott and ironically thank him for the "development opportunity" of running phase two of the WCMS.

Clark says she found the WCMS meetings hard and stressful, but she believed "robust conversations" were the best way to get a good result. Part of this, in her view, was cultural. "Conflict is something that more usually takes place behind closed doors at the ABC." She is not surprised that her colleagues found the more openly combative style disturbing, but in her view the clashes and disagreements were a healthy and normal part of the creative process around technology projects.

To her, the WCMS was just one project, and a bread-and-butter one. She by now had multiple projects underway – although none as expensive, and none involving a steering committee of all the content divisions. ABC Splash had launched in March 2013, with curriculum-aligned resources, interactive tools and games. Teachers and kids loved it.

Clark recalls: "Ironically, my respect for David grew over the period of the WCMS. I think he's professional and highly capable. Yes, we had differences of opinion, but we'd often laugh about them in his office after a meeting." Pendleton also insists he likes Clark. But this was not visible to the content heads. "If it is true they liked each other, they certainly hid it well," comments one. Meanwhile, Scott stuck to the view that despite the

dysfunction, a decision made by the executives together would be a better outcome than a decision imposed upon them. He made some interventions at the request of Dundas and Torney when the project was at its nadir, but he did not force matters.

In our interviews, Scott acknowledged that the process was “tough, very tough”, even “brutal”, but remarked that almost every media organisation has a traumatic WCMS story – which is probably true. The industry literature from the time is full of stories of money burnt and projects written off. Despite all the difficulties, Scott believes that the culture he had tried to build around the executive table was showing. People were working it out together.

There is no sign, either in documents released under FoI or in my interviews with ABC board members, that any word of this trouble reached the board, which was getting dry reports of steady progress, bled of any colour or friction, during this period.[9] In December 2015, the board was informed that the new WCMS had been successfully completed and deployed. According to documents prepared by Pendleton’s team, it had been delivered slightly under the modified budget, and $200,000 was to be returned to the organisation as a whole.[10] In fact, the WCMS was still not complete. Requirements had changed. Some templates were clunky. Things had moved on. Quite large areas of the ABC’s digital presence were still not included. More work had to be done and continued for years.

It would be wrong, of course, to describe the money spent on the WCMS as a waste. The ABC would always have needed to build or buy a new one. But the amount spent – more than $42 million – is generally regarded in the industry as an extremely high price for what the organisation got.

Meanwhile, Clark’s role had expanded. In 2015, the innovation division was renamed the digital network division. This renaming and restructuring included responsibility for a $20 million digital investment fund. Clark’s staff increased from 78 to 135, including digital designers and project managers transferred from the content divisions or hired from outside. Money had already been allocated to hiring a team of app developers. The division began the substantial work of creating a design language system – a set of modules or “Lego blocks”, as Clark puts it, to allow apps, websites

and other assets to be consistently and efficiently built and changed across the ABC.

Clark's vision for an ABC digital network that would allow content to be presented efficiently to audiences across multiple devices was presented to the executive in early 2016. It was included in a briefing document sent to Scott's replacement as managing director, Michelle Guthrie, as part of her orientation, and presented to the board in August 2016.[11] The next month, Clark left the ABC abruptly – the first member of the executive to leave after Guthrie took over. David Anderson was appointed to replace her as director of innovation, and the division disappeared in Guthrie's first restructure. Pendleton also did not survive the Guthrie era. He announced his departure in January 2017. Finlayson was also leaving. It was something of an executive exodus. David Anderson's review of the WCMS project was conducted in 2017, when patches and changes were still being made. Anderson recommended "fundamental changes" to how the ABC approached large capital projects. The ABC should outsource services such as web content management, as most media organisations were by then doing, rather than owning its own system. Paying a service or subscription fee to an external provider meant updates and changes would be included.

On the energy sapping process of the WCMS steering committee, Anderson commented dryly: "There has been a propensity to form large working groups that report into large steering committees where all divisions have representation. This slows down decision-making . . . Having voting mechanisms to resolve complex technical issues where technical stakeholders can be overridden by a group of non-technical stakeholders should not be continued." The technical staff should be trusted to do their jobs, he said. In the battle between agile and waterfall methodologies, Anderson favoured a move towards the agile.

In a final comment on one of the most traumatic internal processes in the ABC's history, Anderson said: "The wider organisation needs to back the change that is taking place, not just be along for the ride."[12] It was a drily worded summation of some of the ABC's key weaknesses, without spelling out the distress and dysfunction they had caused.

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If the WCMS was a bureaucratic nightmare, iView was its counter – developed by a small team, initially under the radar, long before the future of television viewing was clear. iView became central. Scott, to his credit, nurtured iView and backed it when some regarded that as a risky bet. Dalton also strongly supported it from its earliest days.

In 2005, pay television, which had taken off in the United States, was a poor relation in Australia, largely due to the political machinations that had persuaded governments to throttle its potential in order to protect the television networks from competition. Pay television had launched in Australia in 1995 – much later than in comparable markets – and was prevented by government regulation from broadcasting advertising. After corporate failures and amalgamations, by 2007 the dominant pay-TV company, with a near monopoly, was Foxtel, owned by Telstra, the Packer organisation and News Limited. Users had to sign up to large subscription packages, with limited flexibility and relatively high costs. As a result, its market penetration was small. For most of the time Scott was head of the ABC, fewer than a third of Australian households had a pay-TV service.

By 2006, the ABC had begun making full episodes of its programs available online. The industry talk was all about IPTV, or internet protocol television, but it wasn't clear what this meant. At the time, internet speeds in most of Australia were too slow for efficient streaming of long-form video content. It seemed likely that IPTV would mean people downloading audio and video files to play on their devices. Another model that seemed likely to take off was the creation of dedicated channels for the new generation of smart, internet-connected televisions, thus creating walled gardens of content around television brands.

The free-to-air television industry had responded to some of these changes by establishing, in 2008, a new organisation, Freeview, bringing together the free-to-air broadcasters to compete against pay television. Dalton spearheaded the ABC's involvement in Freeview, against some reservations from Pendleton and others. Freeview resulted in the establishment of an electronic program guide including all the free-to-air multichannels, and a national prime-time advertising campaign promoting them and the benefits of digital television.

Meanwhile, Netflix, founded in 1997, had built a successful business in the United States by renting out DVDs. Users could select movies and

television shows online and receive the discs through the mail. By 2000, Netflix was using an algorithm to personalise recommendations to its customers, which helped to drive further success. It was, at this stage, far from clear that DVDs would soon be old technology. Netflix was therefore bold when, in 2007, it began a retreat from its successful business model and introduced streaming services.

All this was happening in the United States. In Australia, viewers not paying a subscription fee were still captive to the television schedule and the whims of commercial networks. The networks screened major movies and series months or even years after they were available overseas. Schedules were unpredictable, and programs were deliberately started late to trick people into watching the ads. Advertising breaks were getting longer and more intrusive. Viewers were rebelling, and content was being illegally downloaded using services such as BitTorrent – much to the disgust of the CEO of Foxtel, Kim Williams, who compared the practice to shoplifting.[13] The response on social media to Williams's claims was scathing. Viewers would be willing to pay for content, many said, if it were made available flexibly, promptly and at a fair price.

Meanwhile, in the back offices of the ABC, innovation in streaming content was almost a cottage industry, with one man and a tiny team and budget driving the process. Arul Baskaran had joined the ABC in 2003 after working in New York and Europe for digital agencies with a focus on broadband services. After the ABC's new media and digital services division was dismantled and digital channels returned to the content divisions, he had ended up in the television division, overseeing the development of websites and content portals.

Baskaran was becoming increasingly convinced that streaming was the way of the future, and he persuaded Dalton and Scott to allow him to experiment. Meanwhile, another team in the commercial division kept working on a "download to own" model. As Scott recalls, "we didn't know which model it was going to be, where to invest, so we had two teams".

The year 2007 was a turning point. Netflix had made its move into streaming, and in Britain, the BBC launched a streaming service called iPlayer. Scott visited London to look it over and realised the vast amounts of money the BBC had invested – far more than the ABC could hope to

summon, and many times Baskaran's tiny budget – but it convinced him about streaming. He told his staff on his return that the BBC had spent £100 million creating iPlayer, that the ABC needed a streaming platform too, but that they had no budget. "Let's do it anyway," he told Baskaran, quoting one-time Google executive Marissa Mayer: "Creativity loves constraints."

Considering their tiny budget and small team, the progress on what became iView was extraordinarily rapid. As the WCMS process got underway, Baskaran and his team kept their heads down and stayed out of the internal disputes, building the internet-based streaming service on an entirely separate system. With one developer, one designer and an initial budget of just $300,000, Baskaran created what was then called "Playback" – full-screen, full-length video delivered online. The beta version launched in March 2008, the full version – renamed iView – in July that year. A media release described it as "the next phase of television broadcasting in Australia".[14]

The ABC was well ahead of the field. The commercial networks were resisting streaming, and SBS had yet to develop its service.

Scott recalls asking Baskaran to nominate the greatest risk involved in the launch. His answer: "success". If streaming took off, it would place great strains on the ABC servers. Internet speeds were still not adequate in much of Australia. Pendleton, meanwhile, worried about the cost of increased streaming. Transmission in the traditional way had a fixed cost. Internet streaming cost more for each viewer.

Dalton, meanwhile, continued to back Baskaran and his team but also worried that streaming would cannibalise the visible audiences for television. Content viewed by streaming or download wasn't at this time reflected in the ratings figures, which were the industry-wide method of judging the success of a channel or a program. Baskaran argued that streaming was even easier to measure – but the television and advertising industries had yet to catch up. No commercial network was yet contemplating streaming, which they thought would only undercut ratings, on which advertising revenue relied. Ratings were still the gold standard of success. Dalton sympathised with them, but for the ABC "our concern was simply reaching audiences . . . it didn't matter about the platform". Baskaran recalls "lots of discussions of whether an online view was equal

to a broadcast view", a debate which "seems quaint now". The lack of a common reporting mechanism that captured online viewing held back investment in iView, in his opinion.

The initial interface for iView was designed for viewing on personal computers. Users had to go to a website, where a landing page detected the household's bandwidth and determined whether it was adequate for streaming. Viewers were warned that their internet service provider might charge extra for the use of the bandwidth. Once that test was passed, the viewer could choose between five channels: a catch-up service of the week's programs from ABC1, Kazam for children's content, a nature documentary channel and an arts channel. A sixth channel represented the ABC Shop, showing previews of programs that could be rented or purchased for download.[15]

Each channel had a host, who welcomed the viewer and outlined the channel's content. One of the attractions of IPTV, it was thought, would be audience interaction. It was considered important that the content be presented by a personality. The first iView interface also allowed people to adjust their pictures and choose from different angles, where possible. But, as Baskaran recalls, all that soon fell away. "People didn't give a shit about all that. They just wanted to watch television." Gradually, the interface became simpler. Barriers to getting to the content were removed.

iView was a success from the start. In the first month there were 250,000 streams. By June 2009 the average was 631,000 per month, an increase of over 150 per cent since the previous September.[16] Individual programs were already showing meaningful catch-up audiences: *The Gruen Transfer* recorded 70,000 iView views, and the May 2009 *Four Corners* episode "Code of Silence", about toxic football culture, recorded 122,000 iView views in its week of broadcast, then a record high for a program.[17] Downloading shows was still much more popular, but iView continued to grow steadily. By 2010 it had become the most popular catch-up service, beating ABC2. In June 2010, it recorded 2.2 million visits.[18]

In 2011, there was a step change when iView moved beyond the personal computer and became a "channel" available through smart TVs. Watching iView was now as easy as watching conventional television. You

could find it on the same device, using the same remote control. Then it became a mobile app for iPhones in 2012 and for Android phones in 2013.

In 2012, a new series of *Dr Who* was released in the United Kingdom. As Scott later commented, it was an event of "feverish expectation among those who follow the Doctor, in his various incarnations, throughout the universe". Fans had repeatedly complained to Scott that they had to wait months for new shows released in the United Kingdom. The ABC had put a lot of effort into negotiations with the BBC to shorten the delay from months to weeks. By now, it was clear that if the show was not rapidly available in Australia, viewers would pirate it. The ABC would lose its grip on a loyal section of the audience that had long regarded the ABC as the natural home for the Doctor.

The BBC planned to premier the new series on a Saturday night in early September. It was not prepared to allow the ABC to do likewise, given UK time was nine hours behind Australia's east coast. Allowing the ABC to broadcast on the same date would mean Australia got it first. As Scott later recalled, "Unless we could pull off a Time Lord manoeuvre and somehow make a Saturday evening in Australia come after the same Saturday evening in London, we were stuck." A deal was struck, under which *Dr Who* would be made available through iView from 5.10 a.m. on Sunday morning – simultaneously with its UK release. At the time, many people thought this bizarre. Surely nobody would watch. Why not save the show for prime time on the main ABC channel?

When the first episode went out, Scott was on his way back from the Paralympics in London. His plane landed in Sydney early in the morning, and he turned on his phone. He recalls: "My Twitter feed lit up, and I immediately knew that many Whovians were up and watching." There were 80,000 streams of the program that first Sunday, and 180,000 in the week leading up to the episode's screening on ABC1. The broadcast ratings were down, but, as Scott comments, "if we hadn't put it up on iView, the ratings would have been down anyway, because those 180,000 would have found another way to see it. If they were keen enough to get up at the crack of dawn, they would have been keen enough to pirate it."

Scott recalled that on Twitter, a viewer had told him that their twenty-month-old daughter had learned to use an iPhone, unassisted, to watch *Peppa Pig* on iView. Scott saw this as evidence that the idea of scheduled

programming was on irreversible decline. “These kids and their parents don’t think of iView as being a catch-up TV service like I do. For them . . . it’s just a way of watching *Peppa Pig*.” Younger viewers were migrating to a personalised media experience, in which they could choose what they watched and when they watched it. That brought challenges. The *Dr Who* fans were happy with iView, but not with the fact that it was not in high definition, which mattered now that more people were streaming on their television sets. But providing that was costly.[19]

When Dalton left the ABC at the end of 2012, he was opposing those, like Baskaran, who were advocating for iView to become more of a channel in its own right, with content commissioned for its exclusive use. He was, in Scott’s view, “raging” against the investments the ABC needed to make to keep up with the shift in how audiences accessed content. Baskaran wanted to experiment – for example, by allowing new independent comedians to launch on iView to test their appeal. They would be able to use a link to iView to promote themselves on social media. The audiences might be small, but they could now be served without taking space from other programs in the schedule. The real estate was potentially unlimited. But the money was not unlimited, and Dalton worried about the budget. He wanted to invest in high-level, mainstream drama in prime time, telling the kinds of stories that defined the nation. He supported iView, and disputes Scott’s claim that he was “raging” against investment. But he did oppose commissioning content exclusively for the new platform.

The next year, 2013, the ABC made all seven episodes of *Dr Who* available on iView immediately after the first was broadcast. Making entire seasons available at once on iView gradually became standard practice – the word “binge” was beginning to enter the lexicon of television viewers. Meanwhile, Netflix was going from strength to strength in the United States.

In 2014, just as the ABC suffered the cuts imposed by the Abbott government, it was announced that Netflix planned to launch in Australia – which it did in March 2015. Netflix’s standard subscription cost just $8.99 – far cheaper than the inflexible offerings through Foxtel, which had tried to prepare for the onslaught by developing its own streaming services. The NBN now reached more than a million premises. Worries about the cost of

bandwidth and the speeds available to most households were fading. Major public investment in broadband (though not the model for that investment) was now bipartisan policy.

When Netflix launched, local streaming services Stan, Presto and Quickflix were already offering access to libraries of movies and television shows for around $10 a month, but the newcomer carried all before it, rapidly becoming the most popular commercial streaming service. Of the local services, only Stan survived. Foxtel bought Presto and closed it down. Quickflix went into liquidation in 2021. Foxtel continued, much reduced. iView had been ahead of the field, but now it had to try to keep up – and with tiny resources compared to the US behemoth.

Netflix had a much better interface than iView – better menus, the ability to allow a viewer to pick up a series or an individual program where they had left off, and the ability to recommend content to its users based on their previous viewing. The ABC, on the other hand, had no way of knowing who was using iView, as viewers did not have to sign in. Each time a viewer accessed iView, it was as though they were doing so for the first time. This meant the ABC could not recommend content to viewers based on what they had viewed before, as Netflix was doing with great success. When Richard Finlayson replaced Dalton as director of television, he was strongly of the view that people should be required to sign in, “so that we can actually have a relationship with our audience. Every commercial organisation will take that opportunity. And if we don’t, we’re crazy.” He struck opposition from those who thought it inherently wrong for a public broadcaster to harvest identity data from its users.

Nevertheless, in March 2014, the ABC launched ABC ID, a system designed by the innovation division to streamline log-in access to ABC websites and apps. It allowed the ABC to recognise individual audience members across all its services and multiple devices. By June 2016, there were 853,000 active users.[20] But sign-on did not become mandatory until 2022, by which time iView was the only on-demand video service not to require viewers to identify themselves.

There were plans after Dalton left to develop content exclusively for iView, and some work was done. There was a series of seven-minute cooking shows, *Short Cuts to Glory* with Matt Okine, aimed at people who

had just moved out of home. Another show was *When I Get a Minute* with Annabel Crabb and Leigh Sales, described as "a review show for the very busy".[21] Trying to make the most of the ABC's archives was *When TV Was Awesome*, a series of short vignettes from the television past. But as time went by and money grew scarce, successful projects were increasingly nabbed by the main channel, rather than remaining iView exclusives. One example was *You Can't Ask That* – a rare beast in that it was an internal ABC production. It was originally commissioned as a series of ten-minute shows for iView only. The idea was simple. Members of an underrepresented or disadvantaged group sat on stools facing the camera. They picked up cards on which confronting questions were written and answered them frankly. Groups featured included Muslims, Aboriginal people, sex workers, transgender people, dyslexics and many more. It made for surprisingly compelling viewing, and the program-makers delivered the episodes at twenty to thirty minutes each, believing they would be picked up by the main channel. They were right. *You Can't Ask That* launched in August 2016 and went on to be one of the most successful formats the ABC has ever developed, selling internationally to twelve countries and with versions in at least nine languages.[22]

As it turned out, only a handful of programs were made exclusively for iView, mostly by Casimir's entertainment team. Generally, the ABC had to spread its limited butter across all its channels, making smaller amounts of content go further. Reflecting today, Casimir says it was never realistic to think that iView could turn into "a properly funded, ongoing streaming service doing things entirely separate from the other ABC channels. Not in the era of cuts. You can't do all these things – launch a twenty-four-hour news channel and a kids' channel and commission new content and do a streaming service, and expect to take on Netflix."

Perhaps inevitably, as streaming came to dominate television viewing, the ABC closed its shops, which for years had sold first books, then cassette tapes, then DVDs and CDs of ABC content, alongside plush toys and other merch. The fifty retail outlets were phased out from 2015 as leases expired. The business moved online and to kiosks hosted in other bookshops, then disappeared altogether in early 2019.

Meanwhile, the commercial streaming services became both collaborators and competitors, as Finlayson, working with a smaller budget, developed new models of financing content. As the profitability of commercial television decreased, the networks successfully argued for the loosening of quotas for Australian content. For the independent production sector, there were now only two types of commissioning bodies that really mattered: the public broadcasters and the streaming services. For a project to get off the ground, one or the other had to be involved – and often both. Increasingly, shows were made under deals that gave the ABC the rights to screen the content first and host it for a limited time on iView, before it went exclusively to Netflix or another one of the streamers. At the time of writing, in early 2026, if you want to watch *Glitch* or *Cleverman* in Australia, you have to have a Netflix subscription. Researchers Anna Potter and Marion McCutcheon have estimated that in 2025, over half the shows funded by Australian taxpayers – through the ABC and SBS, through tax breaks and through Screen Australia – are locked away behind paywalls. The fear is that while international streaming companies might buy Australian content, they want "stories from everywhere and nowhere" – not the kind of dramas and documentaries that are important to Australian cultural identity. The independent production sector is in a state of crisis, with the smaller independent companies that Dalton used to favour gone or gobbled up by multinationals. Outsourcing made sense when the independent sector was strong. What about now? Yet the ABC has lost most of its capacity to produce drama and documentary in-house.[23]

The proportion of Australian adults watching free-to-air television has declined from 71 per cent in 2017 to just 46 per cent in 2024. More than 25 million people in Australia now have access to a video streaming service, out of a total population of about 27 million. More Australians are watching subscription on-demand services than free-to-air television or free on-demand services such as iView.[24] By the time Scott left the ABC, Netflix was spending more on its user interface – not including content – than the entire ABC television budget, plus billions of dollars on commissioning content worldwide.

For the ABC, the pattern is clear. Diminishing and ageing audiences still go to traditional ABC television to watch the evening news and current

affairs programs. Then they reach for the remote and disappear. Nobody knows for sure where they go, because they are impossible to track. Common sense tells us they go to a streaming service. Within our lifetimes – some predict as soon as 2030 – terrestrial television will cease. Instead, we will all be streaming.

Scott was right about the pace of change. It has been more rapid than most people anticipated. When Scott left the ABC in 2016, there were an average of 42 million program plays per month on ABC iView, and this was growing fast. Conventional television viewing was declining in concert. ABC1, now known as the main channel, had had an unbroken eight years of decline, from 8.34 million in metropolitan areas in 2008 to 6.3 million in 2016. ABC News 24, having grown from its launch, was now static. ABC2 had plateaued in 2013 and was now slowly declining. ABC3 – the dedicated children's channel – had grown strongly from its launch but was now also declining, while children's content was by a long way the most popular genre on iView.[25]

When the government cut the ABC's funding in 2014, the organisation could, perhaps, have maintained levels of new Australian content and not made the investment in technology necessary to keep its feet. The choices were hard, not all of them were right, and some are still open to contest. The remarkable thing is that the ABC still has a toehold in this new world and still matters. That was never guaranteed.

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16

The Other Public Broadcaster

Mark Scott came to the ABC with the strong view that the Special Broadcasting Service – better known as SBS – and the ABC should be merged, or at the very least share substantial back-office functions. Failure to bring them together, he believed, threatened the future of public broadcasting in Australia and would leave both of them weaker in the long term.

Over his ten years as managing director, Scott pursued the idea persistently, sometimes covertly, and in the teeth of opposition from SBS. He lacked the support of any of the communications ministers. Helen Coonan was unconvinced. Conroy was against it. SBS was Malcolm Turnbull's favoured child, although he was not averse to seeking back-end efficiencies. Mitch Fifield was inactive. Nevertheless, Scott was so convinced that this issue was crucial to the future of public broadcasting that he continued to examine and pursue it. He mentioned it to his executive in his first days in the job, and he was still pushing it in his final days.

Not many countries have a well-funded public broadcaster. Hardly any have two. Scott argued that if you were starting SBS from scratch, you would not make it a separate organisation. Rather, you would grant the ABC a bit more spectrum and a fair bit more money, and ask it to create one or more new digital television channels. SBS, he would tell people, was "an analogue solution in a digital world".

Scott was supported in his scheming by ABC chair Maurice Newman, who was "adamant" about the value of a merger. Newman's successor, Jim Spigelman, was against it, but as we shall see did not stop Scott from exploring the idea. Despite their complete lack of success, in interviews for this book Scott and Newman remained convinced that they were correct, and that this was a missed opportunity to make public broadcasting in

Australia stronger and to push the public dollar further. Spigelman, meanwhile, said he was no longer sure what SBS was “for”. SBS radio was performing well, he said, but as for television, “It’s not really an ethnic broadcaster, it doesn’t feel like a public broadcaster. That doesn’t mean it doesn’t have good programming – it does – but there are real questions about SBS Television that need to be addressed.” Nevertheless, as a migrant and a supporter of diversity in media, he did not think a merger was the solution.

SBS was founded by the Fraser government as part of a program of services and reforms designed to support high immigration and the changing face of Australia. Prime ministers Holt and Whitlam had swept away the last vestiges of the White Australia policy, but Whitlam had cut immigration. It was left to Fraser to bring the end of the White Australia policy into practical effect. In May 1977, Fraser took to cabinet a submission recommending a review of post-arrival programs and services for migrants. The result was a suite of practical measures to support diversity. SBS was part of this. Experimental ethnic radio stations had been set up during the Whitlam years, but SBS was envisaged as something more ambitious – not “ethnic television”, but rather the use of broadcasting technology to reach both old and new Australians and increase awareness and appreciation of the diversity of the country.

Fraser at first wanted the ABC to take on the job of multicultural broadcasting. Negotiations went on for almost a year. Fraser became convinced that the organisation’s heart wasn’t in it, and lost patience. The government withdrew its offer to the ABC, and in January 1978 set up the Special Broadcasting Service as a separate body. Multicultural television began in October 1980. By November 1981, in a speech to the inaugural meeting of the Australian Institute of Multicultural Affairs, Fraser was able to praise Channel 0/28, as it was then known, as “a service unique in the world”. It was already gaining praise and awards for its news services and high-quality content, he noted.[1]

Since Fraser, there had been only one serious reconsideration of having two public broadcasters, in 1983 under the Hawke government. Both the ABC and SBS felt chilly winds of economic rationalism at that time. The government set up a committee of review, and in January 1987 announced

that the two public broadcasters would be merged, with predicted savings of $16 million – but the legislation was defeated in the Senate, there were massive public protests, and Hawke dropped the plan. No government has revived it since.[2]

Successive ABC managements have looked at SBS and its government funding – a fraction of that received by the ABC – with envy, ambition and fear, torn between regret that SBS wasn't part of the mothership and concern that if the two were merged, the ABC would be landed with extra responsibilities and not enough extra money to fulfil them. SBS and its supporters, meanwhile, have regarded the ABC as a would-be coloniser, a white-bread threat uncommitted to the multicultural mission. Lamentably, for most of the time SBS and the ABC have existed, they have been warring siblings, rather than collaborators.

SBS had its own problems in the early 2000s. In 1991 it had begun to run advertising in the breaks between programs. This complicated any suggestion of a merger, given that the ABC was free of advertising. Like the ABC, SBS had established a second television channel, and later more multichannels focused on world movies, food and, later again, non-English-language news. Also like the ABC, SBS had high-quality news and current affairs programs – but in between it was often hard to see anything that made it particularly "ethnic" or that satisfied what its charter described as its principal function: "to provide multilingual and multicultural broadcasting and digital media services", in order to "reflect Australia's multicultural society".[3]

Scott and many others thought that the pursuit of advertising revenue had driven SBS to become more mainstream and commercial. One of the station's highest rating programs, for example, was the British motoring show *Top Gear*. More broadly, SBS television had more devoted viewers among middle-class white Australian families, who liked the foreign movies and the world news, than in many ethnic communities. As one Channel Ten executive remarked to me in 2008: "the ethnics are all watching *Big Brother*" – which at that stage screened on Channel Ten.

An under-recognised asset – barely mentioned in the jockeying for position between SBS and the ABC – was SBS's bank of radio stations broadcasting in many languages, which were perhaps the best reflection of

its charter commitment to ethnic communities. Scott saw no reason why these could not fit under the ABC's wing, although he also wondered whether they were still as important, given that listeners could now stream or download content from just about any radio station in the world, in any language.

Scott also favoured a merger because he was aware of the ABC's weaknesses. In a country growing away from its Anglo-Celtic roots, the ABC was under-serving ethnic audiences. Children's programming and Triple J came closest to bridging socio-economic divides, but mainstream television, local radio and Classic FM skewed old, white and wealthy. It was clear to Scott that this was a long-term problem for the ABC and its claim on the public purse. If the ABC was to survive in the long term, it needed the audiences SBS had been created to serve. Whether SBS was in fact serving those audiences was one of the points on which he thought the other public broadcaster was vulnerable.

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At one of his earliest strategy meetings with staff, in late 2006, Scott said he wanted to work with government on the merger idea – but it would need to be done quietly, and not quite yet. Talks of a merger would have to be followed up after the 2007 election, he said, recognising that there would be opposition to the idea.[4]

After Labor won the election, Scott raised the idea of a merger at the 2020 Summit in 2008. Scott and the SBS management team had worked together in the lead-up to draw attention to an important issue for both organisations: transmission costs.

Transmission costs are one of the least understood aspects of public broadcasting in Australia. Few taxpayers realise that a large share of the funding for the ABC and SBS – about a fifth – goes straight to a privately owned near monopoly that owns the transmission infrastructure. This is one of the legacies of the economic rationalism that was embraced by both sides of politics at the turn of the century. Until 1999, the transmission business was in government hands, meaning contracts with both national broadcasters were negotiated together and were transparent to governments.

But in what has ever since looked like a very dubious decision, the National Transmission Network was sold by the Howard government, and the public broadcasters were funded to negotiate their own transmission contracts. The transmission network was acquired by Macquarie Bank in 2002 and rebranded as Broadcast Australia.

Broadcast Australia was a sweet business, with two government-funded captive clients in the ABC and SBS. Later, Broadcast Australia was sold to the Canada Pension Plan Investment Board and, later still, rebranded and merged with other companies to become BAI Communications, one of the world's largest transmission infrastructure providers. To add to the inefficiency, the ABC and SBS negotiated their transmission contracts separately and in confidence. There were limited incentives to achieve savings, since any money clawed back through tough negotiations would be retained in consolidated revenue.

By 2010, the advent of digital broadcasting and the Labor government's big investment in the National Broadband Network seemed to promise new opportunities, particularly once iView and other on-demand services launched. Content could now be streamed into households, rather than delivered over the airwaves – but that brought extra anxieties. Each extra audience member meant there was a need for more bandwidth, and the public broadcasters were not funded for bandwidth. It was suggested at one stage that the NBN should be required to carry public broadcasting content into households, but the idea never gained serious traction.

Over subsequent years, as internet speeds improved and costs declined, worries about the cost of streaming dissipated, but the regular negotiations of transmission contracts rolled on. The idea that SBS and the ABC could negotiate together had been raised repeatedly over the years, but sibling rivalry and commercial confidentiality hampered such moves. SBS always claimed it got a better deal. The ABC disputed this.

With this history, it was a significant achievement for the ABC and SBS to work together at the 2020 Summit – and it was to be a long time before they did so effectively again. The summit's final report included two proposals that were in tension with each other. First, that the current structure of SBS be maintained; and second, that both public broadcasters' operations should be reviewed "to identify synergies in transmission".[5]

After the summit, the idea of joint negotiations over transmission was pursued in a 2009 federal government review of public broadcasting started by Conroy, but the ABC blocked the idea, stating that the structure of the broadcasters' contracts meant there were "few, if any" efficiencies to be gained from merging services.[6] SBS disagreed, but the separate negotiations continued.[7]

Meanwhile, Scott had started "Project W" – a serious exploration of what would be involved in merging the two organisations. This was done in secrecy, and without any consultation with SBS. Nevertheless, SBS senior management was hearing, from Conroy's staff and from senior public servants, that the ABC was lobbying for a merger. That helped to kill any nascent fellow feeling.

Why the secrecy? In interviews for this book, Scott said he knew that discussing a merger would be politically hot. He recalled: "It would have been a big move for government . . . I wanted to have that work done before it could be exposed to controversy and immediately ruled out. I wanted to explore what the savings could be and what the benefits could be, at a fairly high level, before floating it."

The first step, in August 2007, leading out of the establishment of the production resources review, was the commissioning of the Boston Consulting Group (BCG) to examine the possible savings. The resulting report, delivered in October 2008, examined four scenarios: low integration, medium integration, high integration and very high integration. Low integration envisaged a single board for both broadcasters and the sharing of key assets, such as studios and production equipment. Medium integration would add a merging of finance, human resources and IT. High integration envisaged a single CEO for both organisations and merged television, news and current affairs production. Very high integration was a complete merger – a disappearance of the SBS brand. The report concluded that high integration offered the most attractive trade-off between cost savings and maintenance of separate cultures, although it would lead to "political and community concerns". It would only work, the report said, if "pushed and promoted within the two organisations".[8]

There was little chance of that. Meanwhile, Conroy put a lid on the idea, telling Scott and Pendleton they were never to raise the issue with him

again.

The Project W report did not become public until February 2009, after questioning in Senate Estimates by Coalition senator Simon Birmingham. SBS managing director Shaun Brown described the work as “clandestine”. Scott protested that he had raised the possibility in many forums, which was true.[9]

SBS had heard rumbles that something was up, but the senior management was flabbergasted at the extent of the work and scathing of the assumptions made by BCG. SBS managing director Shaun Brown told Senate Estimates the report had “glaring failings” and “gross inaccuracies, overstatements and simplifications” and should be “consigned to the rubbish bin”. For example, it suggested that combining the governance of both boards would save $1.2 million per year – but this was unrealistic, because SBS had very little support staff for its board. Preparing for board meetings was something senior staff did in a hurry the morning before. The total cost of the SBS board was only $300,000. Brown told Senate Estimates: “In the report it says that you can save money by doing away with or merging into one the HR policy units. It would be great if SBS could afford an HR policy unit. We do not have any such thing, and we have rarely contemplated it.”

The many errors and assumptions, he said, “point to the fact that in my view this report was tailored for a result and not a genuine, objective review”.[10] To the media, Brown said: “The ABC’s clandestine report simply confirms what we long suspected: that ABC management has long harboured a desire to take over SBS.”[11] Meanwhile, Conroy was nothing if not blunt when he appeared at Senate Estimates. There were no plans to merge, he said three times in short succession. “That is pretty categorical, pretty simple.”[12]

Scott had accepted that a merger could not advance with Conroy so strongly opposed. Nevertheless, he did not drop the idea.

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Despite the tensions and outrage over Project W, Mark Scott and Shaun Brown got on well behind the scenes. Brown, formerly head of television at

SBS, had been appointed SBS managing director in February 2006, shortly before Scott joined the ABC.

When Scott's appointment was announced, the two men had lunch, and then fell into the habit of meeting for breakfast every few months. There was a pause after the BCG Project W report came out. Brown was too angry for breakfast chats. He recalls that Scott tried to placate him by saying that the initiative was coming from the ABC board. Brown listened but did not entirely believe it. He got over it, and the breakfasts resumed.

In the meantime, Brown's own attitude was shifting. A couple of months after Project W became public, the ABC got its big funding boost in the 2009 budget. SBS did very badly by comparison. Advertising was no panacea. Like the rest of the mainstream media, SBS was watching advertising disappear to online platforms. As the commercial networks launched digital multichannels, there was plenty of advertising real estate, and the amount that could be charged for a spot was falling fast. In response, Brown had pushed through a move to allow advertising in the middle of programs, whereas previously it had been allowed only between them. It was massively unpopular with audiences but was a bid for survival. Then SBS lost *Top Gear*, its top-rating program, to Channel Nine at the end of 2009. This was reported to have cost the channel $4 million in forgone advertising revenue.[13]

In this context, sometime late in 2010, the two men had what Scott recalls as an "historic" breakfast meeting at Ripples restaurant in Milsons Point, tucked under the Sydney Harbour Bridge. Brown was nearing the end of his term as head of SBS. He had been due to leave in April 2011 but had agreed to stay another three months to oversee the initial phase of a new strategic plan. By the time of the breakfast, a search was underway for his replacement.

Scott recalls Brown saying he was "milking" the advertising revenues all he could but could see no path to long-term sustainability. They fell to discussing what the ideal structure of public broadcasting in Australia might be. Brown recalls them agreeing that in the long term, with the disruption to business models, there was a real chance that governments might not be willing to fund two organisations. What if there was a single body, with a new charter, that covered all of the two broadcasters' existing obligations?

The two men saw an opportunity. Brown was leaving SBS, and Maurice Newman's term as chair of the ABC board was nearing its end. Perhaps the politics of a merger could be softened by the chair of SBS, Joe Skrzynski, taking over as head of a combined board, while Scott would take over as managing director of the merged organisations. It could all be very neat.

Scott knew he had firm support for this kind of thinking from Newman. Brown was less sure about Skrzynski, but he agreed to take the idea to him. Newman claims he told Scott he was willing to cooperate with the swap. But as Brown had feared, Skryznski was a very different matter.

Skrzynski was a force not easily dealt with – opinionated, talented, active, widely respected in the arts, cultural and philanthropic community and also a pioneer of venture capital and private equity in Australia. The child of Polish refugees who came to Australia after the Second World War, Skrzynski had joined the SBS board in March 2009, one of the first appointees under the Rudd government's arm's length, merit-based selection process. He became chair of SBS just nine months later, replacing fashion designer Carla Zampatti and quickly became a dominating figure in the organisation.

In an interview for this book, Skryznski said that he came to SBS with a "simplistic but strong" view that SBS was needed because the ABC could not be trusted to serve multiculturalism. "The more I got into it," he said, "the more I thought my initial view was right." When he heard about Project W, he regarded it as "Maurice Newman doing empire-building". Nevertheless, he was open to the idea of better cooperation between the two broadcasters. He had been surprised to find, after his appointment, that there was no regular forum for discussions between the two boards. He rang Newman and suggested they put that right. "I said, 'Look, we are sister organisations. We both go to Canberra. We are both under attack from the commercial media industry. There must be things we can talk about.'" Newman, according to Skrzynski, was guarded but agreed to a lunch.

After that, Skrzynski suggested regular meetings involving the managing directors and members of the executives. A start was made, but they failed. Skrzynski found – not surprisingly, perhaps, in the wake of Project W – that the SBS executive was wary of the ABC. Meanwhile, the ABC did not come with any ideas for cooperation.

Skrzynski was convinced that SBS was much more efficient than the ABC. He was strongly of the view that “the whole history of mergers and acquisitions is that the culture of the larger organisation swamps the culture of the smaller organisation, not the other way around”. If the two organisations merged, there would be unremitting pressure to conform to the ABC’s standards of wages and resourcing. He also thought it inevitable that in the scramble for funding, smaller SBS activities would be squeezed. The efficiencies of a merger were very limited, he believed, and any such move could only increase SBS’s costs.

In our interview, he compared two similar programs – SBS’s *Dateline* and the ABC’s *Foreign Correspondent*. Both were quality programs dealing with world affairs, but their production methods were very different. *Dateline* correspondents flew on their own to the hotspot, set up their own cameras and did their own edits before filing their report. The ABC, on the other hand, sent the correspondent, a producer, a camera operator, and possibly sound and lighting people as well. Said Skrzynski: “Our program was running at about $100,000 dollars an hour. And their program was running at about $450,000 dollars an hour.” I asked Skrzynski if he thought the ABC’s production resources review, which was being implemented during his time on the board of SBS, had changed this picture. He was dismissive. He said it may have improved the ABC’s efficiency a little, but not enough to change his assessment.

In short, Skrzynski in 2010 and 2011 was flamboyantly hostile to any suggestion of a merger. He recalls Brown raising the idea with him. He greeted it with horror and made it clear he would not engage in any further discussion about it.

Skrzynski was determined that Brown’s replacement as CEO should be the first SBS CEO from a multicultural background. He had someone in mind for the job – someone from Scott’s executive team. Michael Ebeid, the head of corporate strategy and marketing at the ABC, had come from a commercial career, working at Westpac and then at Optus in the pay television business. He came from a Coptic Egyptian background, born in Cairo, but had grown up in Australia since the age of three. His relationship with his family’s strong Christianity was complicated by the fact that he was gay. Later, he recalled that when he was in his early twenties, people had told him his sexuality would prevent him from advancing in his career.

He kept his sexuality quiet until the mid ’90s. Coming out was defining – an enormous relief.[14]

Scott had recruited him to the ABC as part of the attempt to improve corporate strategy, unifying, among other things, the marketing efforts of the warring content fiefdoms. Ebeid had been involved in the marketing and launch of ABC News 24 and the new children’s channel, and before that in the composition of the successful 2009 funding submission – although memories differ about how crucial he was to its success. He saw himself as central. Others within the ABC remember it differently. It is likely that some of those memories reflect tensions that later developed between Ebeid, Scott, SBS and the ABC.

By the end of 2010, Ebeid was growing disillusioned and restless. His relationship with Scott had never been a warm one. Now, he was concluding that Scott was not strong enough to force the cultural change that Ebeid believed he had been brought in to help implement. The ingrained habits of the organisation were too strong. “I could see these silos, people behaving in ways that only benefited their area, not the ABC. And I’d bring things to Mark, but he would not have those tough conversations with some of the directors.” Others who observed this dynamic agree that Ebeid got “beaten up” in fights with the content directors. In their view, he never succeeded in navigating the ABC culture and gaining the trust of the content heads. Cross-divisional projects were always very tough. Ebeid, in the view of these observers, lacked the political skills to successfully navigate this, and “Mark would always let the arguments run rather than stop them.”

Ebeid was planning a return to the commercial sector when he took a call from Skrzynski, sounding him out about replacing Shaun Brown as SBS managing director. He told Skrzynski he wasn’t interested, but he agreed to have a coffee. Ebeid recalls: “I thought, ‘He’s an interesting, accomplished man. It can’t hurt to meet him.’”

The two men had breakfast in Double Bay. They talked for over two hours. A dinner followed shortly afterwards, and that stretched over four and a half hours. Ebeid recalls: “We talked about everything about the media, the ABC, SBS and so on. But Joe did something which really impressed me, which was that he asked about me as an individual, and what

drove me. He wanted to know about my partner. And I remember walking home that night thinking, 'I've worked for Mark Scott for three years, and he wouldn't even know what my partner's name was . . . He's never once even asked me on a Monday, 'How's your weekend?' None of that . . . And here I am talking to the chairman of SBS, this incredibly impressive businessman, and he spent a good hour talking about my personal life.'"

Ebeid decided to take the job.

His appointment as head of SBS in June 2011 came as a shock to Scott, to the ABC executive team and to the broadcasting industry. Ebeid had been privy to the Project W document and had run the project office for the production resources review. He had also worked on Project 21. He knew all the numbers. There was certainly bad feeling surrounding his move to the other public broadcaster. Members of the ABC executive briefed the media against him – minimising his contributions to the 2009 funding submission, for example, and speaking darkly of problems in the corporate area of the ABC. Ebeid, meanwhile, immediately set about preparing for the next triennial funding round for SBS, due in the 2012 budget. When it became clear he was going to be successful, members of the ABC executive suggested he had "learned lessons" from "watching" the ABC's strategy in 2009. Ebeid insists he ploughed his own course.

One of the reasons Conroy and Scott had agreed to put off the ABC's triennial funding bid in 2012 was because it was widely considered to be SBS's turn, in a fiscally very tight year. Any extra money for public broadcasting would go to the smaller broadcaster. So it proved. SBS got a 27 per cent increase on its base funding, taking it to $158.1 million over four years. Ebeid had reason to be pleased. It was the most significant increase SBS had ever received, but it followed a long lean period and came with extra responsibilities. Fifteen million dollars of the increase were to be used for a new national Indigenous television channel, NITV, to replace the existing National Indigenous Television. NITV was launched in December 2012 – another digital multichannel.

SBS was now in better shape than it had been. This, combined with Ebeid's appointment, his disillusionment with his former employer and Skrzynski's hostility to the idea, killed off the idea of a merger. There were multiple layers to this. There was competition for scarce funding, as well as professional rivalries and personal enmities. But there was also the ABC's

conspicuously white, Anglo-Celtic persona, from Mark Scott down through the executive, middle management and most of the faces on camera. A visitor to Australia watching the ABC in 2012 could have been forgiven for thinking the country was still made up entirely of white Anglo-Saxons and Celts. In this, it was not out of step with most of the rest of the media industry but SBS was different. Ebeid and Skrzynski, both from more recent migrant backgrounds and toughened by the challenges of making their way to the top from the outside, had a visceral doubt that the ABC was committed to multicultural broadcasting. Meanwhile, Ebeid and Skrzynski gained the ear and the trust of the shadow minister for communications, Malcolm Turnbull – soon to become minister and then prime minister – and Ebeid was a well-informed critic of Scott, Pendleton and the ABC.

Scott still didn't give up. After Brown left SBS, Scott engaged him to update and improve the BCG Project W document, using his insider knowledge and the latest data. Adding to the expertise now available to the ABC was Richard Finlayson, Kim Dalton's replacement as director of television, who had been the chief operating officer of SBS and had been expecting to get the top job at SBS before it went to Ebeid.

Brown's first analysis went to Scott in October 2012. He argued that the public funding of two national broadcasters no longer made sense. "In a world of increasingly fragmented media, national broadcasting requires scale to compete . . . reducing duplication will yield savings that can be reinvested in the thing that really matters to the community – compelling content." Brown estimated that the savings from a full merger could be in the region of $90–168 million, with another $60 million gained by selling the SBS headquarters in Sydney. Brown estimated that SBS was earning between $35 and $37 million from advertising, which he suggested should simply be abandoned. The savings would more than pay for the shortfall, and the commercial free-to-air channels would welcome the removal of taxpayer-funded competition.

Brown suggested that the new combined entity should include an extra channel, ABC World, which would include foreign language news bulletins and relevant material from the Australia Network – the ABC's international television arm – during the day, and "the best available international content" in the evening. There would also be a new ABC Factual channel,

with high-quality documentaries from Australia and overseas. NITV would be maintained on its own dedicated channel.

Brown's paper included an analysis of the likely attitudes of key stakeholders. The ALP and the Greens would oppose the merger. The Coalition had traditionally supported SBS, since it had been a Fraser government initiative, "but may be open to a merger proposal given current fiscal circumstances". SBS's leadership and staff would oppose it, as would the Federation of Ethnic Communities' Councils of Australia, which had played a big part in defeating the Hawke government's 1986 merger proposal. Brown thought the latter organisation could possibly be persuaded by the establishment of an advisory committee and guarantees that there would be an overall increase in multicultural content.

As for the argument that the ABC would increase the costs of running SBS – a lean, efficient organisation being overwhelmed by a larger, less efficient one – this simply no longer applied, said Brown. "The ABC has a long track record of delivering more with less," he wrote. It was a reference to the savings achieved through the production resources review and to the continuing efficiency drives.[15] But meanwhile, internally at SBS, Skrzynski was getting the picture from Ebeid that the production resources review had not fundamentally changed the picture of ABC efficiency. Brown and Ebeid had a fundamentally different view of the effectiveness of the ABC's internal efficiency drives.

Brown's work continued. In December 2012, he submitted a paper calculating the cost of providing a full multilingual television channel to replace SBS2.[16] In May 2013, he delivered an analysis of SBS television programming, designed to address the anticipated claim that SBS's mission would be lost inside the ABC. The analysis was scathing. SBS was already not meeting its charter, it concluded. SBS2 (later rebranded as SBS Viceland) had been launched in 2009 to target younger audiences. This had led to a dramatic drop in the quantity of content in languages other than English. Brown found that multilingual content in prime time across both of SBS's television channels had halved between 2011 and 2013. "This is not consistent with the undertakings in the current SBS corporate plan," he wrote. There had also been a "dramatic change" in the sources of acquired content. European content had been reduced and replaced with programs

from the United Kingdom and United States. Asian content had grown modestly, largely through the acquisition of Japanese gameshows. Brown argued that this too "raises issues of charter compliance".[17] Two more papers followed in July. The first analysed the cost of providing a merged entity with six television channels, the existing multilingual radio service and "appropriate online services". The second reviewed SBS funding and analysed how much of this would be available to a merged entity.[18]

Scott was delighted with the work. He recalls thinking that if only a deal could be done before the next round of transmission contracts was up for negotiation, there could be even more savings, since SBS would no longer have two channels – SBS2 would simply be merged with ABC2. "The more I pulled on the thread, the more opportunities I could see. More multicultural content. Less advertising."

Brown's work was confidential – for management's eyes only. It was politically charged. The minority Gillard Labor government was heading for defeat at the election due later that year, and Scott, in the Project Chicago exercise, had prepared for multiple possibilities – including savage cuts to public broadcasting. He wanted to be ready with options. But in his plans for SBS, he was totally unsuccessful.

Long before the change of government, Skrzynski and Ebeid had been in the ear of shadow communications minister Malcolm Turnbull. Ebeid recalls spending hours taking Turnbull through the economics of both broadcasters. In Ebeid's view, Brown's figures were out: Ebeid had increased advertising revenue at SBS to over $55 million, meaning Brown's analysis understated how much revenue would be lost in a merger. As for the argument that the production resources review had made the ABC more efficient, Ebeid told Turnbull that he knew the review intimately, and that while it had improved matters, SBS was still much cheaper to run. Whether Skrzynski convinced his fellow merchant banker or merely reinforced Turnbull's existing views, by the time the government changed, Turnbull was firmly of the view that SBS was lean and efficient and the ABC inefficient and bloated.

So began one of the most difficult periods in the relationship between the ABC and its minister – who in this case was later to become prime minister. The difficulties in the ABC's relationship with Turnbull echoed

and amplified the bad feeling between the two organisations, and their executives.

Skrzynski stepped down as SBS chair in March 2014 – two months before the first budget of the Abbott government, in which swingeing cuts were made to the ABC, with more promised. In a parting shot immediately after leaving the job, Skrzynski gave a speech in which he again slapped down the idea of a merger. There were no cost efficiencies in the idea, he said, "not even modest ones". Merging the two organisations would be "wrong in principle, bad economics and even worse politics".[19]

Ebeid remained as managing director of SBS until late 2018. Under his leadership, SBS increased its viewer numbers, and its news and current events services continued to be of spectacularly high quality, rivalling the ABC for levels of public trust. SBS On Demand, launched during Ebeid's time but created under Brown, was a consistent success with its slate of foreign films. But the problem of departure from its charter responsibilities continued under Ebeid and his successors.

Scott has never resiled from his opinion that a merger between SBS and the ABC would be a good thing. He was still talking about it at his last Senate Estimates, while acknowledging that it was a "matter for government".[20] The idea was also championed by the progressive think tank the Australia Institute in 2016, in a report that recommended a wholesale review and consolidation of the services each organisation provided, with a view to saving money, removing advertising from SBS and improving the cultural diversity of the ABC.[21]

The idea was also picked up by Alan Sunderland, recently retired from the ABC, in an article in the literary journal *Meanjin* in May 2020. He pointed out that Australia's total funding for public broadcasting was much less than almost any comparable country – on a per capita basis, about a third that of the Scandinavians and half that of the British. He reflected:

> I care deeply about both organisations and the wonderful content they produce . . . But I also know that they are sitting targets for any government looking for something to attack, defund or close down . . . We need to merge the ABC and SBS, and we need to do it the right way before the government does it the wrong way.[22]

At the time of writing, in early 2026, SBS and the ABC both have five television channels, including high-definition simulcasts, as well as a streaming service each. That's a total of ten conventional television channels and two on-demand streaming services in a country that does not fund public broadcasting generously. It is a massive amount of schedule to fill, on a modest amount of money. And of course, the reality is that both organisations should be representing multicultural Australia.

Shaun Brown is still of the view that the two organisations should be merged, duplicated costs eliminated and as much funding as possible directed to content, rather than to two sets of overheads.

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Malcolm and the Cuts

About four weeks after the 2013 election, two men took an impromptu Sunday cruise on Sydney Harbour. One was the recently appointed director of television for the ABC, Richard Finlayson. The other was the new minister for communications, Malcolm Turnbull.

Finlayson had been in the job only ninety days when, on 7 September, the Coalition delivered a resounding defeat to the Rudd Labor government. Since then, Finlayson had heard that Mark Scott and David Pendleton were finding that the new minister had strong ideas about how the ABC should be run, which he was making abundantly clear. The harbour cruise came about after Finlayson took a call from Turnbull's chief of staff, Sally Cray. Turnbull would like to meet him for coffee. It was unusual, arguably a breach of protocol, for the minister to contact an ABC executive directly, without the involvement of the board or the managing director. Aware that things with Turnbull were touchy, Finlayson rang Scott and asked how he should respond.

Recalls Finlayson: "Mark said, 'Yes, see him, but just be careful.'" Finlayson texted to say he would be happy to have a coffee. The answer from Turnbull came back immediately: "What about now?" Turnbull suggested they should go sailing together. It was a Sunday morning, but Finlayson was in the office. He set out for Turnbull's Point Piper harbourside home.

Malcolm Turnbull was a unique politician – hard to categorise by the normal left–right lineaments of Australian politics. He had been raised by a single father after his mother deserted the family. He had started his career as a journalist, working part-time for various outlets while he was still studying law at Sydney University and as a Rhodes Scholar at Oxford. On his return to Australia, he began a career in the internecine world of law,

media, power and money in Sydney. He defended Kerry Packer against the allegations made against him before the Costigan Royal Commission. He came to international fame by defending Peter Wright, a former MI5 official who wrote the book *Spycatcher*, detailing his work for the agency during the Cold War. The British government tried to stop its publication in Australia, and Turnbull fought and won the case in a rousing defence of free speech.

Turnbull went on to work as a merchant banker and venture capitalist. He led the Australian Republic Movement through the unsuccessful 1999 referendum and entered parliament as the Liberal Party member for Wentworth in 2004. He contested the Liberal leadership after Howard's 2007 defeat, after Peter Costello unexpectedly withdrew from the contest. Turnbull narrowly lost to Brendan Nelson but became the leader of the Opposition in 2008.

It was his support, in that role, for Labor's plans for a carbon trading system to tackle climate change that played a key role in the right wing of the Liberal Party moving against him. Turnbull was successfully challenged for the leadership by Tony Abbott in December 2009. After the 2010 election, he was made shadow minister for communications, but he never lost sight, according to those who knew him, of what many had long predicted as his destiny – to be prime minister. Turnbull could be utterly charming and utterly crushing. Sure of his own rightness, he lacked nothing in intellect, determination or aggression, but was light-on when it came to the essential political skills of listening and persuasion.

Turnbull had multiple sources of information on the ABC, and he believed he understood it. Unlike most of his colleagues on the right of politics, he did not think the ABC was systemically biased. He was to recall in his memoirs that he was "thoroughly pro-ABC" and thought it had a crucial role to play, given the business model of mainstream media had been "smashed". But, as his criticism of Nick Ross's NBN coverage had demonstrated, he wasn't impressed by all of its journalism, and he wasn't afraid to say so.[1]

More broadly, Turnbull thought he understood the media business better than most. He liked to tell an anecdote about how he and his wife, Lucy, had reviewed and restructured Channel Ten over their kitchen table in about

1990, preparing it for sale. This story features in his memoirs, he told it separately to both Finlayson and Scott, and he used it again speaking to me in an interview for this book.[2]

Another source of information was Sally Cray, who from 2007 to 2011 had been Turnbull's senior adviser, before joining the ABC as head of corporate communications. Immediately after the 2013 election she returned to Turnbull's staff. Cray, ABC insiders say, had strong views on what went on around the executive table at the ABC.

All this was on display during that impromptu cruise with Richard Finlayson.

Finlayson had no idea whether they would be in a tinny, a dinghy or a yacht. He consulted with his wife about what to wear and turned up at Turnbull's Mediterranean-style mansion, nervous, in shorts and sandshoes, with a prepared spiel about his plans for ABC television in his head. He stood at the front door and rang the bell, taking in the scale of the house. He had not yet seen the swimming pool, the private jetty or the boathouse. He rang again. And again. Had there been some mistake? Should he leave?

Then Turnbull answered the door, dishevelled and looking as though he had just woken up, and invited Finlayson in. Finlayson recalls: "Malcolm's chatting away, and starts grabbing bags from under the sink and putting drinks into them and other stuff, and then we go down to the boathouse, and he pulls out this dinghy. We row out across the bay at Point Piper, and there he's got this beautiful old timber racing yacht. And we jump into that, and he takes me sailing around the harbour."

Scott had warned Finlayson that Turnbull would tell him the Channel Ten story "as a way of saying that he knows how to run your organisation better than you do". Sure enough, the anecdote was trotted out. Then came the question Finlayson had prepared for. Turnbull asked him what he wanted to do with ABC television. Finlayson recalls: "I opened my mouth and said something like, 'Well, Malcolm. I think the thing is obviously a digital future—' And that was just about the last word I got to say."

Turnbull filled the conversational space. "He gave me his vision for the future of the ABC and for broadcasting generally. And along the way, he peppered it with some wonderful anecdotes about the history of Sydney and the places we were sailing past." It was a brilliant barrage of words, but,

perhaps significantly, Finlayson does not remember the specifics. “I am sure it was about the digital future, and how do we create content that can live across platforms, and how do we run the organisation more efficiently. That was really his great concern. How can we cut costs?” A central theme, Finlayson remembers, was that Turnbull thought SBS was better run than the ABC, and more efficient.

Finlayson, having recently arrived from SBS, had a more nuanced view of the comparison. Certainly, SBS was leaner, but that was not the whole story. There were costs to simply “being the ABC”. It had a broader remit. The level of governance required for an organisation under such scrutiny had a cost. Often briefings were required at short notice because the minister had called, or an appearance before Senate Estimates was imminent. There were “incessant reviews”, both internal and imposed by government, all taking staff time. Every division had a policy officer and its own accountants and advisers to help with all this, and all of them were working hard.

Finlayson had already found that when it came to supporting a new creative idea or a brave commission, he could go directly to Scott and ask for money. “He would listen and say, ‘That sounds interesting’ and ask a few questions, and say, ‘Off you go, that sounds great.’” But if he wanted to move a workstation, or change a work practice within the legal team, or do anything with capital infrastructure, it was often impossible, “because that was a Venn diagram, with David Pendleton there right in the middle of everything”.

It was with Pendleton that Turnbull was tangling. Turnbull admired Scott and thought he had a good grasp of the journalism, but believed it was too big a job for one person to be both managing director and editor-in-chief. He raised this a few times in different contexts, both with the ABC and in public statements. He got no traction and didn’t push it as hard as he now thinks he should have. But his main concern with Scott was his grasp of the finances. It was clear to Turnbull that Pendleton, “the invisible man”, was the one who knew the numbers, and that Scott relied on him – and therefore, in Turnbull’s view, did not have his hands on the levers. Interviewed for this book, Turnbull said of Scott: “He was a bit too much governor-general and not enough prime minister.”

After becoming communications minister, Turnbull asked for detailed briefing meetings with both SBS and the ABC. Before the ABC briefing on 26 November, Scott had warned members of the executive that the meeting would be “of the utmost importance”. He set aside an entire morning for run-through and preparation. Each division prepared a slideshow and briefing notes. Meanwhile, a note prepared for Scott advised that “Turnbull doesn’t want grand opening statements or a slick marketing job on how great the ABC is”. He would want data and detail. “The danger is that the session turns into a mini [Senate] Estimates or that in flagging our plans, we give Turnbull potential savings that he redirects into his pockets rather than into financing ABC content. We need to provide a flavour of [Project] Chicago without the detail, and a touch of Isis [the latest version of the SBS merger plans] may be needed to deflect on the efficiency issue,” Scott wrote to the executive.[3]

The meeting did not go well. Turnbull was aggressive, cross-examining Pendleton in particular as though he were in the witness box. When told that 73 per cent of Australians used the ABC each week, he wanted to know what they meant by “use”. A note was made to provide him with “usage definitions”. When Pendleton raised the issue of capital funding, Turnbull hit back, saying they should assume there would be no more, and they would have to make efficiencies to address any shortfall.[4]

When they turned to the ABC’s journalism, Turnbull wanted to get into the cost of particular programs. He talked again about how unhappy he was with the ABC’s reporting of the NBN – saying it showed contempt for him and the public. He demanded “a detailed breakdown of the ABC news budget, broken down by each program, providing as much granularity of those programs as possible”. For radio, he wanted a breakdown of the cost per listener of each of the ABC’s networks, and audience figures for podcasting and audio streaming. For television, he wanted a demographic breakdown of the ABC’s reach, and much else besides.[5] Some people remember Pendleton emerging from this meeting shaken. Michael Ward, who was there, challenges this. He recalls: “Dave was not shaken. He was stirred.”Turnbull had turned the full blast of his barrister’s abilities, his commercial nous and his pre-existing conviction that SBS was more efficient on the man who best understood the numbers.

Turnbull wanted so much detail that, in the view of Scott and Pendleton, it was impinging on editorial independence, going well beyond a minister's proper remit. If the minister got information on the cost of particular programs and the salaries of particular journalists, how far away were they from the government – the ABC's main "shareholder", as Turnbull put it – directing which programs should continue and which should be cut?

This went to the heart of the awkward relationship with government that has beset the ABC since its founding. It was independent of the government, yet also dependent on it for funding. As the academic Glyn Davis wrote in the 1980s, on the one hand, the ABC is expected to be neutral and "above politics", and on the other, "it must lobby governments to guarantee its financial stability".[6] Disputes over funding and performance had always been built into the system, and were not helped by the broadness and vagueness of the ABC's charter. But Turnbull's request for detail, particularly for the "management accounts" for news and current affairs programs, was unprecedented.

Scott consulted the board. Spigelman agreed with him that the minister was asking for too much and that there should be pushback. Simon Mordant, one of the newer board members, had a more conciliatory view, and felt the organisation should be more cooperative with the new minister. Spigelman's view prevailed.

In an interview for this book, Turnbull denied that his requests for detailed financial data threatened the broadcaster's independence. Rather, it was "an accountability issue . . . I mean, how are you spending the taxpayers' money? How much is it costing you to produce *7.30 Report* . . . versus something else you might do? These are all critical questions to ask." Again, he recalled his experience restructuring Channel Ten. "We did a line-by-line cost analysis of every single element in that business. How many cameras would you need? How many people would you need? How many reporters? And we worked out the least-cost model for delivering the service to keep the network alive. So I had an understanding at the granular level."

Meanwhile, in Turnbull's meeting with SBS, Ebeid took a very different approach. Ebeid recalls, "I thought to myself, 'Okay, firstly he's a former merchant banker. He's going to want numbers. He's going to want detail.'

So we did a really detailed pack . . . that opened the kimono on everything, and I mean everything. He lapped it up . . . He loved it."

But at the ABC, the relationship with the new minister was off to a terrible start and never fully recovered. There was a flow of more briefing documents, laced with breakdowns and data, through December. But Spigelman, the board, Scott and Pendleton refused to disclose the cost of particular programs. Breakdowns were prepared but were not given to Turnbull.

Turnbull's frustrations with the ABC reinforced his view that another review of the public broadcasters was necessary. He wanted a detailed cost-base analysis of both organisations. He asked the Department of Communications to do it, and the department suggested that KPMG again be contracted. That was not what Turnbull wanted. He recalls: "I said, 'Hang on. You're the Department of Communications. Your core responsibility is overseeing the public broadcasters' . . . And I made them do it." He directed the department to engage Peter Lewis, who had just retired as the chief financial officer of the Seven Network. Turnbull and Lewis had first met in 1990 when Turnbull was acting for the banks and receivers for Channel 10, where Lewis worked at the time. They hadn't been on the same side at that point, but Turnbull rated Lewis. "He had all of those practical experiences, which was priceless," Turnbull explains. "And that was much better than a bunch of consultants who probably don't know the answer anyway."

Despite his frustrations with the ABC, part of Turnbull's motivation was to shield the ABC from another, much more fearsome cost-cutting project being driven by Abbott. The National Commission of Audit had been formed immediately after the election, overseen by a former head of the Business Council of Australia, Tony Shepherd. Its task was to make recommendations for returning the budget to surplus by 2024, without looking at revenue. In other words, it was all about cuts. The audit was to form some of the basis for the austere and wildly unpopular first budget of the Abbott government.

There is no doubt that the ABC was in its sights, and things would have been grim for the ABC had it prevailed. The commission's report, released in two stages in early 2014, stated in an appendix that the need for publicly funded broadcasting had been largely superseded by technology. The

internet meant rural and regional communities now had better access to media content, eliminating one of the arguments for the ABC's existence. "In view of recent trends, the traditional rationale for public broadcasting has been weakened. A strong case has arisen for a serious review of the level of government funding for public broadcasting." The report also noted that SBS and the ABC had a "significant degree of independence" thanks to restrictions on "the ability of the government to give directions with relation to the content and scheduling of online, radio and television activities". It noted that the government was powerless, for example, to decide whether the ABC should start a new channel or a streaming service.[7]

In this harsh climate, commissioning the Lewis review allowed Turnbull to keep control of the agenda, at least to some extent. In an interview for this book, Turnbull said he knew that efficiency cuts were coming across government, but he wanted to make sure that for the public broadcasters, this wasn't just a crude imposition of percentage cuts resulting in the cancellation of programs. He wanted what became known as the Lewis review to find potential savings, but "in a way that actually improved the efficiency of the organisation".

Meanwhile, in late 2013 and early 2014, while Turnbull was tangling with the ABC over the numbers, a succession of controversies had poisoned the ABC's relationship with the new government, draining any hope of goodwill and opening it to attack. The first concerned the Chaser. In the lead-up to the election, the Chaser team had presented a five-episode satirical program called *The Hamster Decides* – a reference to the idea that the modern media cycle is like a frantic rodent on a wheel. The final episode, aired four days after the election, reviewed how different television channels had covered election night. In particular, it highlighted that on Sky News, Chris Kenny, a columnist for *The Australian*, had said that the new government should look at cutting the ABC's funding as a matter of priority.

Julian Morrow remembers the script development process. They had wanted to lampoon what they saw as Kenny's "blinkered, ideological obsession with the ABC". They wanted the skit to be so obviously over the top that nobody could take it seriously. It was meant to be ironic, sarcastic.

What went to air, as it turned out, did not meet that test. Kenny, at least, took it very seriously indeed.

In the sketch, Andrew Hansen, from behind the presenter's desk, played the clip of Kenny's comments and pretended to agree with him. After all, the ABC was the kind of network that would "broadcast images of Chris Kenny strangling a dog while having sex with it". And there on the screen was a photoshopped image of Kenny with his trousers around his ankles, fucking some sort of poodle.

Like everything the Chaser did, the script and the image had been reviewed by the ABC's legal department. Morrow had not expected it to get through, but it was cleared without any objections and so was not upwardly referred. The sketch therefore came as a shock to Scott, who was watching the show at home. He recalls: "As soon as I saw the picture I thought, 'Oh, that's strong. That's really strong.'" First thing the next morning he went to see Finlayson and told him they should prepare to manage what was likely to be a significant political problem. Kenny, after all, had worked as Turnbull's chief of staff in opposition.

Sure enough, Turnbull rang Scott later that morning and told him he should apologise to Kenny. The Chaser, led by Morrow, argued strongly against the proposal. The internal debate that day in the ABC television division was all about the role of satire. Someone dug up examples of cartoons from *The Australian* and other newspapers that made political points by depicting politicians fucking various entities. It was a common satirical trope, the Chaser argued.

In the next few days, weeks and months, Kenny and other News Limited commentators wrote about the matter many times. Ultimately, about 200 official complaints were lodged about the sketch, including one from Kenny.

Scott said in interviews that he hadn't liked the sketch. He thought it "pretty full-on and tasteless and undergraduate . . . I can understand Chris Kenny and his family being upset by it, and I am sorry about that." But he defended the right to satire, and emphasised that Kenny was a public figure, well used to dishing out criticism of others.[8]

Kenny spoke on Sky News about how nasty it was – how his children might google his name and this image would come up. In response, his son

Liam published a painful blast against his father in the online magazine *Junkee*. He described his father as a "staunchly neo-conservative, anti-progress, anti-worker defender of the status quo":

> He is an unrelenting apologist for the Liberal Party. He was one of Alexander Downer's senior advisers at the time of the Iraq War. He's been known to argue for stubborn, sightless inaction on climate change. He spits at anyone concerned with such trivialities as gender equality, environmental issues or labour rights from his Twitter account on a daily basis. Recently, he characterised criticism of the lack of women in Tony Abbott's Cabinet as a continuation of the Left's "gender wars" . . . And it's a jokey picture of a bestial embrace that I should be afraid of discovering online?[9]

Media Watch weighed in. "No doubt the Chaser team's defence is that it's satire," said presenter Paul Barry. "But I can see nothing satirical or clever in the suggestion that Kenny – who is one of the ABC's noisiest critics – has sex with animals."[10]

But when the ABC's audience and consumer affairs division ruled on the complaints, it found that although the sketch was likely to offend, "the segment was justified by the editorial context".[11] The complaints were appealed to the ultimate arbiter, the Australian Communications and Media Authority (ACMA), which, then as now, did not move quickly. Meanwhile, Kenny sued for defamation. The ABC decided initially to fight the case – prompting accusations from Abbott that taxpayers' money was being wasted.[12] And on it went.

In March 2014, the NSW Supreme Court struck out Kenny's argument that the Chaser might have made people think he actually fucked dogs, but decided that nevertheless, the sketch had defamed him by suggesting he was a contemptible and disgusting person. Judge Robert Beech-Jones said the image and caption were "massively disproportionate" to the show's criticism of Kenny's call for ABC funding cuts and exposed him to "extreme ridicule". Had the ABC continued to defend the matter, the next stage would have been to decide whether there was a defence of fair comment, in the context of satire. It never got that far.[13]

Scott decided to bring the matter to a close. On 14 April, he issued Kenny a public apology. Settlement negotiations began, and drawn-out legal action was avoided. The ABC ultimately paid Kenny a modest amount of damages and covered his legal costs.[14]

The apology had been issued without the consent of the Chaser team, who had been looking forward to a test case on satire. Morrow took to Twitter: “We respectfully disagree with the ABC Managing Director’s decision and statement today.” It was accompanied by a photoshopped image of Mark Scott, pants around his ankles, fucking a hamster. News Corporation enjoyed itself immensely. *The Daily Telegraph* ran the image prominently, with a summary of all the Chaser’s other indiscretions, from the APEC stunt through *Make a Wish* and the eulogy song. A caption jokingly noted that the masthead had decided not to identify the hamster in the picture.[15]

Today, Scott says that his instinct on the first day after the skit aired had been to apologise to Kenny, but he was persuaded by others, including Morrow, that the stakes were high: it was about protecting satire and freedom of speech. As well, he wanted to allow the complaints adjudication process set up by Chadwick to run its course. And what would it have looked like had the ABC, a few days after the election, made a grovelling apology to one of its top critics? But as the affair rolled on, clearly poisoning the ABC’s relationship with the government, Scott thought again. “The process was taking a very long time. And it was just doing a lot of damage. It seemed to be going on forever.” Finally, on 20 June, ACMA issued its finding. Contrary to the ABC’s in-house complaints processes, it ruled that the image of Kenny had breached Standard 7.1 of the ABC Code of Practice, which read: “Content that is likely to cause harm or offence must be justified by the editorial context.”[16]

Scott now thinks he should have apologised earlier. But “it was complicated, and as you can see, I can still argue both sides of the issue on whether it was legitimate satire, or too much”. And how did it feel to see the image of himself fucking a hamster all over Twitter and in the *Telegraph*? Scott purses his lips. “It was a bit of a shock. It was a bit confronting.” He shrugs. “You wear it.” The Kenny affair took up an enormous amount of energy, but for those outside the political class, it hardly mattered. Perhaps the most potent criticism of the Chaser sketch was that most viewers would have had no idea who Chris Kenny was. He was at that time a former political staffer trying to make his way back into journalism, with a low

profile outside News Corporation and the Liberal Party. *The Hamster Wheel* lifted his profile considerably.

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As though to highlight the performative nature of the Kenny imbroglio, at the same time as ABC television was dealing with this, there was another controversy that resulted from failures in standards. This one had real-world consequences.

In October 2013, the ABC's flagship science program, *Catalyst*, screened two episodes questioning the scientific consensus on cholesterol and heart disease. The first, which interrogated whether saturated fat was the health hazard most doctors suggested, passed muster as a legitimate questioning of orthodoxy, but the second suggested that statins – the well understood and widely used cholesterol-lowering drug – were toxic.[17]

The reporter was Dr Maryanne Demasi, who was known internally as a contrarian, zealous in using *Catalyst* to conduct investigations and suspicious of the pharmaceutical industry. The program had already been modified in response to feedback from the television policy officer, and extra interviews had been done with mainstream scientists as a result. But the version that went to air was still unbalanced, going beyond questioning orthodoxy and towards advocacy. It was criticised immediately and at length by the Heart Foundation.[18]

Norman Swan, one of the ABC's most respected medical experts, came out firing, saying the episodes might kill people if they stopped taking their medicines.[19] Swan went on to provide counterevidence to Demasi's claims on Radio National's *Health Report*. *Media Watch* devoted an episode to the issue and was scathing about Demasi's journalism.[20] A review by the ABC Audience and Consumer Affairs Unit found that the second episode had breached impartiality standards. Alan Sunderland, then head of editorial policies, judged that the program could be modified, corrected and reposted on iView, but such was the outcry that Scott decided to withdraw both episodes.[21] He recalls: "Even if they had been revised, I think the concerns over them would have lingered."

This was a damaging affair, undermining what should have been, and usually was, one of the areas of unique ABC strength – science reporting. A University of Sydney study later found that in the eight months after broadcast, 60,000 fewer people filled statin prescriptions, a dip which could have resulted in between 1500 and 2900 preventable heart attacks.[22]

Demasi remained a *Catalyst* reporter. She had at least one other episode, on antidepressants, rejected as a result of Sunderland's intervention, and two years after the statins controversy there was a problem with another episode, "Wi-Fried", which suggested, against the balance of evidence, that wi-fi damaged health.[23]

Again, the ABC's internal inquiry found the episode to have factual and contextual mistakes, and it was pulled. Demasi was suspended from on-air duties and *Catalyst* was suspended pending a review. Ultimately, *Catalyst* came back but in a different format. It was no longer a weekly show produced in-house, but a series of one-hour specials, mostly produced externally. *Catalyst* staff, including Demasi, were made redundant.

There were several reasons for this. The need for cost-cutting was a constant. But there was also a perception, from Scott down, that the television division was not the best place for serious investigative journalism. Programs such as *Four Corners*, in the news division, had robust legal processes and critical analysis built into their processes. Recalls Scott: "When other programs that were more generalist in nature, like *Catalyst* or *Australian Story*, elected to do investigative journalism, that was where you could get into real trouble."

With the end of *Catalyst* as an internally produced show, the ABC's independent capacity was further reduced.

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The Chris Kenny and *Catalyst* controversies were still running when, on 18 November 2013, the ABC carried a story on its website and on *7.30* sourced from Edward Snowden, the former US National Security Agency intelligence contractor who had turned whistleblower, leaking classified documents that revealed the existence of global surveillance programs. The main media organisation involved in publishing the Snowden leak was *The*

Guardian in London, but other outlets around the world were brought in to collaborate on stories, including the ABC.[24]

The documents revealed that Australia had spied on Indonesian president Susilo Bambang Yudhoyono, attempting to listen to his private telephone conversations and track activity on his mobile phone. The surveillance targets also included senior figures in Yudhoyono's inner circle and even his wife, Kristiani Herawati. The ABC reporters had handled the information cautiously. They gave Australia's security agencies access to the material they planned to use and offered them the opportunity to ask for redactions on national security grounds. But that didn't save the ABC from being attacked.

The tale of security overreach rapidly became one of the most explosive stories of the year. Outraged, Jakarta recalled its ambassador and demanded an apology from Abbott, who initially refused. Bilateral cooperation on people smuggling, defence and other issues was suspended; joint military exercises were cancelled. Former Australian foreign minister Gareth Evans suggested the Abbott government should issue an unequivocal apology. Others, including ambassadors and the intelligence community, insisted that protocol demanded that nobody confirm or deny that the reports were accurate.

The story went on to win Scoop of the Year at the Walkley Awards for Michael Brissenden of the ABC and Lenore Taylor and Ewen MacAskill of *The Guardian*. But the ABC was under attack, both for running the story at all and for doing it in conjunction with *The Guardian.*

Turnbull rang Scott, protesting that he should have been warned the story was coming. Recalls Scott: "We had an interesting debate as to whether, in fact, I should have given him a heads-up. And what I said to him was, 'What are you going to do with that information, and are you sure that that's what you want me to do?'"

If Scott had warned Turnbull, and Turnbull had told him not to run the story, "I would still have run the story," says Scott. "And where would that have put him and me? I told him that the long convention has been that you don't brief ministers on big news stories. But I think that he was taken aback by that." Turnbull was also critical of the fact the ABC had partnered

with *The Guardian*. Was that appropriate for a taxpayer-funded organisation?

As if these controversies were not enough, two days after the publication of the Indonesian spying story, on 20 November 2013, the ABC scored a spectacular own goal. In the early hours of that morning, Mark Scott woke up. As was his habit in such moments, he reached for his phone and read through the headlines. It says something about his style and his resilience both that he was reading the headlines in the dead of night, and that after doing so, he was able to get back to sleep – albeit having made a mental note that he would need to get up very early and hit the phone.

What he had seen was that *The Australian* had a leak of all the ABC's salary data.[25] For years, at Senate Estimates and in political debates, the ABC's critics had been demanding to know how much high-profile presenters such as Kerry O'Brien and Tony Jones were paid. Scott had briefed the Senate in in-camera sessions, in the interests of protecting privacy and commercial confidentiality. Now, everybody knew, including the ABC staff.

To make it worse, the leak was the ABC's fault. It emerged that it came from material released under freedom-of-information legislation to Robert Brokenshire, a member of the South Australian Legislative Council for the Family First Party. He had been sent a spreadsheet containing a high-level summary. The more detailed material, including individual names and salaries, was embedded in the spreadsheet and visible with a little manipulation. Inevitably, the data made its way to *The Australian.* As Scott was later to write to the board: "It is hard to anticipate a more effective Trojan horse to undermine morale and confidence in an organisation than to have all salary data publicly released . . . when the material eventually got to News Corp, it was gleefully utilised to create maximum damage."

Some staff had believed that public service guidelines applied – that the 7 p.m. newsreader in Adelaide would be paid the same as the Sydney newsreader, for example. It wasn't the case. The leak revealed big disparities between people doing similar jobs, and even between members of the senior executive. As Scott put it to the board: "The Sydney market means we have to pay much higher amounts to keep key talent. This is the same in commercial media . . . but it seems to have come as a shock to

some of our staff." Individual salaries were the product of all sorts of factors, including the skill set of the individual and their previous salary history. The ABC did the best it could to be fair, but this was the reality of the market.[26]

The figures revealed the New South Wales *7.30* host, Quentin Dempster, earned more for hosting only one night a week than Leigh Sales earned for fronting the national program four nights a week. *Q&A* host Tony Jones was the highest-paid journalist. Sydney news presenter Juanita Phillips was on three times more than other states' newsreaders. The top earner in radio, according to the article, was Sydney *Drive* presenter Richard Glover, while presenters of radio in other capitals got far less. ABC television *Breakfast* host Virginia Trioli earned considerably more than her co-host, Michael Rowland.

Not all the figures were accurate. Many were out of date, as Jon Faine made clear that morning when he tackled the issue head-on at the start of his Melbourne radio program. He was actually paid more than the article had said, he explained, and more than Glover. He made the point that this was a fraction of what any commercial radio host would get. He recalls: "I was not embarrassed except that I was paid more than Leigh [Sales]. I texted Leigh and offered to be her agent pro bono in negotiating her next contract." She responded, Faine recalls, "politely". Foreign correspondents got accommodation and other allowances, but they were not on comparatively high salaries, despite the risks and difficulties of their jobs. Seeing how poorly they were paid in comparison to newsreaders who sat behind desks in Australia's capital cities had, said Scott, "proven to be upsetting". It wasn't only the on-air talent who were annoyed. "Executives in some divisions have raised eyebrows [at] the revelation at what those in other divisions are earning."[27]

Kate Dundas remembers the day the story broke very well indeed. She was barely awake when, at 6 a.m., she took a call from Scott. "I saw his number come up and thought, 'Hooly dooly, something terrible must have happened.' He was quite flustered and said, 'Look, I'm really, really sorry, but your salary is on the front page.'"

An emergency meeting of the executive was called early that morning. Scott started talking about how to handle questions from staff, while the

executives themselves had just found out how their pay compared to those of their peers around the table. Dundas recalls: “It was almost funny, but it was not funny at all.”

Dundas was already of a mind to leave the ABC. She had always intended to stay in the job only five years. Now she was clashing with Scott over his Project 21 plans and his desire to create a new regional division that would hive off local radio stations from her responsibilities. “Salary-gate”, as it became known internally, made it worse. She was shocked to find that she was fourth or fifth down the rungs of executive pay. “It was one of those tipping points where I thought, ‘I don’t feel particularly valued and I think I should leave.’” She announced her resignation in April the following year and was gone by July. Michael Mason took over as director of what remained of radio after the creation of the regional division, a story told in Chapter 19.

In the wake of Salary-gate, Scott suggested to the board that the organisation get some external advice on managing remuneration, but that “the more pressing challenges are dealing with staff who are bruised or upset . . . who feel let down or misled by management who have often pleaded there is no more, when . . . some clearly have earned more”.

Five days after the salary leak, Mark Scott sat down to draft an extended briefing note for the board, intended for its December meeting – although the record of that meeting suggests that he delivered most of the content verbally, rather than submitting the briefing note in full. The note was written in recognition that the ABC was at a low point, facing multiple hits to its reputation and with worse ahead. It was a nadir. He ran through the recent challenges that had “tested and exposed us as an organisation and an executive” – Kenny, Indonesia, Salary-gate. It was hard to remember a time when the media had been more mean-spirited or acrimonious towards each other, he wrote, and *The Australian*’s coverage of the ABC “seems nothing short of obsessive”. “Their animosity is driven by ideological commitment, commercial pressure and personal grievance,” he wrote. “It will be an ongoing challenge for us to deal with their assaults.”

As for the budget, despite Abbott’s election-night promise that there would be no cuts to the ABC, Scott said that early signs out of the Commission of Audit suggested “a far bleaker fiscal position”. Even if the ABC faced “a significant challenge”, Scott told the board he had already

commissioned “detailed work on the cost-base of the ABC”. It showed that “we have leveraged the organisation to a point that easy savings will be hard to find without curtailing services”. He once again argued that the next priority for savings should be “to look at the structure of public broadcasting itself”, including a potential merger with SBS. If that was off the table, any cuts could only mean significant redundancies and the axing of programs, networks, foreign bureaus and/or local radio offices. Even with no cuts, they would have to find more money for investment in online and mobile, given the urgency of increasing the ABC’s online reach.

As for Turnbull, Scott wrote, while he was “a strong supporter” of public broadcasting, his belief that SBS was more efficient than the ABC, and that savings could be made without affecting audiences, posed a challenge. “His perceptions on these matters were shaped twenty years ago when engaged around the restructuring of Channel 10 and we need to work hard to convince him that this is a much more leveraged and productive organisation now.”

Despite all these challenges, he said there was some good news. Audience numbers were strong. The election coverage had been “authoritative and innovative”. New appointments to the executive, including Finlayson and a new director of people and learning, Samantha Liston, were pleasing with “both emerging as positive leaders of their divisions”.[28]

Not reflected in this memo was the fact that the work of the Audience Strategy Group, the departure of Dalton and the arrival of Finlayson had led to changes in the way the executive operated. There were still passionate disputes – between the Kates (Dundas and Torney) and Pendleton, and, as we saw in Chapter 15, between Clark and Pendleton. Torney and Finlayson had spirited fights over scheduling. But alongside this there was more responsiveness to whole-organisation challenges. Specifically, television was easier for Scott to deal with under Finlayson – but the independent production sector missed Dalton as its passionate advocate and source of inside information.

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In January 2014, the month after Scott delivered his briefing to the board, Malcolm Turnbull officially announced his study of efficiency at the ABC and SBS, which would come to be known as the Lewis review. Although Turnbull had something of the sort in mind since before the 2013 election, the timing of the announcement made it look politically motivated. It came a day after Prime Minister Abbott, responding to the Indonesian spying story, attacked the ABC for being unpatriotic. “The ABC instinctively takes everyone’s side but Australia’s,” Abbott said, and “should show some basic affection for the home team”.[29]

Then, in February, came yet another controversy. The ABC aired allegations that Australian navy personnel involved in policing Australia’s northern sea border had assaulted asylum seekers by deliberately burning their hands against a hot exhaust pipe. The Seven Network had aired the allegations first, followed by Fairfax Media in January. Now, the ABC broadcast a video, filmed in Indonesia, showing that the asylum seekers were indeed bearing injuries. It was a significant development, but it did not prove how the injuries had been inflicted. However, an ABC radio report on the story was sloppily worded, suggesting that the video corroborated the claims of deliberate assaults.

For Torney, the story was one of the most difficult she had handled. Australia’s border security operations had been completely closed to reporting, and it was impossible to get an official comment on any of it. Journalists had their sources, and people she trusted believed the story was true, but they didn’t have proof. She told me: “The story should have gone to air simply reporting what people had told us, and showing the evidence, but not making a final inference of guilt or otherwise.” As written, the radio story risked reinforcing claims that the ABC was unpatriotic, if it seemed prepared to criticise the armed forces without evidence.

On 4 February, the ABC issued a statement, signed by Scott and Torney, defending its decision to report the “important story” but admitting: “The wording around the ABC’s initial reporting needed to be more precise . . . We regret if our reporting led anyone to mistakenly assume that the ABC supported the asylum seeker claims. The ABC has always presented the allegations as just that – claims worthy of further investigation.”[30]

The Australian, of course, made much of this. Once again, the ABC was criticising the home side, this time without sufficient evidence. Meanwhile, Alan Sunderland had written a piece for *The Drum*. “When the ABC starts chasing uncomfortable stories, we expect criticism. But it is indeed a strange world when some of those who should be chasing the story seem to think the story is us.”[31]

In his first report to the board for the year, on 20 February, Scott acknowledged that the two months since his last briefing note had been “a challenging period with intense media scrutiny on the ABC and criticism from a number of Government figures . . . We clearly face a challenging year.”[32]

Scott had not been taken by surprise by Turnbull’s announcement of the Lewis review. It had been clear that something of the kind was coming, and he had already started to prepare for it. The head of business operations and production, David Anderson, was to be seconded to the Department of Communications to assist.

The review’s draft report was released to the ABC in April 2014 – just before the budget – after which Scott met with Turnbull and Lewis to discuss it. The ABC’s supporters and its critics had both expected the report to be a hostile exercise. That proved to be a mischaracterisation of the result. Certainly, it was all about efficiencies, or cuts, but it was framed as a set of suggestions and issues to look at. Just 106 pages long, not including appendices, it began in friendly fashion, acknowledging the importance of the ABC and SBS and describing them as “a vitally important part of community and national life”. They provided “a more extensive range of services than any single commercial television or radio broadcaster in Australia” and achieved “very substantial outputs” with their resources. This was a very different tone from that of the Commission of Audit’s report, with its casting of doubt on the need for public broadcasting to exist at all. The Lewis report acknowledged that many of the issues it identified were not new to the ABC and were already being addressed. Indeed, although Lewis did not say this, there were substantial areas of crossover with the Project Chicago and Project 21 agendas, both of which, of course, Anderson had been involved in.

The review's report queried the continued usefulness of television studios in the state capitals other than Sydney. There were ABC television production studios in Sydney, Melbourne, Adelaide and Perth, it noted, as well as a multipurpose studio in Brisbane that was seldom used for television. It analysed the cost of the Melbourne studio compared to outsourcing, and suggested that even though construction had begun, there might be cost savings in amending or shrinking it.[33] This was a continuation of the argument that had riven the organisation for years. The Lewis review also suggested the sale of the outside broadcast vans, moving to an outsourced model – another touchpoint of controversy, because of the impact on televising state sport.

The report contained detailed comparisons of cost structures at SBS and the ABC, without concluding that SBS was notably more efficient. Both organisations had strengths and areas for improvement. The report gave some support to Scott's suggestion that SBS and the ABC merge functions, specifically their streaming services. It also suggested that the ABC and SBS should share premises in Sydney and Melbourne, which would save substantial costs but, the report acknowledged, might be "controversial". Another suggestion was that the broadcasters charge for access to ABC iView and SBS On Demand.

The report queried whether the ABC needed to be transmitted on Foxtel, which charged for the service. Lewis questioned whether digital radio was essential, given the government had yet to roll it out beyond metropolitan areas. Lewis had expected to find savings in country radio stations, but after a comprehensive look he was impressed by their efficiency and recommended instead a constant review of their location in response to demographics.

When it came to management, he suggested that the ABC could abolish the positions of state and territory directors, and that this tier of management could be absorbed into other roles. Lewis supported the vertical integration of production resources into the content divisions, which was already being implemented. The review ran the ruler over ABC Open and noted that while the project was getting considerable engagement from the community, "the strategic integration with wider ABC activities is not clear". He suggested it should be reviewed.

Lastly, there was the issue of transmission contracts. Turnbull had already set up another department review, with LEK Consulting, of the public broadcasters' arrangements with Broadcast Australia. The detail was therefore outside Lewis's remit, but nevertheless he suggested there might be benefits in SBS and the ABC negotiating together. He recommended that the broadcasters be allowed to keep any savings they achieved through negotiations – giving them an incentive to cut good deals.

Most controversially, Lewis noted how broad both broadcasters' charters were, and how high-level their strategic plans. "The study was unable to find evidence that the broadcasters had in place a clear, consistent and transparent methodology to decide how competing initiatives relate to their Charters." The report suggested that although the two organisations were independent of government, the minister was nevertheless accountable for their performance. It recommended that the minister should provide each broadcaster with a statement of the government's expectations on financial management and transparency. The report acknowledged that such statements would provoke concerns about government interference, but "provided it was carefully constructed . . . a Statement of Expectations would assist the boards to clearly understand the efficiency and financial outcomes the Government is seeking from the annual investment of taxpayer funding".[34]

The Lewis review had not proved to be the ideologically driven cost-cutting exercise that the ABC's critics had hoped for and its supporters had feared. Instead, it was a detailed, even nerdish set of suggestions, many of them in line with work that was already underway. It had not found huge amounts of fat for cutting that avoided cuts to content. Nor had it concluded that the ABC was bloated and SBS lean.

The report specifically warned against totting up all of the identified savings to arrive at a total figure. Some of the suggested changes were alternatives to others, so they could not all be implemented. Others depended on government policy. Nevertheless, as versions of the report leaked out – it was not released to the public until late in the year – totting up the figures is exactly what people did. In Senate Estimates, Scott was asked whether it was true that Lewis had identified $60 million worth of cuts as the most that the ABC could achieve. That was indeed the total

figure – but as Scott pointed out, Lewis had also identified that it would cost more than $76 million in redundancies and other costs to fund the transition. Similarly, outsourcing more production might save money, but it would also have flow-on effects to what kind of content the ABC could make. All of these things had to be considered together.[35] The ABC dismissed the idea of cancelling or shrinking the Melbourne studio, but it was clear, as it had been ever since Project Chicago, that television production outside Sydney and Melbourne was vulnerable.

At Senate Estimates, Scott made it clear that there was no hard line between cutting internal production resources and cutting content. The two were interrelated. “If, in fact, we are to make savings through the outsourcing of production, then clearly that changes the mix of programming that we can make. If we are to outsource our outside broadcast vans, which there might well be an argument for doing – no other broadcaster in the country owns their own vans – that again changes for us the affordability of some programs that we currently run. It has been a circular argument, really. Why do you do local sport? You do local sport because you have OB vans. Why do you have OB vans? You have them because you do local sport. But if you outsource the OB vans, that again has an impact on the kind of content that you can make.” The ABC was grateful for the review’s report, Scott said, and was working through it in an “iterative process”, as had been intended.[36]

In the wake of the Lewis review, Scott wrote to Michael Ebeid, saying that the ABC was prepared to rent part of its Melbourne building to SBS in return for fit-out costs, which would save SBS from renting its separate premises in Federation Square on the other side of the Yarra River. SBS did not take up the offer. As it turned out, the rental deal SBS had was a good one, and the ABC could not better it. At the time of writing, SBS remains in Federation Square. The ABC space set aside for SBS was rented out commercially, for a better return.

In October 2014, Turnbull appointed Peter Lewis to the board of the ABC – the first board appointment by the Abbott government. At this stage, the Lewis report had not been officially released, but some of its recommendations had been leaked. Lewis’s appointment was attacked by staff unions and by the Friends of the ABC. As Lewis would be overseeing

the “significant cuts” he had recommended, said the Community and Public Sector Union, his appointment was “hostile and politically motivated. The Abbott Government has hand-picked a fox to put in the ABC hen house.”[37] That was not how Scott saw it, nor Spigelman. They thought the review had been an “appropriate” process, and that Lewis was a useful person to have around. And, while he clearly had Turnbull’s favour, he had also been through the merit-based selection process for the board.

But by now, the Lewis report and its recommendations had been overtaken. The ABC’s funding had been cut, and was about to be cut again, out of all proportion to the suggestions in the Lewis report.

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The Abbott government’s cuts to the ABC came in two parts. The first tranche was in the budget, handed down on 13 May 2014. The ABC and SBS both lost 1 per cent of their funding over the next four years – a combined cut to base funding of $43.5 million, $35 million of which was from the ABC. It was not as bad as had been feared. The public broadcasters were spared the efficiency dividend that had been applied to almost all government entities, which, had it been applied, would have cost the ABC about another $204 million over four years. However, the budget papers ominously declared that this initial cut was a “down payment” on further cuts to come as a result of the Lewis review.[38]

A much bigger immediate blow was the announcement that DFAT would terminate its ten-year, $223 million contract with the ABC to provide the cross-platform Australia Network Service. This removed more than 60 per cent of the ABC’s budget for international media services. There was a long history behind this cut, dealt with in more detail in Chapter 18. It was devastating.

On budget night, Sarah Ferguson, as presenter of *7.30*, did the traditional interview with Treasurer Joe Hockey, who was fresh from delivering his speech. It was a typically combative Ferguson effort. After briefly congratulating Hockey, she launched in. Referencing Abbott’s election-eve promise of no cuts, she said, “It’s a budget with new taxes,

with levies, with co-payments. Is it liberating for a politician to decide that election promises don't matter?"

Hockey was visibly taken aback. Ferguson kept up the attack. "You promised tax cuts and no new taxes," she said. "We have new taxes. You talk about honesty, you say it is the most important currency in politics. Isn't it time for you to have respect for the voters, acknowledge what's happened, so we can genuinely move on?"

"You can play those sorts of games," stuttered Hockey.

"It's not a game, sir," said Ferguson.[39]

It made great television – Hockey like a rabbit in the spotlight – and was immensely shareable. On Facebook, Twitter and Instagram, clips spread far beyond the traditional *7.30* audience and helped to frame the budget in the public mind as one of broken promises.

Economic commentators criticised the budget as regressive. Welfare and community groups rallied against it. Leaked Treasury analysis showed the budget would hit low-income families disproportionately. Tens of thousands attended "bust the budget" rallies and, ultimately, many of the key provisions failed to pass the Senate – but the cuts to the public broadcasters went ahead.

Ferguson's interview with Hockey was nominated for a Walkley Award, but it added to the conviction within the government that the ABC was hopelessly biased. Almost a year later, it formed part of the material for one of the quarterly independent audit reports on ABC content that Spigelman had introduced when he became chairman, as part of an attempt to tackle the persistent claims of bias. Colleen Ryan, a former *Australian Financial Review* editor, reviewed the entirety of the ABC's reporting of the budget and found it "excellent" overall, with only three out of seventy-six analysed items identified for criticism. One of them was Ferguson's interview. Ryan said the interview was "compelling television" but showed how "perceptions of bias could be inflamed unnecessarily". Ferguson did not appear to show the treasurer enough respect, Ryan found.[40]

The news division rejected this finding, and Torney made a public statement in response: "ABC News does not believe Ms Ferguson's questions were hostile or unbalanced; rather, they were astute and prescient. The government's capacity to sell the budget measures in light of the

election promises remains at the heart of commentary about the government's performance."[41] Alan Sunderland, now the director of editorial policy, also defended Ferguson in a piece for *The Drum*. Other media outlets, particularly *The Australian*, had wrongly suggested that Ryan found Ferguson to be in breach of editorial policies. That wasn't the case. Ryan had found Ferguson's questions to be accurate and appropriate, and had merely questioned whether enough respect was shown to Hockey, Sunderland explained. "The ABC will not step back from the kind of honest and open scrutiny that more media organisations should do . . . and I'll look forward to the next Sarah Ferguson interview."[42]

The second, deeper round of cuts was announced in November 2014, as part of the government's mid-year economic and fiscal outlook. The ABC's funding was further reduced by $207 million over the five years to 2018–19. These reductions were phased, with no cut in 2014–15 but increasing cuts over the subsequent four years. With some tied funding not renewed, in total, the ABC's funding was reduced by $254 million over the period. The government's statement asserted that the Lewis review had "demonstrated" that these savings could be achieved from "back office operations without significantly affecting the funding available for investing in content".[43]

At the same time, Turnbull announced that he had adopted the suggestion from the Lewis report that SBS and the ABC should be able to keep any savings from the transmission contracts, which were then up for renegotiation.[44] After years of being captive clients of Broadcast Australia, it seemed there might at last be some hope of competition. TXA Australia, owned by the Seven, Nine and Ten networks, had expressed interest in transmitting the ABC and SBS and had hired lobbyists to pitch its case in Canberra. Pendleton was sceptical: TXA covered only the capital cities, not the regional areas so important to the ABC. Meanwhile, Turnbull was making it clear to Scott that he expected savings from transmission negotiations to largely compensate for the budget cuts. Together with measures such as abandoning digital radio, this should make any damaging cuts to programs unnecessary.

The contract negotiations were hard fought over the rest of 2014 and 2015. Turnbull involved himself intimately in parts of them, applying pressure on Broadcasting Australia, which helped. Some concessions were

achieved. The details were commercial-in-confidence, but in its 2016 report, the ABC said that a combination of efficiency initiatives and savings on the new transmission contracts would deliver ongoing savings of around $50 million per year by 2019. It was enough to help significantly as the organisation adjusted to the long-term impact of the government's cuts. Nevertheless, the graph in the report showed the amount of money left for ABC operations trending steadily down.[45]

On the government figures, the cut to the ABC was an average cut of just under 5 per cent over the five years. But Scott argued to Senate Estimates in November 2014 that, combined with the cuts announced in the budget in May and the end of the Australia Network contract, the total cut was really 8 per cent.[46] This was in line with the disaster scenario in the Project Chicago planning exercise.

In November, Scott delivered a hefty information paper to the board, throwing down the gauntlet. If the long-term future of the ABC was to be assured, it would have to cut programs, not only to compensate for the government's cuts but also to fund new investment. This was existential, he wrote: without investment in "services, content and organisational capability . . . the perception of our value will plummet" and:

> the ability of the ABC to remain the home of Australian stories and conversations will be dramatically threatened. Like many other once great media companies around the world we will have locked ourselves into a path of terminal decline. If we fail to drive this investment in digital and the necessary transformation of the organisation then we will have been the board and management team asleep as the ABC missed the future.

This would be tough. Loyal audiences and stakeholders noticed when their beloved programs were cut, and they didn't see the backend investment. But it had to be done.

The rest of the paper was a detailed and bracing run-through, division by division, of potential cuts. About $25.2 million came from property, administration, IT and procurement. The rest came from content.

In radio, there were to be cuts at ABC Classic FM, Radio National and Triple J Unearthed. *The World Today*, Radio National's lunchtime current affairs program, would be shortened. On television, *Lateline* and *The Business* would be discontinued. There would be cuts to overseas bureaus. The state-based *7.30* programs on Fridays would be discontinued.

Television production in Adelaide, Perth and Hobart would stop, and coverage of local sport would be reviewed. The savings would be directed to iView, supporting new channels, better marketing and a focus on youth and the arts. The ABC's streaming infrastructure would be upgraded in the regions, and there would be a new digital youth current affairs unit and new reporters in regional offices.[47]

Lateline was saved. Senior journalists in the news division wrote letters, started a petition and lobbied their impressive contact lists. They sat down with Mark Scott and pleaded the case. On the other side of the argument, for years there had been a view that two nightly television current affairs programs – *7.30* and *Lateline* – was an example of overservicing, given the available resources. *Lateline*'s audience was small and shrinking. Increasingly, ABC television audiences simply weren't sticking around until late at night.

One of the people contacted as part of the lobbying effort was Kim Williams, until recently the head of News Corporation Australia, who had resigned after falling out with the powerful editors of the Murdoch press. Williams was known to be a close friend of ABC chairman Jim Spigelman. It was Tony Jones who called him. Williams had trouble believing what Jones was telling him – that *Lateline* was to be axed. He recalls: "I said, 'That is silly, mate. It is the most important current affairs program in Australia . . . No one would be so silly.' And Tony said, 'I'm telling you, Kim. I'm not speculating. I am telling you, the program is being cut.'"

Williams rang Spigelman, who was in London, that night. Spigelman confirmed that the program was for the axe. Williams recalls: "We talked for some time and he said, 'Okay, I'll give it another year.' And they did. And Mark didn't like it. Mark was, I believe, very, very, very shitty."

Scott says that he doesn't recall Williams's intervention, and that Williams's voice would have been "one of many" in a chorus of criticism. *Lateline* survived but was moved to a new, more viewer-friendly timeslot of 9.30 p.m. on ABC News 24, repeated on the main channel at 10.30 p.m. Its budget was cut but it survived for another few years. Says Scott: "I was curious to see if it could hold an audience earlier in the evening on the news channel, but it failed to draw audiences that reflected the investment in a second evening current affairs program. Sometimes more people like the

idea of a program than actually commit to watch it." Other programs that were cut included Radio National's *Bush Telegraph*, *Weekend Planet*, *By Design* and *First Bite*. Five specialist programs – *360*, *Hindsight*, *Into Music*, *Poetica* and *Encounter* – were "recast", with twenty-one staff made redundant.

In his presentation to staff announcing the cuts, Scott assured them: "We will get through this – changed yet still strong. Relevant, valued." But the task ahead was dismal. There was a 10 per cent reduction in the acquisition and commissioning budget of ABC television across drama, documentary and children's content. Closing the fact-checking unit had been considered but dropped, although it was to have fewer resources. There had been talk of closing ABC2, moving its content to iView and using the main channel for preschooler content during the day. That idea was also dropped.[48]

At Senate Estimates in December, Scott was quizzed on why he was cutting programs and content when Turnbull had said the cuts could be made from efficiencies. The Lewis report, for example, had said nothing about closing country radio stations or cutting the state *7.30* programs. This had become the main point of contention between Turnbull and Scott. Turnbull claimed there was no need for program cuts. *Peppa Pig*, in particular, was safe. Scott said that the ABC had to continue to invest in infrastructure and innovation. In the past, initiatives such as iView and the ABC apps had been funded by making internal efficiencies. The government had now effectively robbed the ABC of its efficiency savings, but the imperative for innovation remained. It was not that the government was forcing them to cut programs, Scott said. He had never made that claim. But the scale of the government's cuts meant that the ABC could no longer fund new investment from efficiencies. If the ABC was to remain relevant and accessible, something had to go.[49]

Recalls Spigelman: "The way Mark portrayed this was smart, politically . . . Turnbull could say that the ABC did not need to cut programs, but what Mark was saying was that nevertheless, there were all these programming cuts, and the government's responsible for them, and that was the inference everyone drew."

Over the whole organisation, there would be 300 redundancies immediately, building to more than 400 – more than 10 per cent of the

workforce. But new people were also hired, including the new staff in the digital network division. By the end of the 2016 financial year, the total ABC workforce was 4182. When Scott had started, in 2006, it had been 4461. Decades before, in 1987, when the ABC had just one television channel, fewer radio stations and no worldwide web, apps or streaming services – but much more internal production capacity – it had been 6500.[50]

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By early 2015, the Abbott government was deeply unpopular. An election was due the following year. On 14 September 2015, after thirty consecutive Newspolls had put the Liberals far behind Labor, Turnbull resigned from cabinet and challenged Abbott for the leadership. He won, fifty-four votes to forty-four, and was sworn in as prime minister.

Those events overshadowed another significant announcement. On the same day, Mark Scott announced that he would leave the ABC in mid-2016, at the end of his second five-year term.

Mitch Fifield was now the minister for communications. The search for Mark Scott's replacement began.

In Spigelman's view, the ABC had been lucky to have Turnbull as a minister: he was clearly more sympathetic to the ABC and to public broadcasting than other members of the government, including Abbott. He therefore safeguarded the organisation from what might have been worse attacks on its independence and more savage funding cuts. Nevertheless, under Turnbull's watch, and partly at his doing, the ABC was delivered some of the most serious blows in its history, and these reshaped the organisation in important and longstanding ways.

More than this, Turnbull was an interventionist minister, ready to complain about content. In his view, he was not interfering with editorial independence. He just wanted the journalism to improve. But between the force of his personality and his assuredness of his own rightness, he cast a long shadow. "What would Malcolm think?" became a mantra in some corners of the ABC, and this intensified once he became prime minister.

In 2018, with both Scott and Spigelman gone, that atmosphere was the backdrop to perhaps the biggest crisis in the organisation's history.

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What Was Lost: Local

The transition to digital is Mark Scott's main legacy at the ABC. Another is increasing Sydney-centrism. In particular, the cuts of 2014 were the nail in the coffin for internal ABC television production everywhere except Sydney and Melbourne. The state-based Friday-night current affairs programs were also a casualty of those cuts. But even before the cuts came, at least after the Project Chicago exercise in 2010, it was clear that local television production and local television current affairs were regarded as expendable if tough times came.

Scott would be the first to say – and indeed did say at Senate Estimates, to two separate Senate inquiries, in several speeches and media interviews, and in interviews for this book – that a reduction in local presence was not necessarily the same as a reduction in local and regional Australia being depicted on ABC television. Internal production units might close, but the national broadcaster was still commissioning content that reflected the nation's diversity. Scott argued that it didn't matter where management, administration and commissioning were based. What mattered was the content. For example, in 2016, four years after the ABC closed television production in Hobart, it screened the comedy *Rosehaven*, set in the Huon Valley, produced by What Horse? Productions and Guesswork Television, with money from Screen Tasmania, Screen Australia, the ABC and Film Victoria. The US pay-television channel Sundance came on board for the second season. Some might argue that this kind of project – and there have been others – compensates for the cultural capital lost when the Tasmanian television studios closed.

But those living and working in the so-called BAPH states might well disagree. Having an institutional television production capacity in your home state makes a difference. Creative people have career paths. Their

work permeates the pubs, the cafés and the bars. Independent production companies – overwhelmingly based east of the Dividing Range, even if they contract some local creative talent – cannot replicate that impact.

Despite the moves to offset it, regional Australia has increasingly become a subject of ABC content, particularly television content, rather than a voice within the organisation. This is one of the things that has been lost, and it goes to the heart of what the government and the country expect of the ABC. Creative Australia wants the ABC to be forced to meet quotas for Australian content commissioned from the independent production sector, rather than maintaining big numbers of internal production staff. People in regional Australia, those who live west and south of the Great Dividing Range and the politicians who represent them, want the ABC to be truly national, forced to remain a strong institutional presence in state capitals and country centres. Remaining relevant to audiences means investing in technology and platforms. Even before the cuts of 2014, and certainly since, it is hard, if not impossible, to do all these things and do them well.

To be fair to Scott, the trend towards increased centralisation in Sydney certainly did not begin with him. A key moment came in 1995, when *7.30 Report* went national. Previously, *7.30 Report* had been not one program but separate editions in each state, each with its own staff and producer, setting its own agenda. As evening newspapers disappeared and ownership of the morning papers grew more concentrated, the local ABC reports became increasingly crucial as watchdogs on state administrations, particularly through the raft of corruption and maladministration inquiries in all states in the late eighties and early nineties. Local current affairs reporting was done with no sense that the work was somehow marginal to the national story. Rather, the national story on the ABC was the sum of its parts, grounded in what was happening in the state capitals and the regions. This capacity for seriousness of purpose in state-based television current affairs has been largely lost.

Against this there were strong arguments for *7.30 Report* going national. Australia's population is widely dispersed. We can be a fractured and parochial nation. As Kerry O'Brien puts it, there was in 1995 a need for "a truly national, hard-edged, prime-time daily news analysis program reflecting on who we are as a nation."

The sop to the states when the local *7.30 Reports* ended was *Stateline* and later the state-based *7.30* programs on Friday nights, but their budgets were always very lean and the quality was variable. Then came the Abbott government's 2014 budget cuts, and the state-based *7.30* programs were discontinued.

Sandra Winter-Dewhirst was the director for South Australia when Scott started as managing director. She recalls making a determined effort to get him to attend the opening of a new radio studio in Mount Gambier, in the southeast corner of the state. The same week, the local commercial station had started syndicating its news, sacking local reporters. Winter-Dewhirst recalls: "I wanted him to see the value of microphones open right across the country in these regional small communities . . . where it didn't make sense economically sometimes for the commercial media to be there . . . I think he got that very early on for radio. I don't think he ever got that in television, though." She recalls telling Scott that the ABC's "federal" structure was a key strength and point of difference, and that making visual and audio content in each state was fundamental to the brand. Scott replied, she recalls, that "if you were to start up the ABC today, you would centralise most of the functions". She responded that politicians outside Sydney would never agree to fund such a broadcaster, and the original function of the ABC – to unite the nation – would be compromised.

South Australia played an outsized role in the final years of BAPH state television production at the ABC. Winter-Dewhirst was always a vigorous advocate, and she was supported by Margot Phillipson, who had begun as a trainee in the Adelaide headquarters and worked her way up to be a senior television producer. In 2002 she had become an executive producer of ABC factual television. That work gave her an overview of internally produced programs across the nation. She was an asset to the ABC – a powerhouse of ideas with a versatile team.

When Sandra Levy was director of television, a lot of effort had gone into the problematic 6.30 p.m. television timeslot, leading up to the all-important 7 p.m. news bulletin. It was a difficult time of night. Families were arriving home, cooking meals, doing homework – the television was perhaps on, but not the focus of attention. But the ratings figures showed that those who were watching at 6.30 were likely to stick with the ABC into the evening.

The timeslot had been used for repeats of British comedies. Levy, trying to maximise Australian content despite tiny budgets, had tried to find affordable alternatives, including the *Dimensions* series, which eventually became the interview program *George Negus Tonight*. By 2005, Negus's ratings were dropping, and Denise Eriksen, as head of factual television under Levy's direction, oversaw a new plan for the timeslot to be "owned" by the state-based production units. Each would produce a magazine-style program. The Brisbane team created *Talking Heads*, a ratings success, based on interviews with "wonderful Queensland people". Adelaide made the inspired decision to feature local chef and pheasant farmer Maggie Beer in *The Cook and the Chef*, devised by Phillipson and featuring Beer as the "cook" creating meals with "chef" Simon Bryant, filmed in the Barossa Valley. It launched Beer's television career. Perth contributed a show about Highway 1, telling stories along the road. It didn't work and was replaced by *Can We Help?*, which answered viewer questions, granted wishes and reunited families. It rated well.

Hobart was the home of *Gardening Australia*, with its idiosyncratically and literally down-to-earth presenter Peter Cundall. Levy later decided to move the *Gardening Australia* headquarters to Melbourne, although it included segments produced in every state. Eriksen remembers landing in Hobart in the wake of this decision, only to be greeted by a furious demonstration, led by Cundall. Eriksen, however, was in Hobart to announce two new programs to be produced out of Tasmania. *Collectors* was to feature everything from cars to dolls to stamps, from both museums and private collections. *Second Opinion*, fronted by well-known Tasmanian journalist Judy Tierney, would be about alternative medicine. *Collectors* was popular and soon moved into the prime-time 8 p.m. Friday timeslot. *Second Opinion* did less well and fell by the wayside.

Levy had set targets of viewing figures in the 500,000s for these cheap-as-chips, locally produced shows. Their budgets – not including the fixed costs of the state-based staff and production resources – were often as little as $5000 a show. Only local people could be interviewed, to save on airfares. Nevertheless, as a group they were modestly successful. By 2006, they were attracting around 700,000 viewers each. This was not high-end content. As Eriksen puts it, "We weren't saving the world. We were producing good television." It proved that this kind of programming could

be efficiently produced in-house, but the model relied on high fixed costs – staff, crews and studios.

David Cruttenden had put immense effort into improving the efficiency and accountability of local television production. He and Pendleton had continually argued that if planning was attuned to capacity, in-house production could be highly efficient and much cheaper than outsourcing. Cruttenden had made sure that internal resources in the state production houses were used with little downtime. “That made internal operation very efficient and cheap.”

Then Kim Dalton arrived. He regarded this regionalised in-house production as resource-intensive and designed to keep people employed, rather than justified by its cultural worth. He wanted to free up resources to commission more high-end drama and documentaries from the independent sector. He thought *Gardening Australia* earned its place – it was an institution, with a loyal audience and great presenters. “Its ongoing production was never in doubt,” he recalls. But in his view, the other state-based units had a limited skills base and could only produce “lower budget magazine-style programs”, which did not fit with his aspirations for ABC television. His infamous speech to the Screen Producers’ Association of Australia (SPAA) conference in 2006, in which he unilaterally and prematurely announced his intention to end in-house production of fact-based programming, was the turning point.

According to Cruttenden, Dalton was completely uninterested in the figures on efficiency. His conviction that regional television production was inefficient became self-fulfilling. “Dalton just wanted the ABC to be a commissioning body and no more, which left me with a huge headache,” Cruttenden recalls. The “relentless cutting of any production outside of Sydney and Melbourne . . . left me under capacity. This created a heavy reliance on casual labour to the point that it became more expensive to do any type of TV production outside of Sydney.”

Phillipson pushed back against Dalton’s agenda. In the wake of the SPAA speech, she wrote a paper for the ABC executive about the need to preserve and more effectively use the ABC’s internal production capacity. She argued that if Dalton was allowed to “dilute, diminish and ultimately dismantle” this capacity, the long-term consequences would be “disastrous” from both “an editorial and a financial point of view”.

She disputed the idea that it was cheaper to outsource production. She gave as an example a series of cricket documentaries that the South Australian team had made in an unusual collaboration with ABC Enterprises, the broadcaster's commercial division. Nine documentaries were produced, covering cricket through the twentieth century. They rated well and earned about $7 million through sales of DVDs and companion books. Having been produced in-house, they would be "owned in perpetuity by the ABC" and provide "an ongoing program and revenue stream".[1]

By this time, 2006–7, the Adelaide production unit was recognised as one of the most productive and lively of the BAPH states, thanks to the innovative spirit of Winter-Dewhirst and Phillipson. The Adelaide ABC headquarters was a hub of cultural and political life. As well as television production, it housed the headquarters of ABC Classic FM and production for *Behind the News* and the ABC's Asia Pacific network.

Long before the production resources review achieved similar things for the organisation as a whole, the Adelaide office had been fitted out with Apple Mac computers and the staff had been trained in editing skills. When other work was scarce, crews were sent out to live music and comedy gigs in the clubs and bars of Adelaide to make content for the hungry new station ABC2. The international music festival WOMAD (World of Music, Arts and Dance) made it onto national television screens, as did two Wagner Ring Cycles from the South Australian Opera and highlights from the Adelaide Festival. Phillipson was always pitching ideas for new programs and projects, but under Dalton it got harder. She recalls: "The message was that if you wanted to pitch a show to the ABC, you should leave first, and pitch from outside the organisation."

In the early days of the production resources review, the Boston Consulting Group (BCG) visited Adelaide and was shown around by Phillipson and her colleagues. Winter-Dewhirst was the only state director on the review committee. The resulting report recorded that much of the flexibility and multitasking that were needed across the ABC were already in place in Adelaide. It was a small but immensely productive team. The BCG report concluded that local production could be efficient and economical and should continue. This led to the agreement that there would be an internal production guarantee – a certain amount of television content

to be produced in-house. But Dalton was completely opposed to the internal production guarantee and never committed to it.

Today he says: “BCG . . . didn’t understand anything about managing a broadcasting schedule, managing program ratings and overall audience reach.” Nor, he claims, did Pendleton and the resources division. In his view, they just wanted the infrastructure and the people kept busy. It didn’t matter, he says, that the production in Adelaide might have been efficient and economical. Rather, he was concerned about whether there was an audience for the kinds of low-budget programs it produced, and whether they made sense within the overall television budget and his aspirations for commissioning high-end, long-form content of lasting worth.

Meanwhile, other state-based production efforts were under pressure. In June 2010, the host of *Collectors*, Andy Muirhead, was charged with accessing child pornography. Within the small creative community of Hobart, where the show was produced – and among the thousands of Tasmanians who proudly watched their local program – this was a crisis. *Collectors* was off-air for a month and Muirhead took unpaid leave during proceedings, eventually pleading guilty. The show returned in July without him, but it was clear its future was shaky.

Later the same year, the Project Chicago exercise began. It went on to identify cutting BAPH state television production as one of the most obvious ways to save money. Stephen Conroy, as communications minister, blocked this agenda when he could. He recalls Scott, Newman and Spigelman all raising the topic with him at various times. “I would say, ‘No you are not. No you are fucking not.’ I wouldn’t let them. I said to them: ‘Let me be clear. I have got two blokes from Sydney here trying to pretend to me that you are going to close these regional offices, and you’re going to consolidate Sydney and Melbourne . . . I am an economist. Every argument you make about closing Hobart can be made about closing Melbourne, so everything goes ultimately to Sydney. You’re a national broadcaster’ . . . So I said, ‘Do not put any of this to me again.’”

One focus of these battles was the ABC’s commitment to screening local sport, and in particular live state football. This commitment was one of the main reasons the ABC owned a fleet of outside broadcast vans. They were also used for special events such as Anzac Day and arts festivals, and Dalton thought they should be sold and then leased as needed, as the

commercial broadcasters were already doing. The counterargument was that the very nature of the public broadcaster – its commitment to local content and to programming that no commercial broadcaster would take on – meant that it should have its own vans. As Scott observed, it was not easy to separate infrastructure questions from content questions. Why did the ABC own outside broadcast vans? Because they televised local sport, and doing so would be cost-prohibitive otherwise. Why did the ABC televise local sport? Probably partly because they owned expensive outside broadcast vans and had to use them.[2]

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In 2011, the ABC announced cuts to content and accompanying redundancies. They could hardly have been more emotive, touching simultaneously on the sacred but low-rating ground of local sports coverage, local presence and coverage of the arts.

First, it was announced that lawn bowls would no longer be televised, after thirty years on-air. Audiences had declined "markedly", the ABC said. In 2009, average "five-city" audience numbers (that is, across the five mainland capitals of Sydney, Melbourne, Brisbane, Adelaide and Perth) were 200,674. Now, they were 168,000. But like every program the ABC put to air, lawn bowls had a devoted following prepared to protest. At least 800,000 Australians played the sport – and many of them resented the change, even if they did not watch the broadcasts. The ABC also announced it would no longer broadcast the Northern Territory Sports Awards, the Northern Territory Rugby Union finals or the Tiwi Islands Football League grand final.[3]

The controversy over these cuts had barely subsided when, in August 2011, the ABC announced deep budget cuts to internally produced factual television programs across the board. In particular, the Sydney-based *New Inventors* and the Melbourne-based *Art Nation* would both be discontinued. Both programs had a cultural significance beyond their viewing numbers. *New Inventors* was the reboot of a program that had originated in the 1970s, showcasing Australian inventors in a panel-show format. It was nostalgic and beloved by industry. *Art Nation* was pure charter – part of the ABC's

commitment to doing what commercial broadcasters would never do. The ABC also announced that *Collectors*, which had never quite recovered from the Muirhead scandal, was to be "rested". This was a blow to Tasmania – it was the state's claim to a continued in-house production crew. At first, they were reassured that the in-house crew would be employed on a new program, *Auction Room*.

These announcements were part of the reason that, in 2011, Scott reported to the board that maintaining a good relationship with Conroy was becoming more challenging. Conroy had been briefed on the changes, Scott claimed, but was angry about them, and did not accept the argument that the ABC had to make up ground because of inadequate capital funding.[4] Conroy, on the other hand, still claims that he was not fully briefed and did not know about the specific program cuts.

To the viewing public, these announcements, coming close together, presented a fundamental change. Local MPs in all states were confronted by campaigns from educators, parents' groups, state sporting codes, the arts community, industry groups and organisations such as the CSIRO, which advocated for *New Inventors.* It was a powerful combination, and the ABC's programming decisions were referred to a Senate committee inquiry, with terms of reference directing it to examine the implications for "the ABC's ability to create, produce and own its television content, particularly in the capital cities of Brisbane, Adelaide, Perth and Hobart".[5]

Scott took the controversy head-on in a speech to the National Press Club on 31 August. The ABC needed to fulfil its charter, including by delivering content that the commercial channels wouldn't touch, he acknowledged. "But we need to think through, again and again, how best we fulfil that unchanging mandate in a world that is changing." There was still arts content on television, radio and online, but "we don't have infinite money . . . so we have to ask whether each program, the current schedule and the current mix, represents the best investment we can make to meet our charter". He again argued the case for external production. "Over the last three years, the ABC has been able to generate $396 million of programming from independent producers on an investment of $190 million." The ABC hadn't fully funded dramas internally since *Bellbird* and *Rush* in the 1970s, he said. "Today, all our drama, documentaries and

natural history are made in partnership. The quality hasn't suffered, and we have been able to show more of these genres to our audiences."[6]

Publicly, and at the Senate inquiry, the ABC insisted that there was no "ideologically driven agenda" to outsource or commercialise its television program production. The organisation was still committed to a mixed production model, Scott said. But that was not the whole story. Internally, a war was raging, and leaks were springing out everywhere. ABC staff involved in internal production leaked information to senators, showing the low cost of local productions. On the other side, Dalton and the pro-outsourcing elements of the television division leaked as well.

At this time, I was the media reporter for *Crikey*. On 19 September 2011, the week before the public hearings of the Senate inquiry got underway, I published a story based on leaked ABC documents that detailed what it cost for the ABC to broadcast Tasmanian Australian rules football games – one of the local sport broadcasts that was being used as a justification for keeping the outside broadcast vans. The audience was only 3000, I wrote, and the cost worked out at $22 per viewer. "Within the ABC it is a current joke that it might be cheaper to shout each Tassie football fan a taxi and a ticket to the game than to send the expensive outside broadcast van and staff each week. The more so since audiences for local football are declining by 30 per cent a year," I wrote. In total, on a Saturday afternoon, six fully crewed vans were covering local Australian rules football in every state, for an average total audience of just 135,000 – a figure that was falling fast. Nationwide, the cost of covering local football was $2.63 per viewer, per episode, or $469,000 per episode. The high fixed costs of televising local sport, the leaked documents asserted, had resulted in reductions of between 30 and 40 per cent in the amount of money available to commission new entertainment programs in the last four years.

I had spoken to the ABC section secretary of the Community and Public Sector Union, Graeme Thomson, to get the alternative view. He was horrified by the leak and convinced that Dalton was behind it, on behalf of the independent production sector. "The attack that is being launched by the so-called independent producers is all about trying to get their hands on the money," he said. "Take away sport and you then also lose coverage of the

rest.” Sell the outside broadcast vans, he said, and what would happen to coverage of Anzac Day?

Those comments in turn caused an explosive reaction from Nick Murray from the independent production house Cordell Jigsaw. “That is unbelievable bullshit,” he said, pointing out that Anzac Day came once a year. “All they are trying to do is protect their jobs, and those jobs would exist in the private sector if they were not at the ABC,” he said.[7]

Meanwhile, when the submissions to the Senate inquiry were published, they showed that independent producers and the SPAA had also been given access to details of the ABC’s internal production costs, which they used to argue for more external production.[8] The independent producers accused the ABC of not being responsive to the actual needs of ABC television. “The ABC should not have these large fixed-cost in-house facilities,” they wrote.[9] The independent sector argued that the Australian public did not distinguish between internally or externally produced programs – to viewers, they were all simply “ABC programs”. The ABC television division should have “the flexibility to manage its budget freely to deliver the Australian public the best programs, regardless of whether they are produced internally or externally”, argued one submission.[10] Dalton could not have put it better.

On the other side of the argument, the inquiry received submissions from every state football code, the AFL, scientific researchers worried about the demise of *New Inventors* and the Tasmanian government. The Tasmanian premier worried, presciently, that if ABC production ceased in Tasmania, “a powerful cultural and geographical voice will be lost to ABC audiences”.[11]

The Senate committee reported in October 2011. Its main recommendation was that the ABC “ensure that it maintains an effective capacity to internally produce quality programming across the regions in addition to news, sport and current affairs”. It also recommended that the ABC release its draft television production schedule, reveal the granular details of its “mixed production model”, and detail how it intended to meet its charter obligations to cover the arts.[12] Independent South Australian senator Nick Xenophon – who had been comprehensively briefed by the Adelaide-based ABC staff – lodged additional comments arguing for

funding for regional and local programs to be quarantined. He also called for an independent external audit of the commissioning model.[13] All these demands, once again, touched on the thorny issue of what the nation expected of the ABC on the one hand, and the organisation's independence from outside direction on the other.

The government's response came a whole year later, and was brief and inconsequential. Wrapped up in its internal problems, Labor did not want to take on any of the warring interest groups. The government rejected recommendations that would tie the ABC to targets for regional production on the grounds that this would interfere with its independence.[14]

A month later, in November 2012, the spotlight of the Senate inquiry having moved on, the ABC closed its Hobart television production. Scott said at the time that Tasmania did not have the scale or market to justify the high fixed costs of maintaining internal television production. *Collectors* and *Auction Room* were not to be recommissioned.

Stephen Conroy was furious. He called for the ABC to rethink the decision, but he had hit the limits of his political power, and he had not been warned.[15] Conroy said in an interview for this book that the first he knew of Hobart's closure was the ABC's media release. This led to "a robust telephone call" to Scott.

The government was clearly on the way out, and did not have the time, power or inclination to intervene. In the subsequent months, broadcasts of local football in Perth were removed from the television schedule, and the ABC's Perth studio, which had been built after the state government provided funding for production, fell further into disuse.

Although there were many forces at work, this could be seen as a victory for Dalton – but in some ways it was pyrrhic. He was forced out by Scott the following month. The leaking of the internal production figures to the media can hardly have helped their relationship, even though the ABC said, in answers to the Senate committee inquiry, that they were not commercial-in-confidence, and that it did not know or care how they leaked.[16]

Adelaide was now the only BAPH state television production house left standing. Sandra Winter-Dewhirst remembers that after Hobart closed, Scott visited Adelaide and told them they would be quarantined from cuts. "He

said we would be the regional solution. The regional flagship. So we would survive." Winter-Dewhirst left the ABC in early 2013 after thirteen years as state director, believing television production in South Australia was safe.

With the departure of Dalton, much of the leaking from the television division ended. So, too, the antagonism to internal production. There was a peaceful interregnum, during which Adelaide continued to innovate. *The Cook and the Chef* had ended its run but was replaced by *Poh's Kitchen*, hosted by former *Masterchef* contestant Poh Ling Yeow. Phillipson and the Adelaide team kept pitching ideas. As she wrote to Scott in 2013: "One of the values of SA is that it's a small site and everyone knows what everyone else is doing, even across divisions . . . We work as a combined ABC unit, not pulling against each other."[17]

There was a show about crocodiles filmed in the Northern Territory, another about stockwomen, and a documentary from the Adelaide Zoo about a pregnant orangutan and from 2012, the program *Dream Build*, which followed owners building their own homes.

To the Adelaide staff, all seemed well. But behind closed doors, Project Chicago had already identified the closure of Adelaide television production as one of the savings to be made if needed. In 2014, the Lewis review came to a similar conclusion.

At the time of the 2014 budget cuts, Phillipson was putting a huge amount of effort into a seven-part series, *Restoration Australia*, which looked at ordinary people renovating homes of historical significance. She was also working on a two-part program about the Beatles and a documentary marking the fortieth anniversary of *Countdown*. In October, feeling the chill wind, she wrote to Scott laying out six reasons why Adelaide should survive. The *Countdown* documentary was a classic example of how in-house production could maximise the ABC's intellectual property, she argued. Who else would have the skills to access the archives and put it together, if not internal ABC people?

Scott's reply was warm but not reassuring. He wrote:

> As you know, I am a fan of the work you and the team have done there over my time here at the ABC – and that is why when I made a decision about where we would keep local production going outside Sydney and Melbourne – I strongly backed Adelaide. You make the case well! We do face great uncertainty and will need to make decisions that under ideal circumstances we would not need to make. At the moment we are keeping all options on the

> table while we wait for the final budget ask from Canberra. I hope we can have the uncertainty resolved and make some decisions shortly.[18]

The closure of Adelaide television production was announced in November 2014, after the second round of Abbott government cuts.

Once again, Scott was quizzed in Senate Estimates, particularly by Xenophon. Scott said that the ABC was still spending money in the regions, including commissioning South Australian content from the independent production sector. “My question to Senator Xenophon has been: what is the problem you are trying to solve here? Are you trying to solve internal ABC employment levels or are you trying to stimulate the local film and television industry in different states?”[19]

About twenty people were made redundant in Adelaide. The *Countdown* documentary was finished and ready to air – it went on to be the most successful ABC documentary of the year, featuring a parade of big names including Kylie Minogue, U2, Prince Charles and Rod Stewart. Phillipson and some of her team stayed on temporarily to complete work on *Restoration Australia*. It was very successful and was into its eighth season at the time of writing – but after the first series was externally produced.

Then Phillipson took her redundancy, and went to work as an independent producer, including making programs featuring Maggie Beer for Foxtel and successfully pitching four other programs to the ABC from outside the organisation.

As part of the 2014 cuts, the positions of state-based directors were eliminated, removing an important source of regional advocacy on the ABC executive. This, too, had been identified as a likely cut by both Project Chicago and the Lewis review. Scott acknowledged their contribution in Senate Estimates, but noted that the ABC had been asked to make efficiencies, and “if we cannot find a saving in this way then we will have to take that saving out of content”.[20]

Xenophon brought forward a private member’s bill in 2014, seeking to mandate that the ABC have a “distinct and discernible” presence in each state and territory, including at least one half-hour current affairs program.[21] The bill was referred to a Senate committee, and the same players lined up once again – the independent production sector arguing that there was no evidence of reduction in quality or diversity from outsourcing, and the ABC

drawing attention to all the local production that still occurred, including news. The committee did not back the Xenophon bill, again citing the importance of the ABC's independence. The bill lapsed with the end of the parliament and the election of 2016.[22]

National Party senator Bridget McKenzie also had a go, introducing a private member's bill that would have changed the ABC's charter to define its mandate for services to rural and regional Australia.[23] A Senate committee reporting on the bill in 2017 supported the idea of a "clearer statement of expectations".[24] After various manoeuvres and reintroductions, the bill lapsed.

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When Scott announced the closure of Adelaide television production and abolition of the state-based directors, he also announced the creation of a new regional division. This provided him with an answer to those who protested that the ABC was no longer national, and that it was too focused on Sydney. It was undoubtedly a political move, but not an empty one.

The ABC board had played a key role in this decision. Jane Bennett, the Tasmanian businesswoman and cheesemaker appointed to the board in 2011, had become the board's chief champion of regional Australia. In the winter of 2013, while in regional Queensland on a speaking tour, she decided she would visit the ABC studio in Mackay. The ABC had just spent $5 million building what was said to be one of the most cyclone-proof buildings in the region, and she "just wanted to go and see what we had spent our money on". She found the station manager "freaked out" by a visit from a board member, but he took her on a tour. It gave her an idea of his challenges.

In this small office were two staff from the radio division reporting to managers in Adelaide, and two reporters from digital news, reporting to Brisbane. There were other radio staff who reported, ultimately, to Dundas as director of radio. There were ABC Open staff who had different reporting lines again. The siloed nature of the ABC was writ large. There was no morning conference or editorial meeting to work out who should do what. Sometimes, multiple ABC crews would turn up to the same event, thanks to

the lack of coordination and communication. If a story was broken on the morning radio program, it would only make the later news bulletin if the news reporters happened to be listening. The news bulletin, meanwhile, might raise an issue that the breakfast presenters could have used had they known about it – but they hadn't, so it fell flat. Bennett went on to Townsville, where she found similar issues. She knew the ABC headquarters in her hometown of Launceston well enough to know that these were not exceptions.

From then on, Bennett pushed for a more coordinated regional presence. Servicing the regions, after all, was one of the ABC's greatest strengths and one of its key claims on the public purse. This push from the board fitted into Scott's agenda, including his vision of a fundamental restructure around genres of content. When it came to regional offices, where people worked cheek-by-jowl but answered to different managers, it made particular sense.

Nevertheless, it was at first strongly resisted internally. Dundas, as head of radio, was opposed. The creation of the regional division meant she would lose about a third of her staff and her responsibilities for local radio. This contributed to her decision to leave the ABC. Torney, as director of news, took a different view. She, too, was concerned about losing resources, and about how it would work – but she set about making sure that it did.

Meanwhile Spigelman, Bennett and the rest of the board had concluded that the new division simply must succeed – for reasons both principled and pragmatic. As Bennett puts it, "The regional presence was the only thing that the Abbott government was likely to fund." National Party MPs cared deeply about the ABC's regional offices. In their view, the local programs were the "good ones" – the "bad ones" were *Four Corners*, *7.30* and *AM* and *PM*. Bennett and the board judged that they would have to exercise strong leadership to make sure that the regional division was adequately resourced and had the right leadership. The ABC's inherent Sydney-centrism and the pressures on the budget following the cuts needed a strong counter on the side of the new division.

Fiona Reynolds, former state director for Tasmania and by this time a news executive working under Torney, applied and got the job of director of regional, based in Launceston. In Bennett's view, this appointment was critical. The leader of the new division had to have the "skills and stamina"

to compete at the executive table for resources, and they should not be based in Sydney. For the first six months, Reynolds was the division's only employee. There was smoke and mirrors around the budget. Pendleton had allocated a budget of just $52 million to the new division, which was the sum total of the budget for staff and resources that would be hived off from other divisions, mainly radio and news. The creation of the new division would lead to redundancies, and these would have to be funded from that budget, meaning there was in fact less money to run the new division than had been spent on its component parts in the past.

Reynolds, Torney and the new director of radio, Michael Mason, were left to work out how to make it happen. The new division would include regional local radio, news reporters who were working in the regional offices, ABC Open and regionally focused programs such as *Australia All Over* on radio and *Landline* on television.

Reynolds worked with a small team to design the structure and reporting lines. She found that there were good stories and great content in the regional offices that was not being pitched to state and national newsrooms. In the Kalgoorlie office, staff complained that they didn't know who to contact in Ultimo about important regional stories, and they were too busy to spend time trying to find out. Reynolds created a system of regional chiefs of staff, whose job it was to bring the teams together, speak to them every day about what they were working on, and champion that content nationally and across multiple outlets.

ABC Open remained an awkward fit. The Lewis review had commented that ABC Open was not sufficiently integrated into the rest of the organisation, and Reynolds agreed. It was gradually wound down and absorbed, ending one of the brave experiments in audience participation and content-making from the optimistic days at the dawn of social media.

Over the first six months, there were intense negotiations between Reynolds, Mason and Torney. It was agreed that resources such as camera crews should remain with the news division. Five different reporting lines were collapsed into one. The restructure comprised 420 program-makers and reporters across forty-eight regional locations, as well as people in the capital cities. Radio schedules were reviewed, and a new schedule began in January 2016. A small team of digital producers was employed to improve the quality of regional stories on the ABC News website.

Success followed. The number of local stories on national news platforms rose sharply as a result of the creation of the regional division. This was a partial answer to those who pointed to the end of the state-based *7.30* programs as evidence that the ABC did not care about Australians outside of Sydney and Melbourne. Yet, the board noted, regional stories tended to concentrate on weather and agriculture. Bennett insisted there must be a better way to reflect the diversity of regional Australia.

At the end of 2015, the board decreed there should be a dedicated television program to meet that need. Reynolds was given a budget of $1.2 million to develop it. Torney, generous of spirit, offered up people from her team to help. Principal among them were Heather Ewart, a veteran reporter who had been with the ABC since 1977. Married to Barrie Cassidy, presenter of *Insiders*, she had been a foreign correspondent and chief political correspondent, a fill-in host for *7.30* and a presenter of *World at Noon*. With her came Brigid Donovan, producer of *Australian Story*, who had the kind of storytelling "vibe" that Reynolds and Torney thought would be right for this new and as yet ill-defined venture.

After a brainstorming session in Melbourne, the team emerged with the idea of a show that would be a continuing road trip around Australian regional towns. It was to be called *Back Roads*. Finlayson, as director of television, was on board, recalls Reynolds, but there was resistance from within his division. Thanks to the Audience Strategy Group and Scott's digital imperative, the focus was on attracting younger audiences – parents aged between thirty and fifty. The feeling was that *Back Roads* would skew old. It had been imposed on the television schedule by the board, via the regional division, rather than growing through the usual processes. Getting it taken seriously was a struggle. There were suggestions that it should be scheduled in the middle of the day, after *Landline*. Recalls Reynolds: "People thought it was just going to be a filler." But with Finlayson's help and the board hovering in the background, she won her arguments and a prime-time slot.

Back Roads launched in November 2015 with an episode on Ceduna, the Nullarbor frontier town in South Australia. The next day, Reynolds was sitting with Mason and Finlayson when the ratings figures came in. They were "sensational" – almost as good as the news, and better than *7.30*. Reynolds recalls: "Michael Mason was sitting next to me and he punched

me in the arm. Because he was so happy. It was a big, big sigh of relief." The numbers stayed good in the weeks that followed. *Back Roads* attracted a strong and loyal audience from the start.

But, as predicted, it skewed old. Reynolds recalls conversations with television people who were pushing dramas, such as *Glitch* and *Cleverman*, intended for younger viewers who were no longer watching scheduled television. She would tell them: "I know you're trying to build an audience for the future, but I'm pitching for an audience that is already there." Meanwhile, working for *Back Roads*, one of the production staff told me, was like working for the old ABC – before Jonathan Shier, before managerialism. Before digital. Before so much was lost.

Bennett's view that regional content was the only thing a Coalition government would fund proved to be true, at least in part. In the 2016 budget, the government maintained the ABC's core funding and, after an immense effort by Scott in his last days in the job, renewed most of the funding for enhanced news gathering that the Gillard government had committed in its dying days. The amount was reduced from $20 million to $13.5 million, rising to $14.1 million in 2019. Scott's arguments were based almost exclusively on the need for journalistic presence in the regions. It was not a great result, and a cut, but after the horrors of 2014 and ongoing hostility, it was a lot better than it could have been.

Meanwhile, the creation of the regional division demonstrated that reorganisation around genres of content could be done, and that there were benefits. A content division not based around a platform could make sense. Against that, ABC insiders observe that what proved to be a long-term decline in local radio reach also began in 2014 – which they attribute in part to a lack of platform-related focus.

Internal management changes don't fire the imagination of audiences. Yet in corporations like the ABC, they mould what is possible and set the boundaries of the internal dialogue and imagination. The formation of the regional division and the move towards this new structure were a significant chapter in the development of the ABC. It both spurred and was swamped by later changes.

Meanwhile, except for news bulletins, locally based, internal television production by ABC employees in state capitals other than Melbourne and Sydney has disappeared, probably for good.

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What Was Lost: A Voice to the World

As the ABC lost local presence, there was also a reduction of international presence and reach. This is a story, once again, about lofty ambitions and, in this case, charter requirements, accompanied by a lack of adequate funding, resulting in opportunities lost. Added to the mix are toxic Labor Party politics. Perhaps more than anything else, the story is about carelessness and neglect – a failure to privilege the ABC as a national asset. Instead, there is a preparedness to use it as a counter in political games.

One of the most specific parts of the ABC's charter is the obligation to broadcast to countries outside Australia. The charter says this should include "programs of news, current affairs, entertainment and cultural enrichment" that encourage awareness and understanding of Australia. The programs are also meant to serve Australian citizens living or travelling overseas.[1] To do these things well is expensive and even onerous for a media organisation already struggling to fulfil its domestic charter. But of course, as we shall see, in the era of plentiful content and multiple platforms, it is also possible to tick the boxes by doing it cheaply and badly. More problems arise when an independent public broadcaster accepts funding to provide such services as part of "soft diplomacy", advancing Australia's interests. At that point, Tony Abbott's question about whether the ABC is on Australia's "side" gains more purchase on the public debate.

For most of its history, the ABC satisfied its international obligations chiefly through Radio Australia, which began in 1939 as mostly short-wave services broadcasting into the Asia Pacific. Despite the charter obligation, Radio Australia always suffered from being seen as "non-core". The 1997 Mansfield review concluded that the main function of the ABC should be

broadcasting within Australia, and that Radio Australia should be abandoned. If the government wanted an international broadcaster as an instrument of diplomacy, it should be set up as a separate agency with its own funding, and the ABC's charter amended to remove the international obligation, Mansfield said. These recommendations came to nothing.[2]

Mansfield also recommended closing the Australia Television service, which had been established under the Keating government in 1993. Australia Television was, from the start, explicitly pitched to government as a tool of soft diplomacy. Keating, in line with the market economy spirit of the times, insisted that it take sponsorship from private enterprises wanting to promote themselves to the region. Australia Television was controversial from the start. The ABC board split on the issue, and Keating later confided he had reservations about the whole project. There were worries from within government that the ABC would "go berserk and bugger up everything in foreign policy".[3] Within the ABC, there was concern that the commercial sponsorship might be the thin end of the commercialisation wedge. Less attention was given to the impact the "soft diplomacy" remit might have on the ABC's independence – even though Foreign Minister Gareth Evans assured the doubters within cabinet that the ABC would consult with the Department of Foreign Affairs on content.[4]

The bigger problem, it turned out, was making it pay. The money from the government contract and commercial sponsorship simply wasn't adequate. Under the Howard government, the contract to run Australia Television went to the Seven Network, which ran it for three years from 1998 before pronouncing it not commercially viable in 2001 and closing it. DFAT ran a limited tender process for a new five-year contract, and the ABC's bid won.

When the contract was next up for tender in 2005, the ABC had competition from the Australian News Channel, owner of Sky News, which was partly owned by the Murdoch empire through its interest in British Sky Broadcasting. DFAT commissioned a review of the ABC's performance, led by Bruce Dover, a former Beijing-based vice-president of News Corporation. An award-winning foreign correspondent, he was also former deputy editor of *The Australian* and founding editor of *Business Asia* magazine. In the 1990s, he had been Murdoch's main man on the ground in

China. During that time, he had introduced Murdoch to Wendi Deng, who was to become Murdoch's third wife. Dover was later to publish a tell-all account of his time working for Murdoch in China. The account was not flattering to Murdoch and revealed that his relationship with Deng had started before the end of his previous marriage – contrary to what he had told his children.[5]

When conducting his review of Australia Television, Dover understood that some in the Howard government were hostile to the Australia Network contract being held by the ABC. He recalls that the minister for foreign affairs, Alexander Downer, and his chief of staff, Chris Kenny, both wanted the contract to go to Sky News. DFAT, on the other hand, felt more warmly about the public broadcaster. Dover's review gave no reason to switch horses. He found the ABC's performance satisfactory, and the ABC won the contract. Then, in August 2007 – before the release of his book about Murdoch – Dover was hired by the ABC to be chief executive of Australia Television, which was now called the Australia Network.

One of the first events Mark Scott attended as managing director was a celebration in Canberra of the ABC's successful tender bid. He remembers: "News Corporation seemed very bemused by the fact that Sky didn't get it outright . . . I realised on that night that it wasn't over. We were going to face a challenge again."

News Corporation's interest was not because the contract was lucrative. Rather, being the face of Australia in the region carried prestige. As well, Sky News and News Limited were trying to challenge the ABC's position as national broadcaster. The argument was also ideological. Taxpayers should not be expected to pay for services the market could provide, News Corporation argued. As for "soft diplomacy", the ABC could not be trusted with Australia's reputation in the region, it was suggested, because of its insistence on editorial independence. Sky News, on the other hand, was prepared to do what DFAT required. On the other side of the debate, the ABC and its supporters within government and DFAT argued that only the publicly owned national broadcaster should be trusted to steer this public diplomacy effort. Among these supporters, the tensions between editorial independence and "soft diplomacy" remained unresolved and largely unspoken.

The uncomfortable truth was that the Australia Network was a thin offering, though not perhaps as thin as its critics liked to think. Despite its limited funding, the Australia Network produced around forty hours of original, regionally targeted programming a week – including four news bulletins daily, dedicated English language learning programming and short videos extolling – or explaining – the vagaries of Australian culture. It also acquired programming, specifically sports and drama – including the soapie *Home and Away* – from commercial broadcasters and SBS. Its critics claimed it was watched mainly by Australian expatriates for news and sports, but audience surveys suggested its reach was better than that of more generously funded international competitors, including France's TV5 Monde, Germany's Deutsche Welle, Japan's NHK and South Korea's Arirang TV.

There were plenty of sceptics within DFAT, and Australian politicians and diplomats who tuned in while overseas often came away disappointed with, for example, repeats of Australian soap operas. Why couldn't it be more like BBC World or CNN, the critics asked? The answer was simple. At $20 million a year, the Australia Network's funding was about 5 per cent of BBC World's. Nevertheless, the aspirations for the network were high. DFAT wanted the Australia Network to reach and influence the rising Asian middle class – people who might wish to study or do business in Australia.

The 2006 contract negotiations had addressed the issue of what would happen if the Australia Network broadcast material critical of Australia or damaging to its interests. It was apparently stipulated that the ABC would retain editorial control and independence in all its programming. Nevertheless, when the contract came up for renegotiation in 2009, DFAT clearly anticipated exercising, in the words of the auditor-general, "a high degree of editorial control", including the power to "require the service provider to refrain from broadcasting particular programs or content". As the auditor-general remarked, this raised questions about whether the ABC, in providing the service, was expected to obey its obligations of independence, or whether it was providing a service under contract and therefore subject to directions from the client – DFAT.[6] Meanwhile, the ABC's other internationally facing service, Radio Australia, produced by

ABC staff, was advertising-free, funded from the ABC's existing budget and had editorial independence, free from any "soft diplomacy" remit.

In practice, according to Jim Middleton, who was chief current affairs anchor for the Australia Network for six years, the independence issue never arose. The only time he was aware of any tension was when he interviewed the Vietnamese foreign minister and asked some tough questions about detention of dissidents in Vietnam. A DFAT official who was present suggested that Middleton had crossed a line. Middleton argued back, saying that these were perfectly legitimate questions. As far as he knew, that was the end of the matter. In his view, the heavy hand of DFAT was not in evidence. Middleton answered to Torney as director of news and was only dimly aware of the contractual arrangements under which the Australia Network was funded. As far as Middleton knew he was subject to the same independence expectations and editorial standards as any other ABC reporter.

At the same time, he was always aware the Australia Network was not central to the ABC's efforts. The network had dedicated correspondents – usually a more junior journalist occupying a desk in the same bureau as the main ABC foreign correspondent. But it was an add-on. "It was never allowed to be substantial enough to make a real contribution to soft diplomacy," he told me. "It was never as good as it should have been, because it never had the money it needed to do the job."

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Meanwhile the ABC, like many media companies before it, was trying to get permission from the Chinese government to distribute the Australia Network in China. To the Chinese government, the idea of a broadcasting service that was government-funded yet editorially independent was completely foreign. Recalls Dover: "I think it was difficult for DFAT types to argue, certainly in China but also elsewhere, that they might fund the ABC, but they couldn't control it. To many countries in Asia, that didn't make any sense at all." Nevertheless, there was hope that some progress might be made in this enormously lucrative and important market.

Those hopes were completely undercut when, in September 2009 and without Dover's knowledge, the ABC bought the rights to screen *Ten Conditions of Love*, a documentary about Uyghur leader Rebiya Kadeer. The film had recently premiered at the Melbourne International Film Festival, where it had caused an international incident. Kadeer had been granted a visa to attend the premiere, and the Chinese consulate in Melbourne asked the festival's executive director, Richard Moore, to withdraw the film and cancel Kadeer's invitation. When Moore refused, the consulate asked the lord mayor of Melbourne, Robert Doyle, to intervene. When that failed, the Chinese boycotted the festival. All seven Chinese-language films on the program were withdrawn, a Hong Kong–based sponsor pulled out, and Chinese hackers sabotaged the festival website with anti-Kadeer slogans.[7]

That controversy had barely subsided when the ABC's purchase of the film was announced. Dover recalls that the Chinese ambassador was "apoplectic . . . We had to go down to the Chinese embassy and address the 'huge embarrassment'."

The intention was to screen the film on ABC1 on 17 December, but it was postponed. Senator Bob Brown quizzed Scott about this in Senate Estimates in February the following year. Had the ABC crumbled under Chinese pressure? Scott asserted that the cancellation was just a normal scheduling decision due to a backlog of documentaries.[8] The film finally aired at 9.30 p.m. on 6 May 2010. In the short term, that ended any hope the Australia Network had of being granted access to the Chinese market.

Simultaneously to these controversies, the end date for the five-year Australia Network contract was approaching. News Corporation, critical and dissatisfied, was in the background suggesting to DFAT officials that it would be a far less troublesome provider than the ABC.

Throughout this period, the News Corporation media were giving the Rudd government a truly terrible time. From February 2009, commentators were later to observe, it was as though News Corporation declared war on Rudd and his government.[9] *The Australian* had strongly supported Rudd being elected as prime minister. Rudd and the editor of *The Australian*, Chris Mitchell, had dined together and been on good terms in the first year of the Labor government, but now the negative media was relentless, from

revelations of Rudd's allegedly chaotic leadership style to problems with the rollout of the stimulus package during the GFC. That did not stop Labor ministers from being lobbied by the Murdoch organisation – and sources recall there were two things they wanted. The first was relaxation of anti-siphoning legislation – the regulatory measures that ensured nationally significant sporting and cultural events remained available on free-to-air television and prevented them from being bought exclusively by pay television. Foxtel and Kim Williams had been in Conroy's ear on the issue, which was key to pay television's business model, and Conroy had the laws under review. The other thing News Corporation wanted was the Australia Network contract, or at least another chance to win it. Across the government, some hoped to appease News Corporation by giving it some of what it wanted. Others were hard against.

According to Scott, Rudd was at first an enthusiast about both the Australia Network and Radio Australia, and ambitious for their role in Australia's soft diplomacy. Scott went with Newman to brief Rudd in February 2009 on that year's triennial funding bid and found that all he wanted to hear about was "what the ABC could do in Asia, and what would it mean for us to be like a BBC, becoming a respected international service beyond Asia". Rudd asked for a paper on how the ABC could expand its international offerings. He wanted it within three weeks.[10] ABC staff worked around the clock to deliver it on time, and Scott expected to have a follow-up meeting with Rudd to discuss it.

The resulting paper proposed that the Australia Network and Radio Australia be brought together into one integrated, multiplatform ABC World Service. Stage one would see this combined service expand across the Asia Pacific and India, increasing its audience by 180 per cent, at a cost of $22.6 million over three years. It would open five additional news bureaus in the region – "more than either CNN or the BBC" – as well as employing fifteen stringers, or freelancers, based mostly in the Pacific. Stage two, to be implemented over two years at a cost of another $14 million, would see the service extended to the Middle East and Africa by purchasing carriage rights on local broadcasters. Arabic language audio content would be introduced, and there would be two new bureaus in the Middle East and Africa. The third stage would adapt the service for Latin America and was

contingent on a new satellite. This, the paper said, would provide the service with access to aspirational business decision-makers in twenty-one additional countries and would cost another $11.5 million. The fourth stage, only sketchily laid out, would use broadband internet to deliver the service into Europe and North America. With a global marketing and brand development exercise, this would cost another $5.8 million.[11]

The audience figures in this submission were, as they always were for the ABC's international presence, rubbery. There were many markets, many platforms involved. Nevertheless, the ABC pointed to the independent audience surveys conducted on behalf of all broadcasters, which indicated that the Australia Network already had a monthly audience of about 1.15 million people across eight cities in Asia. In the Pacific nations, it had a monthly reach of 50 per cent of the urban adult population, or approximately 300,000 people. All this on a budget of about $20 million a year. On top of this, Radio Australia, with a budget of $14.8 million, broadcast content in seven languages, and surveys suggested it could claim an average weekly reach of 38 per cent of the population in Southeast Asia.

The paper outlined a bold vision. But, characteristically, Rudd never responded. It is not clear if he ever looked at the paper, and Scott found it impossible "to get him back to the table".

In November 2009, Scott backed up the pitch with a rhetorical effort, delivering a major speech on the role of international broadcasting and soft diplomacy and sketching out the plan that had been given to Rudd. He built a passionate case. It was described in media circles at the time as the "Mark Scott takes over the world" lecture, and it meshed with cabinet-level discussions in which Conroy was supporting the pitch. None too subtly, Scott suggested that News Corporation – then mired in the first stages of the telephone hacking scandal in the United Kingdom – was not the right organisation to reflect Australia to the world.[12]

In cabinet, Conroy was arguing that the Australia Network contract should not be put out to tender when it expired and should be granted to the ABC on a permanent basis. He also argued that it should be taken out of DFAT and given to his department of communications, which among other things would remove the potentially awkward "soft diplomacy" remit. It was agreed that the minister for foreign affairs, Stephen Smith – a Conroy

ally – would put forward a proposal reflecting that approach. Meanwhile, News Corporation was pushing hard to be given the chance to tender for the contract.[13]

A review of the ABC's performance in delivering the Australia Network service began in April 2010 and concluded that the ABC had met most of the key performance indicators. Still, there was no decision. The reason for the blockage was an almighty struggle taking place between Conroy and Prime Minister Rudd. Rudd, it was said, had promised News Corporation that it would have an opportunity to tender for the contract as part of an attempt to moderate the bad publicity he was receiving from the Murdoch press.Then came the leadership "coup". On 24 June 2010, in a move that took almost everyone by surprise, Gillard replaced Rudd as prime minister. Conroy and Smith were among her supporters. The Australia Network contract was one of several policy issues that would be trampled in the leadership tensions that followed.

Throughout the 2010 election campaign, Rudd was perceived to be undermining Gillard. Labor sources say that in the latter days of the campaign, a deal was brokered under which Rudd was promised his chosen portfolio – foreign affairs – in return for becoming a team player.

Sure enough, after the August 2010 election, Gillard appointed Rudd as minister for foreign affairs, moving Smith to the defence portfolio. The Australia Network contract was now among Rudd's responsibilities. According to senior ABC and ALP figures, it gradually became clear that the idea of simply granting the contract to the ABC permanently had been dropped. Rudd was insistent that there should be a tender process.

Rudd did not respond to requests for an interview for this book, but in his memoirs, he excoriated Conroy as a "smiling assassin" – a man with no morality other than factional power. Rudd wrote that he had always wanted to "grow the [Australia Network] service so that Australia . . . would have a recognisable international broadcasting name, comparable to Deutsche Welle, France TV or the BBC. I wanted to see the ABC continue to have the contract and also to be properly funded for the long-term expansion of its international services." This is consistent with Scott's recollections of the paper Rudd had asked for back in 2009.

Rudd claimed in his memoirs that it was not he, but Gillard, who made a promise to News Corporation. He wrote that Gillard told him the contract should be put out to tender to satisfy News Limited, but that the ABC should win. In other words, according to Rudd, she was suggesting a sham process with a predetermined outcome. Rudd said he was so horrified by this that he recused himself from the process, organising things so that the decision on the tender would be made by the secretary of DFAT, Dennis Richardson, advised by an independent panel. “I had no other involvement in the matter whatsoever,” he wrote.[14]

That is not how his colleagues remember it. They say that if Gillard made these remarks, it would have been after Rudd had already promised News Corporation a tender process, and that she would not have suggested it should be a sham. These sources believe Rudd was courting Murdoch’s support for a return to the prime ministership. By now, relations between the warring factions in the Labor cabinet were poisonous. Rudd’s enemies would never forgive him for undermining the party during an election campaign, as they saw it. Rudd would never forgive the leaders of the Gillard “coup”. Both sides were prepared to believe the worst of the other – and they remain that way to this day.

We may never know the truth, but there is other evidence that Rudd was trying to mend his relationship with the News Corporation powerbrokers. The editor of *The Australian* at the time, Chris Mitchell, wrote in his memoirs that Rudd organised at least one secret dinner with him at a five-star Sydney hotel, shortly after becoming foreign minister. At this meeting, he “knifed” those who had plotted against him. According to Mitchell, he was also leaking to *The Australian* to damage Gillard and her supporters. Rudd denies the leaking and has a different take on the secret dinner.[15]

After he left politics, Rudd became one of News Corporation’s main critics. He instigated a petition to parliament calling for a royal commission into media concentration and the influence of News Corporation. He founded and became head of Australians for a Murdoch Royal Commission. In the publicity surrounding all this, Rudd acknowledged that he had courted News Corporation as prime minister. He had to, he said. Looking after the political fortunes of the government was part of his job. That was

one of the reasons News Corporation's power was so pernicious, and one of the reasons he devoted himself to trying to address it.[16]

Whether it was Rudd, Gillard, both or neither who made a promise to News Corporation, the decision on whether to call for tenders was put off repeatedly. As successive deadlines passed without a decision, the ABC was asked to continue running the service in the short term. DFAT recommended that there be no tender and the contract with the ABC simply be rolled over. Treasury, however, was sceptical about the Australia Network's value for money and wanted a tender process to test the market.

Finally, on 22 November 2010, the government announced that the contract – now to be for ten years – would go to tender. The fight was on. DFAT initially planned for a six-month tender process. It was to take much longer and would descend into such wrangling that it discredited both the government and the ABC.

Scott recalls the process as "difficult . . . basically we were told there would be no new money there, and what we could not do was cross-subsidise . . . So we couldn't, for example, say the cost is really $23 million a year . . . but we will do it for ten, because we already produce all this content elsewhere . . . We were told that would not be fair to the tender process, to effectively taxpayer-subsidise a commercial bid."

Australian News Channel (ANC), the parent company of Sky News, had no such constraints. Its bid was cheaper than the ABC's, and the tender evaluation board recommended that ANC should be awarded the contract. Within days of receiving the panel's recommendation, Dennis Richardson, the secretary of DFAT, was taking furious calls, including from Gillard's department. As the auditor-general was later to report, "it became evident that there was some unhappiness within the government with the decision to put the Australia Network service to tender, and there was an expectation that the tender outcome would be brought back to government for further consideration".[17] In other words, there was no agreement about whether Richardson could now simply make the decision himself, whether he was bound by the independent panel's recommendation, or whether the whole matter had to go back to cabinet – where Conroy was still trying to make sure the contract went to the ABC.

Richardson decided that given the government was fundamentally divided, he could not make the call. All sides sought legal advice. There was a poisonous meeting between Gillard, Conroy and Rudd, in which, according to Rudd's memoirs, "both Gillard and Conroy were apoplectic. This was not how it was supposed to turn out. The bureaucrats were supposed to have just recommended the ABC."[18]

By April 2011, it was clear that one way or another, the decision was going to be returned to cabinet. But the only way this could be done, Gillard was advised, was if the tender process was retrospectively changed, so that it was in fact a new process. On 20 June, the cabinet decided to retrospectively introduce an extra tender criterion, relating to meeting the national interest of Australia. This was to be done "in the light of changed international circumstances since the original tender was issued".[19] The fig leaf used to cover this piece of manipulation was the Arab Spring, political disruption in the Middle East and doubts about whether Sky News had the capacity to report adequately on such events. It was a victory for Conroy and Gillard over Rudd. This time, the tender decision was to be overseen by Conroy himself as minister for communications, and he would have the right to overrule the recommendation of the expert panel. The fix was in for the ABC. The bidders were asked to amend their tenders to address the new criterion, and the expert panel reconvened. Complaints from all sides flowed to the auditor-general, who understandably decided to investigate. By all accounts, he found the Labor ministers reluctant to sketch out the full story of the internal politics behind what had gone on.

On 14 July 2011, *The Australian*'s chief political correspondent, Dennis Shanahan, published an article suggesting that Mark Scott had tried to interfere in the tender process. Two cabinet ministers, Martin Ferguson and Nicola Roxon, had told cabinet that they had been approached by ABC executives – Scott himself and Mick Millett, the director of corporate affairs – outside the proper processes. ANC lodged a complaint with DFAT, which investigated and found that there was no evidence that a breach of tender rules had occurred.

As part of his investigation, the auditor-general interviewed Scott, Millett, Roxon and Ferguson. He concluded that while it was clear that the ministers had been approached by the ABC, "there were differing

recollections between the parties regarding the purpose and substance of this contact". The incidents were, the auditor-general observed drily, "a timely reminder that particular care needs to be taken in any dealings by parties or prospective parties to a government tender process".

Asked about this in an interview for this book, Scott said: "Once we got into this tender thing, there was this tension about who you could talk to and what you could do. So I was just in a position of saying, do you have any questions? Do you want me to explain anything about the strategy?" He claimed he was doing this on advice from other cabinet ministers – not Conroy, and not Rudd – who told him he should make sure "that others in cabinet fully understood what the ABC was trying to do" with the international service.

The reconvened tender evaluation panel once again recommended that Sky News get the contract. It was now Conroy's decision whether to accept that recommendation. Then, on 17 October, the ABC lodged a complaint that confidential information about the tender had been disclosed. There had been leaks – clearly from competing sides in the contest – to both *The Australian* and *The Sydney Morning Herald*. *The Australian* had reported the previously confidential fact that Sky News had been recommended by the panel in the first tender process. The *Herald* reported the previously confidential fact that the official review of the ABC's performance, conducted the previous April, had found it had performed well, and that Rudd had nevertheless insisted on a tender process.[20]

This gave Conroy his excuse. On 7 November, he announced that the leaks meant the tender process had been "compromised to such a degree that a fair and equitable outcome may no longer be achieved". He announced that the Australia Network would go to the ABC, and that the government intended to legislate to ensure this would be in perpetuity.[21]

Meanwhile, this was not the only battle going on with News Corporation. In September 2011, Conroy had announced the Finkelstein Inquiry into media ethics, detailed in Chapter 13. Public hearings were held in November, at the same time as Conroy's Australia Network decision was being made. The Finkelstein report was released in February 2012, after which Conroy was trying to legislate to enforce ethical standards for journalism – generally understood to be chiefly an attack on News

Corporation. The laws resulting from Conroy's Australia Network decision, which prohibited any government-funded international broadcasting contract going to any entity other than a national broadcaster, were included in the changes to the *ABC Act* that were passed in 2013.[22] Like the changes to the ABC's charter mandating that it provide digital services, they slipped through unnoticed by News Corporation and its supporters amid the din over Conroy's attempt to legislate for observance of journalistic ethical standards.

Conroy had won. The ABC had won. But there was a cost.

The affair left a sour taste. In the eyes of many, it undermined the ABC's legitimacy as the holder of the contract. The legislative changes also meant that the only way any future government could take the contract away from the ABC was to either amend the legislation or cancel the contract altogether.

The auditor-general's report on the affair was scathing. The government had agreed to a tender process without clarifying how and who would make the final decision. It had changed the rules retrospectively and then aborted the whole thing. "The manner and circumstances in which this high-profile tender process was conducted brought into question the government's ability to deliver such a sensitive process fairly and effectively," the report concluded. If the government had wanted to give the service to the ABC, it was entitled to do so – but it should have just done it, not run a faulty tender process.

One year after the conclusion of this affair, in December 2012, Dennis Richardson was replaced as secretary of DFAT by Peter Varghese, who was to serve under the Gillard, Rudd, Abbott and Turnbull governments. Richardson had been broadly friendly to the Australia Network. Varghese cast a more critical eye. His views on the network had been shaped, he told me, by his experience, including as a former head of DFAT's public affairs division and as high commissioner to Malaysia from 2000–2.

"I had no objection to the idea behind the Australia Network," he said. "Indeed, I was a supporter. But my view was that if you were going to do this, you had to resource it properly, and this was never done. The result was a channel run on the cheap, which meant recycled programming made largely for an Australian audience rather than a regional audience." He was

sceptical about the ratings figures. “I did not find much evidence that the network had much of a following among the regional elite. Its kids’ education programs elicited some interest, and the AFL matches were popular among the Australian expat community. But in the end we got what we paid for, which was not much.”

Meanwhile, having been promised it would have the Australia Network contract in perpetuity, the ABC took the opportunity to further converge Radio Australia and the Australia Network into one multiplatform service. An international division was created. In the negotiations around the new contract, DFAT had accepted that the Australia Network should be a converged service in which television, radio, online and mobile services were integrated.

The funding was, of course, nowhere near enough to fund the big ambitions spelt out in the October 2009 paper provided to Rudd. Instead, Lynley Marshall, who in 2012 was made CEO of the international division, worked hard with Dover, Anne Milne (the head of international operations) and in-country staff to build partnerships across the region. The aim was to syndicate content on local services and increase reach. They had some success, distributing content across Indonesia, Southeast Asia, China and the Pacific. But even as they were conducting these negotiations, Dover was painfully aware of how fast things were changing in the region’s media. Satellite television was taking off in Asia. Many countries had 400 channels long before Australia had 100, and viewers were paying only a few dollars a month for them. Attracting an audience was getting harder.

On the bright side, the ABC had achieved some limited success in China. In 2010, it struck a deal with the Shanghai Media Group to screen Australia Network content. In Dover’s view, it was a significant opportunity stymied, as always, by a lack of resources. “I don’t know whether the government realised what an opportunity they had, but you could have really put in some money and made that a dedicated, targeted service for the Chinese. But instead, we put up all sorts of rubbishy bloody content on it, and the Chinese and even the SMG started to complain about it. It was, ‘Oh, can’t you have any other content that’s a bit more relevant to Chinese people?’”

The September 2013 election brought a change of government and a new minister for foreign affairs, Julie Bishop. She was an Australia

Network critic. Scott employed all his political skills, but Bishop “would not engage with us at all on the topic”. Scott tried to recruit Malcolm Turnbull to the ABC’s international cause, with no success. Varghese, expecting cuts to his department in any case, did not see the Australia Network contract as a priority. Recalls Scott: “We simply had no friends on this issue. There was no one who would take up the battle for us, be it the department, be it the minister. I think we were doubly punished for a sense of lack of legitimacy of how we got the contract the last time. A clip over the ear for the ABC was not seen to be a bad thing.”

When, in November 2013, the story broke about Australia spying on the Indonesian president, it ran on all platforms, including the Australia Network. Scott recalls taking a call from Varghese, “who asked me why we would run that kind of story when it was damaging to Australia. And it made me think, ‘Wow, we have some pretty fundamental issues here about public diplomacy and the value of having a free and independent press, rather than running stories through the filter of DFAT.’ But there was a sense that we should have adjusted the news that we were running into the region, because it would upset the Indonesians. And my feeling [was], do they really think we were going to pull it and then no one else would report it?”

Asked about this, Varghese said he did not remember the conversation but did not dispute that it occurred. “Mark rightly points to an intrinsic tension in the design and funding of Australia Network, between the obligations of an independent news organisation and the broader public diplomacy objectives of the government. These were quite rare, but the spying story was one example of how the tension could arise.”

By this point, it was clear to Scott that the Australia Network, and with it the rest of the converged ABC International presence, was in trouble.

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On budget night 2014, it was announced that the Australia Network contract would be cancelled. The ABC was to be paid $10.6 million in recognition of the breach of contract. The network ceased broadcasting in September 2014.

The impact was devastating. The Australia Network and Radio Australia were now more integrated than ever before, and also more integrated with the ABC's wider news-gathering effort.

In a speech to the Asia Society on 8 December 2014, Jim Spigelman detailed what had been lost. The ABC had lost 60 per cent of its funding for international services at a single stroke. Among the losses were "a team of journalists, co-located in the Asia Pacific News Centre in Melbourne", correspondents in Jakarta, Beijing and Delhi, and a specialist Pacific correspondent based in Brisbane. Six news bulletins a day were cut from the Asia Pacific programming, and a combined 1000 years of journalistic experience was lost. There was a big loss of language diversity: at Radio Australia, the number of Tok Pisin–speaking staff went from seven to two, Khmer from six to one, Burmese from three to one, Bahasa from five to three, Mandarin from six to three, and Vietnamese from three to one. The Hindi language service, only established in 2013, was cut altogether.[23]

And yet the charter obligation for the ABC to broadcast programs into the region had not changed. The ABC still had an obligation to broadcast for an international audience.

The name Australia Network was owned by DFAT, which would not allow the ABC to continue using it. Instead, to satisfy its charter obligations, the ABC launched a new service, Australia Plus. It was largely web-based and carried recycled ABC content and, of course, sport. Radio Australia continued to broadcast to audiences across the Pacific, both online and through a network of local FM stations and shortwave, but gradually the shortwave services were cut back.

Australia Plus was an even thinner offering than the Australia Network, and it ran into controversy almost straightaway. The ABC was allowed to take advertising on its international services, and three commercial partners – the Victorian government, Swisse Vitamins and Monash University – signed contracts to advertise on the new platform. A Monash academic then attacked the Swisse adverts as dangerous misinformation. *Media Watch* featured it. So much for the ABC's reputation on the international stage.[24]

In June 2014, immediately after the Australia Network cancellation, the ABC announced a new agreement with the Shanghai Media Group (SMG). It would allow the ABC to open an online portal using the domain .cn,

meaning it would be inside the firewall with which the Chinese government blocked access to much of the world's independent media. The signing ceremony at the ABC studios in Ultimo also marked the launch of a week of special programming on the ABC, presenting insights into life in China. A companion set of programs, "Window on Australia", ran on SMG's international channel.[25]

The timing could not have been worse. The day of the signing – 4 June – was also the twenty-fifth anniversary of the Tiananmen Square massacre, in which about 1000 workers and students had been killed by the People's Liberation Army. As an article by China expert John Fitzgerald in the *Australian Financial Review* observed, in the week leading up to the event, the anniversary had been widely reported on the ABC in Australia and on Radio Australia, but on the Chinese-language ABC website, there was conspicuous silence. Fitzgerald accused the ABC of offering "tacit support" to media repression in China. "No longer is there room at 'your ABC' for general news, current affairs reporting or commentary in Chinese, that is likely to give offence to the Central Propaganda Bureau of the Chinese Communist Party," he wrote.[26]

Scott told Senate Estimates in May 2015 that the Chinese web portal was "a very important strategic opportunity for us", but he also insisted, in an attempt to rebut the criticism: "It is not a news website. It was never intended to be a news website . . . it is an information website." It was a weak defence. At home, the ABC behaved independently, unrestrained by diplomacy. In China, it was a different story. No amount of rhetoric could paper over the cracks.[27]

The AustraliaPlus.cn website continued, for a while, amid ongoing concerns that it was censoring content critical of China. In 2017 it was replaced by a new Chinese-language news service, and then, in 2018, the Chinese government banned the website, claiming the ABC had breached the country's media laws. Meanwhile, Chinese media content increasingly found its way into Australia – on social media and through the state-run Chinese television service, CCTV, being carried on pay television. The flow of media influence had become almost entirely one-way, and not to Australia's advantage.

In 2017, as part of a deal negotiated with crossbench senator Nick Xenophon, the Turnbull government agreed to conduct a review of Australian broadcasting services in the Asia Pacific. The impetus was that the ABC had decided to cut its shortwave services in the region, arguing that they were less relevant, and very expensive, in the era of mobile phones, satellite communications and indirect rebroadcasts.

The review largely backed the ABC's decision. Not only was it now possible to reach audiences in other ways, but new media technology meant the ABC was no longer Australia's only Asia Pacific broadcaster. Virtually all of Australia's commercial radio services were now streamed on the internet and through mobile devices. Shortwave broadcasts might seem to be an effective way to reach remote audiences, but in fact it could be difficult to find shortwave radio receivers in the Pacific nations. The review also suggested that the audiences using the services were quite small. "Actual demand for Radio Australia may be between 46,000 and 172,000 in the seven nations where [it is] locally broadcast, compared to a potential reach of 1.3 million people based on the population within geographical broadcast reach."[28]

Bruce Dover, who had by now left the ABC, wrote in a submission that the ABC was now providing its international service across all platforms on about a third of the previous budget. The result, he wrote, was that Australia had neither a comprehensive nor a compelling voice in the Asia Pacific.[29]

In 2018, Australia Plus was rebranded as ABC Australia. At the same time, geo-blocking was removed from the livestream on the ABC website and ABC YouTube channels. The ABC was now arguably meeting its charter obligations with video content, and with no extra effort.

What would have happened had Kevin Rudd picked up the ambitious 2009 plan for an ABC World Service? Would it still be relevant? Would the incoming Abbott government have valued and retained it?

Thanks to online streaming, the ABC and every other Australian media company is now constantly distributing content to the region. But the reduction in the ABC's international voice is not about distribution. It is about the quality of the content being distributed, and about the reporters on the ground. The truth is that Australia has yet to invest the kind of money – whether through the ABC or by some other means – that would allow

Australian voices to speak consistently to our region, and to the world. This is despite doing so being an ABC charter obligation.

The story of the ABC's international efforts is a corrective to the view that adding charter obligations in some way guarantees the funding to fulfil them.

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20

New Leaders

On 14 September 2015, there were two significant announcements for the ABC, and for Australia. First, Malcolm Turnbull announced that he would resign from cabinet and challenge Tony Abbott for the leadership of the Liberal Party. Turnbull emerged victorious from a party room ballot that evening and was sworn in the following day as Australia's twenty-ninth prime minister.

The same afternoon – between Turnbull's resignation and the leadership ballot – Mark Scott addressed the ABC staff and confirmed what many had expected: that he would leave the ABC in 2016 at the end of his second five-year term. Scott's announcement did not get much attention in the national press on the day he made it. This was mostly, of course, because of the political upheaval in Canberra.

Behind the scenes, Scott was watching the ABC's coverage of the leadership spill with quiet satisfaction. He remembered five years before, when Gillard had challenged Rudd and the ABC had not had the capacity to do rolling coverage, even though it had the scoop ahead of everyone else. Back then, the news had been carried on the 7 p.m. bulletins, and normal programming had then resumed until there was more coverage on *Lateline*. Now, viewers could see hours of continuous coverage on ABC News 24 or find updates online and on social media. He recalls: "We were everywhere across that story, servicing audiences in a way that suited them best, depending on where they were and what devices they had. And that all happened on the day I announced I was going, and that just felt good."

This capacity was one important part of his legacy.

Scott had signalled to ABC chair, Jim Spigelman, his intention to leave almost a year before, but had asked for it to be kept quiet. He did not want to be a lame duck. Spigelman had the impression Scott was also leaving his

options open – that if it seemed desirable to continue for a year or two longer, he might do so. Spigelman would have been open to that, but the board was nevertheless prepared if Scott chose to depart. The headhunting firm Egon Zehnder had been engaged in January 2015 to conduct a worldwide search to identify potential candidates. When Scott made his announcement, the position was advertised almost straightaway.[1]

Meanwhile, there was a new minister for communications. Turnbull appointed Victorian senator Mitch Fifield. This was a promotion for Fifield, whose advancement since he entered parliament in 2004 had been steady rather than stellar. He was on most issues on the right of the Liberal Party, but his reputation was as an avuncular, consultative figure rather than a fighter. He had backed Abbott in the 2009 leadership ballot but in the latest spill had changed sides, convinced that Abbott could not win the election due in 2016. The communications portfolio was, in part, his reward. In that role, he joined with the new prime minister in criticising and complaining about ABC journalism.

By the time of the September 2015 spill, there was widespread dismay about Abbott within the Liberal Party. The government had never fully recovered from the dismal reception of the 2014 budget. Increasingly, his ministers were questioning their leader's judgement. As journalist Niki Savva was later to put it in her book about the Abbott government: "His language was too brutal, his tone too threatening, and he indulged in extended culture wars, particularly against the ABC."[2]

These culture wars had reached a nadir following an episode of *Q&A* on 22 June 2015. Most of the program had been taken up with a discussion of poverty and inequality, but towards the end, discussion turned to whether Australia should imprison, deport or prosecute people who had shown sympathy for terrorist groups. Tony Jones took a question from audience member Zaky Mallah, who had been charged under Australia's anti-terrorism laws, acquitted on those charges but pleaded guilty to, as he put it, "some stupid things, including threatening to kidnap and kill" ASIO and law enforcement officers.[3] He had spent two years in prison. Mallah had appeared in the media before, including in *The Australian* and on Channel Ten's *The Project*, but he had not previously been put live to air.

Mallah started with a reasonable enough question, addressed to one of the panellists, Steve Ciobo, who was Abbott's parliamentary secretary for foreign affairs and trade. Mallah asked what would have happened to him had his case been decided by a minister rather than by the courts. Ciobo told Mallah he would be happy to see him kicked out of the country, despite the court's ruling. There was some to and fro involving other panellists before Jones returned to Mallah, who fired up. "The Liberals have just justified to many Australian Muslims in the community tonight to leave and go to Syria and join ISIL because of ministers like him," he said. Jones rapidly stepped in. "I think that's a comment we are going to rule totally out of order. I'm sorry about that. I don't think there is much more to say at this point." By now the program was over time, and Jones brought it quickly to an end.[4]

It must surely have occurred to Jones, and to executive producer Peter McEvoy, that disowning Mallah's comment would hardly protect the ABC from criticism for giving him a platform in the first place. Mallah, as they argued later, was a citizen who had a role to play in the debate about citizens' rights. But he also had a long record of inflammatory and irresponsible statements, including, it emerged in the subsequent controversy, a misogynistic tweet about female journalists. McEvoy believes to this day that Mallah was the right person to ask the question. "He was after all a citizen of Australia with a direct interest in the law changes being considered by the government . . . he was entitled to participate in our democracy and in *Q&A*." Yet including him in the audience had been a judgement call, and plenty of people thought it was a bad one.

The day after the program, Abbott went in boots and all, telling a media conference: "What our national broadcaster has done is give a platform to a convicted criminal and terrorist sympathiser . . . and in so doing, I believe the national broadcaster has badly let us down. I think the ABC does have to have a long, hard look at itself and to answer a question which I have posed before – whose side are you on?"[5]

Back at the ABC's Ultimo headquarters Scott, Finlayson and Mick Millett met to decide how to respond. Without consulting McEvoy or Tony Jones, the ABC released a statement apologising for "an error of judgement" in having Mallah in the audience, while defending the decision

to represent a broad diversity of viewpoints.[6] From McEvoy's point of view, issuing this statement was the ABC's crucial error. "From that point, the ABC was screwed. After making the initial mistake of declaring there was an error, the ABC was left scrambling to find one." The statement had been issued to try to calm things down, but the controversy ran and ran.

Abbott kept hammering the issue. Two days later, he said the ABC had "betrayed the nation" and that ABC heads should roll. The government would order its own inquiry into *Q&A*, he said.

The ABC was already planning a review of *Q&A* to investigate, among other things, the constant allegations that it was biased. The reasons for this review had nothing to do with Mallah – it was one of the regular exercises, conducted by outside experts, that had been instigated by Spigelman when he became chair. But these plans for an internal review cut no mustard with Abbott. He said: "We've announced that we're not satisfied with an internal ABC inquiry because so often we've seen virtual whitewashes when that sort of thing happens."[7] He banned Liberal Party MPs from appearing on the program.

Meanwhile, McEvoy recalls speaking to Scott, who told him that the moment Abbott had said that heads should roll was the moment he had decided they should not.

Through all this, Turnbull supported Abbott, albeit with more moderate language. He appeared on *Insiders* that Sunday and took the ABC to task, saying that it "beggared belief" that Mallah had been included in a live audience. But he also said that the ABC was an independent broadcaster, not a state broadcaster. "So the responsibility is with the board and with the management, and they have to front up to this responsibility, and we're entitled to know exactly what happened, because it was an extraordinary sequence of events."[8] In line with what Abbott had called for, he instituted an external review of the program by the Department of Communications – although notably, the terms of reference for that review did not include making recommendations, but only establishing the facts on the decision to feature Mallah. Scott recalls that during a phone conversation, Turnbull told him he thought Abbott's reaction was over the top. But he did think the ABC had made a mistake, and, as Scott recalls, "he wanted it fixed".

Scott expected the controversy would last a day or two. It ran for weeks. On 24 June, the front pages of four News Corporation tabloids carried photoshopped images of ABC flags being waved by jihadi protesters.[9] As Scott was later to remark, “Not all parties to the conversation . . . seemed vested in pursuing a rational discourse.”[10] Among the more bizarre suggestions was that the ABC had recklessly put its audience at risk simply by having Mallah in the studio. Scott requested and received a briefing from the Australian Federal Police (AFP). As a result, he was able to tell the board that the AFP regarded Mallah as a “pest” rather than a security threat. Comments McEvoy: “He [Mallah] got into a verbal argument with Ciobo, not a physical one – the whole point of *Q&A* was verbal disagreement on political matters.”

Scott was scheduled to give an address to the Centre for Corporate Public Affairs in Sydney on 25 June. The speech was already written, but after Abbott’s remarks questioning whose “side” the ABC was on, he rewrote the speech from beginning to end. It was to be one of his last and most powerful defences of the broadcaster and its role.

It would be easier to defend free speech, Scott told the audience, if you were always defending the speech of the virtuous. But “at times free speech principles mean giving platforms to those with whom we fundamentally disagree . . . Media organisations often give airtime to the criminal and the corrupt. To those who express views that run contrary to accepted public values. You have to set the bar very high before you begin to exclude certain views or perspectives.” Scott said that Mallah’s question should have been pre-recorded, but also observed that the unpredictability of *Q&A* was one of the things that made it compelling.

Then Scott turned to Abbott’s question: “Whose side is the ABC on?” “It’s a good question,” said Scott. “In any team, you can be playing on the same side, but often you will be playing in a different position, with a different role and responsibility. You’re on the same side but with a different job to do. You do your bit and you work together to make the team successful . . . The ABC is clearly Australian. It’s on the side of Australia . . . And the part we play, what we do for the side, is . . . central to our culture and our democracy. It is that of being an independent public broadcaster.” This was distinct from a state broadcaster, whose role was to communicate

the messages of government. “I hope no one seriously wants the ABC to be a state broadcaster. We know the examples: North Korea and Russia, China and Vietnam.” The ABC was not part of the government’s public relations effort. “Australians cherish freedom of expression and they cherish debate. They cherish the role of the ABC in facilitating both.”[11]

In July the ABC board issued a statement agreeing with management’s view that Mallah should not have been in the live audience, and that the decision to have him in the audience should have been upwardly referred. The board’s statement asserted that McEvoy “acknowledged the failure of editorial process and judgement around this episode”, and that he had received a formal warning under the misconduct provisions of the ABC’s industrial agreement.[12] McEvoy said he never made any such acknowledgement and made it clear he had lost no sleep over the formal warning. “I was never asked to acknowledge a failure or error and never would concede that. When I saw that statement, I wrote to the ABC board pointing that out.”

And on it went.

Savva, assessing Abbott’s downfall later, was damning of the ABC’s decision to give a platform to Mallah, whom she described as “an offensive punk”. Abbott was right to be angry at how Ciobo had been “set up” by the program, she said. Nevertheless, some of Abbott’s colleagues felt that his language was “over the top” and that he spent too much time on the affair. “This controversy . . . dragged on for days, occupying space and time better spent on other issues such as, er, the economy or the budget,” Savva wrote.[13] It was an example of the kind of behaviour that, on September 2015, caused Abbott’s downfall and replacement as prime minister by Malcolm Turnbull.

The controversy was still running on 30 November 2015, when Scott appeared before Senate Estimates. Scott knew, of course, that he would be held to the coals over the Mallah business. He used his opening statement to draw attention to another piece of content – an “extraordinary” two-part documentary called *Hitting Home* in which Sarah Ferguson had spent six months immersed in the lives of the victims of domestic violence, virtually living in a women’s refuge and accompanying police on call-outs. As Scott said, it was confronting viewing but important journalism – the kind of

thing only the ABC could do. Scott's words were true, and shrewd. Anti-domestic-violence campaigners had described gendered violence as akin to terrorism, and it caused more deaths in Australia than any terrorist attack. Scott said: "While the committee will no doubt focus on other aspects of the ABC's work tonight . . . it is important that we not forget the value the ABC brings to the national conversation." He said he believed the debate over *Q&A* was worth having, but made clear he thought it was ridiculous that it had gone on so long. He was confident, he said, that the following year the prime minister would appear on *Q&A*.[14] Scott could be confident in that rather cheeky prediction because the prime minister was now Malcolm Turnbull – one of *Q&A*'s most faithful participants.

The report of the independent review into *Q&A* – the one commissioned by the ABC before the controversy, not Abbott's threatened inquiry – was led by veteran broadcaster Ray Martin and Shaun Brown, the former managing director of SBS. It landed the following month. It cleared *Q&A* of political bias but identified a need for more women and younger panellists. Martin commented that the program was "not a lefty lynch mob", as Abbott suggested, but nor did it entirely live up to its claim to be democracy in action. This ambition was undermined by its usually being filmed in Sydney, at the Ultimo headquarters. Instead, it was "a top-rating, professional but tightly controlled, live television discussion, in which the only thing that's unpredictable are the panellists' answers". The review made no finding on the rights or wrongs of having Mallah in the audience.[15]

As for the departmental review instituted by Turnbull, it resulted in three pages of dryly worded facts, found no fault and added nothing to the debate.[16]

None of the reviews into *Q&A*, internal or external, identified any breaches of ABC editorial policies in having Mallah on the program. Nor, other than restating the ABC's concession that he should not have been in the audience, did they identify precisely what had been done wrong. The only real issue was whether McEvoy should have upwardly referred the decision to have Mallah in the audience.

Soon after this controversy, *Q&A* was transferred from the television to the news division. This, by itself, was not significant. Programs moved from division to division for various reasons. The same editorial policies

applied throughout the organisation, but the move was presented as some kind of concession to the controversy.

McEvoy and Jones were not against the move. They were missing their doughty defender, Kim Dalton, and finding Finlayson less helpful in his stead. Internal correspondence shows that relations were icily polite in preparation for the move to news, with Finlayson trying to introduce a weekly "editorial forum" at which McEvoy was to "come prepared to brief the group on any issues which are in doubt and therefore require discussion or decision, as well as any issues which are likely to cause controversy or significant impact". This, the document said, was part of "upward referral" in the wake of the Mallah affair.[17]

McEvoy believed, then as now, that the ABC's concession of error – which he disagreed with – was the only evidence that anything wrong had been done. As for the suggestion he should have upwardly referred the decision to have Mallah in the audience, McEvoy said, in discussions with me for this book, "Why? What would that have added to the editorial judgement? Upward referral is just a method for managers to shift responsibility." It was yet another example of how understandings of upward referral, and preparedness to comply, differed throughout the organisation. Journalists and the executive producers of current affairs programs, including McEvoy, tended to think it meant they made the decisions. After all, who was better qualified to do so? More senior management, including Scott, and the board, often disagreed.

Shortly after *Q&A* moved to news, Kate Torney left the ABC and was replaced by Gaven Morris, who McEvoy felt was hostile to the program. It was removed from ABC News 24, eliminating much of the "live" aspect for those in western states and, in McEvoy's words: "The editorial pressure from news management became a major distraction and I think played a significant role in deadening the program. It prevented us from focusing on evolution and development."

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While the controversy over Zaky Mallah raged in the headlines, Scott continued his quiet engagement with politicians on all sides. The 2015–16

financial year marked the end of the triennium for ABC funding. Even as the organisation was reacting to and recovering from the 2014 cuts, the ABC had to put its best foot forward in funding submission to be considered as part of the 2016 budget. The reports Scott made to the board reveal he was putting in a consistent effort in Canberra, lobbying both sides. An election was due later that year, and it was possible Labor would win. Scott was bringing all his political skills to the battle. By the time he left the ABC in early May 2016, he knew he had had some limited success.

He was paying particular attention to National Party MPs – not surprisingly, since his main pitch was to secure the continuation of funding for the enhanced news gathering program, a scheme first funded by the Gillard government in 2013–14 to expand and maintain the ABC's presence in the regions. Scott had wanted the funding to continue at $20 million a year. He didn't get that, but the funding was continued at $41.4 million over three years to "support local news and current affairs, particularly services outside of capital cities". Otherwise, base funding for the ABC was maintained and indexed. Nevertheless, the May and November 2014 cuts had cemented $30 million cuts in 2015–16, $57 million in 2016–17, $65 million in 2017–18 and $90 to 100 million over the next few years, including the reduced funding for enhanced news gathering.[18] The lower news-gathering funding meant there would have to be cuts to services. The difficult decisions to be made, including ending ABC Fact Check, fell to Scott's successor.[19]

Meanwhile, the new minister for communications, Mitch Fifield, was to renew Richard Alston's practice of lodging complaints against the journalism of the organisation he was charged with overseeing. He was not as quick to pick up the phone to complain as was Turnbull, but he was also not an advocate for the organisation in cabinet, as Stephen Conroy had been. His main achievements lay elsewhere, in reforming cross-media ownership laws and commissioning an ACCC inquiry into digital platforms. Nevertheless, he had a significant impact on the ABC through his board appointments and the subversion of the arm's length, merit-based selection process introduced by Conroy, and by joining in with others to put the journalism under pressure – a story that will be picked up in Volume 2 of this history.

Under Conroy's legislation, an independent panel sent a shortlist of recommended applicants to the minister. If the minister decided to appoint someone not on that list, an explanation had to be given to parliament. Conroy had stuck to this process. So too had Turnbull as communications minister. Fifield and many of his colleagues thought the process was unnecessarily cumbersome, given the minister in any case had the final say. But rather than amend the legislation, which would have been controversial, Fifield simply went around it.

The first round of board appointments after Fifield became minister was in late 2015, early in his tenure. Steven Skala was leaving after a ten-year term, and a vacancy was being filled. Fifield appointed Kirstin Ferguson – a former airforce officer, company director and governance specialist – and Donny Walford, a South Australian leadership coach and entrepreneur.[20] Ferguson had been through the formal application process and was recommended by the panel as "very suitable", but she had withdrawn late in the process. Fifield persuaded her to reconsider, and she was appointed as his personal pick. Walford, on the other hand, had not even applied for the job. She was a virtual unknown outside Adelaide. Because these appointments were made just before the long summer break, Fifield did not have to make his explanation to parliament until February the following year, almost three months after Ferguson and Walford had been appointed, and after they had participated in the selection of the new managing director. When the Department of Communications did produce its statement of reasons, the document was not published. Fifield's reasons for picking these two have never been revealed.[21]

In November 2015, the board that was approaching its most important task – the selection of a new managing director – was made up of Spigelman as chair, Peter Lewis, Jane Bennett, Fiona Stanley, Simon Mordant and the staff-elected director, Matt Peacock. By the time Walford and Ferguson joined in November, the selection process was already well underway.

Ten years before, when Scott had been appointed, the board had played an intimate role in a process suffused with the sulphur of the culture wars. The process which resulted in the appointment of Michelle Guthrie was quite different. It took much longer and was dominated by Spigelman. It

was also notable for the number and quality of candidates who applied and who were apparently lightly passed over.

The criteria for the job included leadership qualities, broadcast experience and a strong understanding of digital media and its implications, but there was another, less explicit criteria. Months before the process got formally underway, it was widely known that Spigelman had a strong preference for the next managing director of the ABC to be a woman – the first to hold the post. In an interview for this book in September 2017, when Guthrie was still in the job and one year before she was sacked, Spigelman was upbeat about the process that had led to her appointment and pleased with the decision. He confirmed that his preference had been for a woman. In his view, women brought a "different perspective" to management.

In fact, he had had a different woman in mind. He wanted Kate Torney, the director of news, to apply. Torney had been spotted early as management talent, first by Russell Balding and then by Scott. In researching this book, I heard catty remarks and criticisms of every member of the ABC executive from within the ABC – except for Torney. After seven years as director of news, she was well respected. Nobody had a bad word to say about her, despite the extent of the changes she oversaw and the pain that came with them, and some difficult struggles over the television schedule. She combined a traditional journalist's incisiveness and fierce defence of editorial independence with a strategic brain and a preparedness to embrace and drive change, rather than seeing every change as a threat. Many saw her as the natural successor to Scott and hoped that it would be so.

But in July 2015, Torney announced that she would be leaving the ABC. In theory, this would not have stopped her from applying for the managing director's role, and both Spigelman and Scott tried to convince her to do so, but Torney ruled herself out of contention. There were multiple reasons. She had never hungered for the top job. As well, there were events in her personal life that were debilitating and affecting her health. Being director of news had been all-consuming, and she was very tired. Moreover, she had concluded that the ABC needed "a lot of clearing up". Part of this was a legacy of Scott's decision not to fundamentally restructure the organisation in the wake of Project 21. Torney understood why he hadn't done it in the midst of the disruption caused by the 2014 cuts, but in her view it was now

overdue. Then there was David Pendleton. In Torney's view, Pendleton's power was entrenched. She thought the next managing director would have to address Pendleton's grip, and it would be a big fight. She wasn't up for it. Torney's view was not entirely corrrect, although it may have appeared that way at the time of her departure. Shortly after she left, Pendleton's empire suffered big cuts, including to broadcast operations, resources and capital works. It was painful.

Torney was lost to journalism for the following decade. She became the CEO of the State Library of Victoria, and then CEO of the Peter MacCallum Cancer Foundation. In 2024, she took up a position at Monash University as executive director of the Asia Pacific branch of the Constructive Institute, which aims to improve journalism through encouraging "solutions, nuance and democratic conversation".[22] Spigelman told me that losing Torney as a contender for the managing director's job was his biggest regret. In his view, it robbed the recruitment process of one of the strongest contenders.

Egon Zehnder had come up with a list of 150 names as a result of their worldwide search. Michelle Guthrie's name was on that list. So was that of a former holder of senior ABC jobs and a dedicated ABC watcher: Kim Williams. Williams had been circling the ABC his entire life, even though the most recent chapter of his career had been at News Corporation. He and Spigelman were close friends of long standing.

As a journalist reporting on the ABC during Scott's tenure, it was sometimes difficult for me to find cogent criticism of Scott's leadership. The Friends of the ABC tended to be conservative, and suspicious of digital innovation. The unions also tended to be hostile to change. The criticism from News Limited was too one-eyed to be of much use. Senate Estimates often took its cues from News Corporation. But journalists fear, or should fear, being captured by their sources, and Scott was so adept at advocacy that I feared being captured by him. In this context, Williams was useful. He loved the ABC and believed it was essential to Australian life and democracy, but he was very critical of Scott – scathing about the sinking of resources into ABC News 24 and horrified by the cuts to Australian content after 2014. He could be excoriating, but he was well informed and always had an argument about the need for reform.

Williams had been the boss of the Australian Film Commission, then of Southern Star Entertainment in the late 1980s, and had been the founder and inaugural chair of the Film Finance Corporation. He had applied for the managing director's post in 1983, when Geoffrey Whitehead got the job. He was not a serious contender at that time, largely because of his youth, but he was recognised as future talent and was invited to be the managing commissioner at the Australian Film Commission later in 1983. In 1992, he had an executive role at the ABC under David Hill and subsequently Brian Johns, who offered him the role of deputy managing director. He was seen as a potential successor to Johns. Instead, he went to Twentieth Century Fox to establish a new film studio in Sydney, Fox Studios Australia. Subsequently he was appointed CEO of Foxtel at News Limited.

When Scott left the ABC in 2016, Williams had recently resigned after a brief twenty-one months as head of News Corporation Australia. He never succeeded in becoming an insider at News Corporation, particularly when it came to the powerful editors of the newspapers. In August 2013, Williams resigned, agreeing with Murdoch that the situation was unsustainable.

In the News Corporation ecology, there is a particular viciousness reserved for former colleagues who have left on bad terms. All this would have made Williams a potentially inflammatory appointment for the ABC job. He knew this, and he did not intend to apply. He says Spigelman persuaded him to do so. The subsequent process ended their friendship, although they remain cordial.

As Williams tells it, Spigelman told him he was the best man for the job. Williams responded that he might be, but it was irrelevant because the board would not have the courage to stand up to the extra heat from News Corporation. Spigelman did not let up, ringing him repeatedly until Williams relented. Williams recalls: "I said, 'Well, Jim, I'll agree to it on one basis. That if I'm not going to get it, I can just withdraw.'" He says Spigelman promised to give him sufficient notice to make that possible. Williams told Spigelman that his name would be "dragged through the mud" as part of the application process. He was right.

By early December 2015, the board had whittled the shortlist down to about twenty. At Spigelman's suggestion, they adopted a golf scoring system to sort the field. All the directors filled in their preferences from one to twenty, which resulted in a clear line between the top and bottom ten.

The top ten were each interviewed by Spigelman and another board member, who then reported back to the whole board.

When it came to Williams, Spigelman recused himself from the process because of their friendship, so Williams was interviewed by Simon Mordant and Matt Peacock. By all accounts, it did not go well. I interviewed Peacock for this book in 2017, before his death in 2024. He recalled the encounter as difficult. He was more inclined towards Williams than was Mordant.

After that interview, the *Australian Financial Review* ran an item in the gossip column written by the notoriously ruthless Joe Aston, who was known for publishing gossip about Williams and the News Corporation editors. Under the headline "Kim Williams wrong person to lead the ABC", Aston dug out every critical comment Williams had made about the ABC over the years. He had criticised the ABC's "endless capacity for self-congratulation", said that there had been a decline in its intellectual standards, and described statements by some ABC executives – implicitly Mark Scott – as "pompous twaddle [that] ill behoves important national institutions". The article predicted that News Corporation would "rightly go feral" if Williams was appointed and concluded with the observation that "Williams is no friend of journalism, except as a rich vein of material".[23] A few weeks later, *The Sydney Morning Herald* ran a story by Matthew Knott headlined "Kim Williams falls from favour as next ABC Managing Director". It reported that Williams divided the ABC board and was viewed as "too polarising a figure to lead the organisation".[24]

It seemed clear that both stories had been informed by at least one source on the ABC board. Williams certainly thought so. He saw it as a "character assassination" and told me that he asked Spigelman to write to the directors, "copying me [in] and instructing them to stop it. Which he did."

Williams never got a call from Spigelman to warn him that he was not going to get the job, so he did not have the opportunity to withdraw before a decision was officially made, and in any case the leaks had made the fact of his application public. For a long while the two men did not talk. When I interviewed Williams in 2025, they were, Williams claimed, "civil" to each other, but no more. By the time of my interview with him, Williams was

very much back at the ABC. He held the position Spigelman had once occupied – chair of the board.

Williams was not the only credible applicant who was excluded. Other applicants included Julianne Schultz, former ABC executive and board member. She was told she did not make the final cut because she did not "scale" – that is, she had never run a big organisation. But this, as she pointed out in a complaint to Spigelman, had not been in the advertised selection criteria. Another rejected candidate was Kate Dundas, formerly head of ABC radio. Angela Clark, director of the digital network division, applied but did not make the long list. Finlayson also applied and got nowhere. External applicants included at least two News Corporation executives. David Pendleton applied with a detailed plan for taking the ABC forward but was not interviewed. Spigelman apparently thought the board knew him well enough not to need to question him, to which Pendleton responded that they knew him as the money and resources man. They had no idea of what his vision as managing director might be.

Michael Ebeid, still heading SBS, was interested in the job, but after making some initial confidential inquiries, concluded he was not what the chairman was looking for. He, too, heard that Spigelman wanted a woman. He decided not to apply. Glyn Davis, a former public servant and academic and at the time vice-chancellor of the University of Melbourne, was approached by Spigelman and Scott late in 2015 and encouraged to apply. Davis had written his PhD on the ABC. He was not himself a journalist, but he came from a journalistic family and had an innate understanding of the craft. But he was fully occupied in steering reforms at the University of Melbourne. He was flattered and intrigued but could not be tempted.

Many of the candidates who applied and were rejected were left feeling bruised and insulted by the process. Torney, watching the process with great interest, was staggered to gather that people such as Dundas and Schultz, in particular, had been eliminated without being interviewed by the whole board. Spigelman, on the other hand, was feeling pleased. He knew that when Scott had applied for the job ten years before, the board had considered there were only two truly qualified candidates. Now there were at least six he felt could be appointed. He took that as a tribute to Scott's tenure in the job – he had moulded the role into a desirable position of power, influence and significance.

Yet only two applicants were interviewed by the whole board: Michelle Guthrie and David Anderson. Anderson was the quintessential ABC insider. He was director of corporate strategy and planning and had previously worked under Dalton in television and under Pendleton in production resources. He had filled in as director of television in the interregnum between Dalton and Finlayson. As described in Chapter 17, he had played an important part in the Lewis review. It was Scott who urged him to apply. Anderson recalls that Scott invited him to lunch. “Mark didn’t do lunches very often, and when he did, it was nearby, it was Asian cuisine, a very quick stir fry and a glass of water or a Diet Coke, and then you were back in the office.” Scott told him that nobody would see him coming for the managing director’s role. Anderson responded, “Well, that resonates with me, mate, because I have been underestimated my entire life.” Scott told him that he had a “way of seeing the ABC and its future . . . that I think the board should hear”. He would be doing the organisation a favour by applying, Scott said, even if he was not successful. “So I said, ‘Fine, all right, I’ll do it.’ So that’s why I applied.”

In December 2015, Anderson and Guthrie were both subjected to three-hour interviews by the whole board in the offices of Egon Zehnder, high above Sydney in Governor Phillip Tower. Anderson went second, with no idea who he was up against or how many candidates there were. Waiting in an anteroom with frosted glass at eye level and clear glass below knee level, he watched legs and shoes passing in the corridor outside. As the previous applicant exited the interview room, he saw women’s shoes.

Then he was on. The entire board was there, along with the ABC’s head of human resources, Samantha Liston. Anderson was sitting with his back to the window and its amazing view over Sydney, wondering whether the people opposite were looking at him or at the view. His pitch was all about journalism. It was important, he told them, that the ABC tell Australian stories, but most of the organisation’s efforts should go into its journalism, and in particular local journalism: “We should champion the local stories for a national audience.” He also talked about resetting the ABC’s relationship with government. Key to convincing politicians of the value of the ABC was the fact that it was trusted, he said. The organisation should put trust in its journalism at the forefront of everything, including its pitches

to government. The trust of Australians should be its lead key performance indicator.

Towards the end of the interview, Donny Walford asked him: “David, is there any reason that we wouldn’t appoint you to the role?” He recalls: “Being me, just because I’m an honest soul, I said, ‘Well, as you’re walking through the anteroom upstairs on level 14 at Ultimo, you see the black and white photographs of twelve men that have been managing directors since 1932. If there’s a reason that you wouldn’t pick me, it is because it might be time to pick a woman.’”

Shortly afterwards, Spigelman rang Anderson to tell him he hadn’t got the job. Anderson’s first reaction was “an immediate wave of relief”. Spigelman moved quickly to tell him that the board wanted him to stay with the ABC, that he was highly valued. Anderson had no trouble assuring him that he would stay.

The vote to appoint Michelle Guthrie was not unanimous. Peter Lewis, who had worked closely with Anderson on what had become known as the Lewis review, voted for him. The rest of the board went for Guthrie, impressed by her CV and her presentation in interviews. When her appointment was announced on 21 December 2015, it was a surprise to everyone outside the ABC. Her name had not been mentioned in any of the media speculation. But, as many pointed out, nobody had seen Scott coming either, ten years before.

In a media release, Guthrie was introduced by the board as bringing “business expertise, international contacts, a record in content-making across an array of platforms, a deep understanding of audience needs and corporate responsibility for promoting issues like diversity”.[25] She was promoted as being more representative of modern Australia than the generations of suited white men who preceded her. Her Chinese mother and white Australian father had met at the bank where they both worked, and she had been brought up in Sydney’s eastern suburbs in a bilingual – Cantonese and English – household.

Based in Singapore at the time of her appointment, she was largely unknown outside the legal and corporate circles in which she had worked. She wanted to return to Australia to care for her aged parents and raise her children, and later admitted that she had been hoping for a senior board

appointment. The ABC managing director's job had not been on her radar until it was advertised.[26] There was only a thin clippings file from her career, which began in corporate law. She had then moved to Rupert Murdoch's News Corp, including stints at Foxtel and at Star TV in Asia. By all accounts, when she left News Corp in 2007, there was a distinct coolness between her and the Murdochs. She became the managing director of private equity firm Providence Equity Partners in Hong Kong, and in 2011 joined Google in Singapore. All her media interviews had been brief, bland and driven by media releases – the kind of interviews corporate executives do when they want to reassure or spruik to the market.

Like every other media journalist, in late December 2015 I was ringing around trying to find out what I could about Michelle Guthrie. Few of her former colleagues would speak – whether out of loyalty to her or because they had nothing good to say was not clear. She had served her masters with agility, good sense and vigour, but she had not conceived their plans. A remark from a former boss was typical: "She was a great team member, but not a leader of the team."

Asked to recall why he chose her, Spigelman told me that he liked that she was a woman, that she was from outside the ABC, and that her experience working for Google suggested she understood the digital world. Other board members, including Fiona Stanley and Matt Peacock, were impressed by her as well. As one put it, "On paper she was terrific. It was a great CV."

Disgruntled unsuccessful applicants put it about that Guthrie was Malcolm Turnbull's pick and had been recommended to him by her mentor, Bruce McWilliam, who was Turnbull's former colleague, neighbour and close friend. Spigelman vehemently denies this. He told me he had never discussed Guthrie's application, or the appointment process, with either Turnbull or McWilliam. Turnbull told me he didn't know Guthrie "at all" and had no opinion when she was appointed – a process he said was left entirely to Spigelman and the board. He also said that he came to the conclusion shortly after she was appointed that she might not have been the best choice.

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Mark Scott's last appearance at Senate Estimates was on 9 February 2016. The session started with a tribute from Fifield as communications minister. Scott, he said, had "given his all to the role" during "a time of incredible technological change". Stephen Conroy was more effusive. He told Scott: "Your leadership in pushing the digital transformation, your ability to see the future needs of Australian citizens and your future thinking has placed the ABC in an extraordinarily strong position for your successor." He added his thanks to Scott for protecting Australians' ability to watch *Doctor Who*.[27]

There was a substantial crossover period between Guthrie and Scott. She entered the building in March. He didn't leave until the first week of May. It was meant to be an opportunity for a handover. Scott and his team had compiled a massive folder of briefing materials for Guthrie, covering all aspects of the ABC's operations. He made himself available for meetings. She took advantage of none of it. If she read the briefing materials, Scott never heard about it. When he finally left the building, he had little feel for his successor but had absorbed the message that she apparently saw no need to learn from his experience.

One month after he left the ABC, in June 2016, Scott was announced as the new head of the NSW Department of Education. He was to serve in that role for five years, and was then appointed vice-chancellor of the University of Sydney, a post he still holds at the time of writing.

Scott was, without a doubt, one of the most significant managing directors in the history of the ABC. Many say he was the best – which is not to say he got everything right.

In hindsight, driving the organisation into the digital world might seem like the obvious thing to do, but it was not obvious at the time. At every stage, there were alternative paths that must have looked easier. Important things had to be sacrificed to make the digital transition possible within the limited budget. There were cuts to content and redundancies. Things of real value were lost or laid aside so that the ABC could keep up with the changing times. There was much to mourn. Nor, in 2016, could the ABC be complacent that it had done enough to keep up.

One measure of success is audience reach, but that is hard to assess, because the ABC changed so much over the period – more television

channels, more podcasts, more digital radio stations and more apps. Comparing the ABC of 2016 with that of 2006 is not comparing apples with apples. To complicate matters, the ABC altered the way it measured total reach in 2016, from a fixed line telephone survey to a web methodology, making direct comparisons impossible.

Nevertheless, in 2016 the ABC calculated that across radio, television and online, 69 per cent of Australians were using its services.[28] The figure in 2006 had been 71 per cent – but due to the change in measuring methodology, these two figures are not a clean like for like comparison. They indicate broad consistency across the decade. In 2016 the four television channels were used by 13.4 million Australians. Their audience numbers were falling, but iView was rising.[29] Australian homes, by 2017, had an average of 6.2 screens, the majority of which were internet-capable. People were spending 28 per cent of their time using television sets to do something other than broadcast viewing – watching streaming services, browsing the internet, gaming. There was so much more to watch and do in media.[30] Against this, 38 per cent of online Australians accessed the ABC using the internet and desktop computers, mobile devices or tablets – just short of the 40 per cent target the Audience Strategy Group had set in 2014, when the decision was made to prioritise digital infrastructure at a time of cuts.[31]

The figures show that through all the changes, the ABC had retained its grip on the audience over the ten years of Mark Scott's tenure. This was a feat not achieved by any other traditional Australian media company during this decade, with the likely exception of SBS, which increased its reach on television, largely by adding more channels, and did well online as well. Over the same decade, commercial television reach fell by about 10 per cent. Print newspaper circulation collapsed and was not even close to offset by growth in web and digital readership. Commercial radio held up better but did not grow. Meanwhile, new platforms – Google, YouTube and Facebook – grew from nothing to enormous figures.

The ABC had kept its feet, and the public trust. It remained central to the nation's ability to know itself. It could easily have been otherwise.

At a managerial level, the ABC remained a tough place to work, riven with factional fights and nastiness, but it was probably better than Scott had

found it. It was now common for divisional heads to talk in terms of whole organisation strategy, particularly when it came to audiences. In the words of Kim Williams, traditionally a Scott critic, “Mark put some very substantial wallpaper over the cracks” in the organisation’s politics. And, as we shall see in the second volume of this history, the organisation’s internal culture remained resilient.

There was unfinished business when Scott left, and what can be seen in hindsight as harbingers of trouble to come. The ABC was arguably overdue for a restructure, which Scott had chosen not to force while the broadcaster was absorbing budget cuts. His successor forced one through without having husbanded the cultural capital.

The ABC was producing less content in-house and commissioning less Australian content. At the time of writing, the levels of Australian content have never recovered from the cuts of 2014. After some years of relative plenty, it was enduring a famine in funding, with no sign of relief.

Scott had great political abilities. His public advocacy for the ABC was probably the most effective the organisation had ever had from a managing director. His speeches were collected and published as a book after he left. Together they amount to a robust rhetorical and intellectual defence of public broadcasting, and the role of the ABC in particular. But his skills and advocacy were not sufficient to protect the organisation from the cuts and hostility of the Abbott government.

Internally, some mark him down for his consensus style. They wanted to see more passion, more colour, more inspiration. He was, they say, more of a manager than a leader. I imagine Scott himself might say that in an organisation as complex as the ABC, that is a false distinction. History suggests that those who try to pull the ABC in a direction without the broad consent of its staff and audience are bound to fail, and the record for those displaying obvious passion is mixed.

Perhaps most importantly of all, he did not cave to political pressure on matters of principle, including in times of intense trouble. He held the line on independence but, to adopt Kerry O’Brien’s words regarding the Dinnergate affair, in a “softly, softly” way – it was not performative. He tried to keep the political temperature manageable. He did not pro-actively confront government, unlike some of his predecessors, but he argued his corner. And he managed the board well, navigating around demands he

disagreed with, controlling information flows, avoiding confrontation when possible.

Critics might say he made needless concessions – such as during the Zaky Mallah affair, or in his apology to Chris Kenny – although interestingly, in the latter case, Julian Morrow, who strongly opposed the apology at the time, now says Scott did the right thing to protect the integrity of the organisation, “even when ABC legal and editorial advisers and up-themselves comedians like us were recommending holding the line against an ABC critic”.

Scott – and Spigelman – set up accountability mechanisms that were not always welcomed, and which put journalists under scrutiny. But when it counted and the journalists had their facts right, Scott had their backs.

Had Scott stayed for another term, it would have become difficult to imagine the ABC without him – which would have been a bad thing. Torney was right in her assessment. There were things that needed doing, and Scott was not necessarily the person to do them. Not that things went well when he left.

The Turnbull government won the July 2016 election as Michelle Guthrie was finding her feet. From March 2017, the new chairman, Justin Milne, was frequently in Turnbull’s ear. As we now know, a conflict between Guthrie and Milne was about to propel the ABC into one of the biggest crises in its history.

The years from 2006 to 2016 had been about going digital: the difficult choices, the imperative and the costs, the things gained and lost. That story continued. But the crisis that was about to befall the ABC, and the years that came afterwards, placed journalism, journalists and the organisation’s capacity for judgement at the centre of the narrative, as the world and its media became increasingly fractured. This is a story that will be taken up in the next volume of this history.

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Sources and Acknowledgements

This book is primarily based on interviews. I think this is a strength, but there are also reasons for this approach that are to do with the difficulties of the documentary record and getting access to it.

I sought the ABC's cooperation in accessing documents, including board documents, early in this project when Michelle Guthrie was managing director and Justin Milne chair of the board. Guthrie refused my request. Then, suddenly, she and Milne were both gone. I tried again when Ita Buttrose was chair of the ABC board. My request was refused. Ms Buttrose did, much later and after leaving the ABC, consent to an interview that will inform Volume 2 of this history.

I tried again after Kim Williams succeeded Buttrose and at last had success. Williams granted access, in principle, with enthusiasm. He and the then-new managing director, Hugh Marks, did their best to help me. However, by the time they offered this cooperation the manuscript was well advanced, deadlines were impending and the process from their in-principle decision to actually getting my hands on documents was neither fast nor simple.

Sadly, the ABC archives are not in the kind of shape that makes them easy to use, even for ABC insiders. I proposed that I be given off-the-record access to the catalogue, so I could identify topics I wished to explore and then request access to particular documents. I was told there was no catalogue, finding aid or, in the words of one ABC staffer, "single source of truth" on ABC records, which are stored within the divisions that created them – and of course, those divisions have been restructured several times over the years. Even finding documents that you know exist can be difficult. ABC records eventually end up in the National Archives of Australia. Judging by my experience, it will be a patchwork record and difficult to use. This is a sad thing for our nation's history. Given all this, I was advised to nominate topics or categories of documents I would be interested in

seeing, and a search would then be conducted on my behalf. I provided several such lists, and there the process stalled.

Only when, as a last resort and with time running out, I began lodging freedom of information requests, thinking that a statutory deadline might help, did we properly get underway thanks to Mr Marks's intervention and the considerable efforts of the ABC staff he assigned to helping me. I did not need to use FoI, and I thank Mr Marks, Mr Williams and the ABC staff involved in what was surely a thankless and onerous job. But for me, and I suspect for the ABC staff, it was a high-effort and low-yield exercise.

I am somewhat reassured that my predecessor as ABC historian, Ken Inglis, who was also refused access to most ABC documents when writing his second volume of history, concluded that this was no great loss. He quoted former chairman Mark Armstrong as saying that the documents would not reveal "much more than you can get by interviewing some people". I am inclined to think this remains true. (Inglis's first volume was an authorised account, written at the invitation of the ABC, which assigned him a research assistant and gave him unrestricted access to documents. Those days have clearly gone.)

Nevertheless, this was not wasted effort. I requested and was given all the managing director's reports to the board, which were very helpful. I was also given access to a small quantity of other documents in answer to specific requests. This was all on condition I check anything I wished to use or quote. When the time came, the relevant permissions were granted speedily and without exception, and ABC staff were assiduous in clarifying matters and checking facts in a couple of cases where the documentary record provided was less than complete or misleading.

To add to this, I had the documents that, over the years of my work as a journalist, have been released under freedom of information legislation. As well, there are the records of Senate Estimates, and the constant commentary from observers and critics.

Thankfully – or at least I am thankful for it – the ABC has always leaked copiously. Most of the ABC documents I have relied on have come to me by these means, rather than through the official processes described above. ABC people are usually proud and eager to talk about what they have done, and many of them have hard drives, garages and lofts full of

documents. These documents were used with the permission of the sources that provided them, but without official ABC imprimatur or foreknowledge.

I interviewed more than seventy people for this book, with some interviewed multiple times. This was often followed up by thousands of words of emails and discussions. Most of these sources are clearly identified in the text. Some exchanges were off the record or on background and therefore are not identified.

No ABC person, and certainly not the ABC as an institution, has had control over the book. The final cut was mine to determine, within the terms of the agreements I made, and the text of this book is my responsibility. Inevitably, almost none of my interview subjects will completely agree with the judgements I have made. Particularly because of this, I thank them for the huge amounts of time they gave me. This is my greatest debt.

There are, sadly, incidents and anecdotes and trends, some of them important, which have not made the cut in what is already a very long book. Some will feature in Volume 2. Others simply could not be dealt with in the available space.

My thanks are particularly due to Michael Ward, who helped me to analyse some of the figures. He and a number of other people read sections of the draft manuscript to check for accuracy. Any remaining errors or misjudgements are, of course, my responsibility alone.

I thank Gary Dickson for completing the painful task of reading all the transcripts of the ABC's appearances before Senate Estimates, 2006–16 and summarising them for me.

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Last but not least, my thanks to friends and family for putting up with this project and with me, over many years, with more years still to come.

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Today, the ABC offers things that were unimaginable twenty years ago: 24-hour rolling news, apps full of kids' content, countless podcasts and on-demand television shows. Before smartphones, broadband and social media, all this was impossible. *Going Digital* tells the tumultuous story of how the ABC remade itself for the digital age between 2006 and 2016, revealing the big personalities and controversial decisions behind its transformation.

These were the years of the Chaser and *Q&A*, *Spicks and Specks*, *Conversations* and *The Slap*. Some beloved programs thrived in the new era – others would not survive. Always, there was the threat of political interference and heated debates about what a public broadcaster should be.

The changes were remarkable – but did all-pervasive news come at the expense of depth? Have politicians learnt anything from their attempts to intervene? Who really pulls the strings in our public broadcasters, and can they keep up with the rapid changes still unfolding?

Drawing on dozens of candid interviews with key players and Margaret Simons's deep understanding of Australian media, *Going Digital* is a gripping, behind-the-scenes look at our most important cultural institution.



MARGARET SIMONS is an award-winning journalist and the author of thirteen books, including biographies of Penny Wong, Tanya Plibersek and Malcolm Fraser; the latter won the Book of the Year and the Douglas Stewart Prize at the 2011 NSW Premier's Literary Awards. She won the 2015 Walkley Award for Social Equity Journalism and has been honoured with several Quill Awards for Journalistic Excellence.

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